

# MEMORANDUM

**DATE:** September 18, 2023  
**TO:** McMinnville Planning Commission  
**FROM:** Heather Richards, Community Development Director  
**SUBJECT:** G 1-20, G 3-20, September 7 Public Testimony Response

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The City of McMinnville is currently considering the adoption of a Housing Needs Analysis and Economic Opportunity Analysis for the planning horizon of 2021-2041 and a population forecast of 47,498 people as part of its obligation to plan for growth per the Oregon land use system. This planning process also includes a needs analysis for housing, employment, and public land need for a planning horizon of 2041 – 2067 and a population forecast of 62,803 in preparation for an urban reserve area.

For the September 7, 2023, Planning Commission public hearing, the City received public testimony from 1000 Friends of Oregon/Friends of Yamhill County (FRIENDS) on August 30, 2023, and Mark Davis (DAVIS) on September 5 and September 7, 2023.

Since the public testimony had allegations of legal non-compliance and challenges about the data used by the consultant, the City asked Bill Kabeiseman of Bateman Seidel, (contracted legal counsel for the City of McMinnville for land use matters) and Beth Goodman of ECONorthwest to provide memorandums with their respective responses to the public testimony received. (Attached to this memorandum)

This memorandum attempts to synthesize those comments and provide options for the Planning Commission to consider.

We have tried to identify those issues that are legally not compliant with state land use laws, those issues that have errors in the data, and those issues that FRIENDS and DAVIS just do not agree with the Project Advisory Committee's recommendation and are providing their own argument to persuade the Planning Commission to choose a different assumption.

There were over 50 people who volunteered to sit on three different Project Advisory Committees (Housing Needs Analysis, Economic Opportunity Analysis, and Public Land Needs) that met thirteen times over 20 months (2018 – 2020) and a Project Advisory Committee that met twice in 2023 to update the documents.

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There were also two work sessions with City Council for feedback, one joint work session with City Council and the Yamhill County Board of County Commissioners, as well as three public open houses. The Project Advisory Committee volunteers reviewed memorandums provided by the consultant and city staff as well as input gathered from the City Council and public open houses.

Much of the FRIENDS' persuasive arguments center around encouraging the City to use the "safe harbors" in the laws. Safe Harbors are presumably not appealable in a challenge to the analysis. However, the laws also allow cities to make assumptions based on the best available data relative to the local conditions in their communities to ensure that future land need is meeting community values and needs. Both the safe harbors and local data scenarios were provided to the Project Advisory Committee for consideration. In most cases, the PACs chose to use local data for their recommendations.

FRIENDS has concerns about the data used by the PAC to make their recommendations. However, as you will see from both the Bateman Seidel memorandum and the ECONorthwest memorandum, the data used by the PAC is legally legitimate, and the best data available to them at the time.

Per OAR 660-024-0040(1), *The 20-year need determinations are estimates which, although based on the best available information and methodologies, **should not be held to an unreasonably high level of precision.** (Emphasis added)*

If the Planning Commission would like to amend any of the data or assumptions based on the public testimony received, we have tried to provide a timeline and cost associated with that direction to help with your decision-making.

## **FRIENDS TESTIMONY, AUGUST 30, 2023**

### **II. GENERAL COMMENTS**

- FRIENDS asserts that McMinnville's lot sizes are "significantly larger than similar Willamette Valley cities." We are not sure what cities FRIENDS is comparing McMinnville to, or how that assertion is relevant to the needs analysis, unless it pertains to the historic density of development in McMinnville, which is used to calculate land need in the needs analysis. Regardless, state law does not require all cities to have the same density requirements in their land-use program. However, it does require the needs analysis to establish a baseline based on factual data of historic density of development in the community.

The draft 2023 HNA is based on a historic development density plus the 3% adjustment per HB 2001 (2019 Legislative Session) of 5.46 units/acre. The recent McMinnville Growth Management and Urbanization Plan (MGMUP) that was adopted in 2020 and acknowledged by the state in 2021 after no appeals, was originally developed in 2000 and was based on historic density of development prior to 2000 plus the land-use efficiencies adopted in the plan that aspired to mandate

development at 5.7 units/acre. Unfortunately, since it took 20 years to adopt the MGMUP, much of the land within the city limits was developed at a lesser density than was planned for in the MGMUP. And per ORS, the City needs to use the development horizon since the last acknowledged needs analysis for the new needs analysis, which in this case was development permits for 2000 – 2018.

- FRIENDS asserts that the park land need is based on a parks master plan that was not achieved and is expired. The McMinnville Parks, Recreation and Open Space Master Plan has not expired and the City has adopted Comprehensive Plan Policies that direct the City to use the Parks, Recreation and Open Space Master Plan to identify park land need.
- FRIENDS asserts that the City cannot use the population forecast that it is using from June 30, 2017, as a new forecast was issued June 30, 2020. Per OAR 660-032-0020(5), “If a local government outside the Metro boundary initiates a periodic review or any other legislative review of its comprehensive plan that concerns an urban growth boundary or other matter authorized by [OAR 660-032-0040 \(Interim Forecasts\)](#)(2) after the Portland State University Population Research Center issues a final population forecast for the local government, but prior to the issuance of a final forecast by PRC in the subsequent forecasting cycle described in OAR 577-050-0040(7), the local government may continue its review using the forecast issued in PRC’s previous forecasting cycle.”

## II. HOUSING NEEDS ANALYSIS

### ***1. Capacity of lands designated Urban Holding and project of future park needs.***

FRIENDS argues that the City cannot use its MGMUP or its Parks Recreation and Open Space Master Plan for land need assumptions and that the City should use a safe harbor instead for public land need (parks, public right-of-way and schools), OAR 660-024-0040(10).

As provided in the legal memorandum from Bateman Seidel, this is not a legal issue of non-compliance. The City can rely on its comprehensive plan to guide this process and in fact, per case law it should. The MGMUP was adopted as an amendment to the McMinnville Comprehensive Plan and Comprehensive Plan Policy #170.05, directs the City to use the Parks, Recreation and Open Space Master Plan to determine land need for projecting future park and open space needs.

There was a subcommittee of the Economic Opportunity Analysis Project Advisory Committee that was dedicated to evaluating the park land and other institutional land need. This subcommittee was comprised of representatives from the City’s Park and Recreation Department as well as the McMinnville School District, Linfield College, and local churches. After evaluating the data, this subcommittee voted on a recommendation to the Economic

Opportunity Analysis Project Advisory Committee who then voted to accept the recommendation. (November 13, 2019).

Additionally, the Housing Needs Analysis Project Advisory Committee reviewed data that ECONorthwest provided that did a sample study of public right-of-way land need in McMinnville’s zoning districts, and elected to use that data for the public right-of-way land need assumptions. (That is covered in more depth later in this memorandum).

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor for public land need. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Use “safe harbor” instead of Comp Plan policy direction and local data.	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The Comprehensive Plan policies are adopted to reflect the community’s values. The issue of park land need was challenged during the MGMUP process in 2003 and at that time the City adopted the comprehensive plan policies to reinforce the community’s values. Local data is more reflective of McMinnville’s comprehensive plan policies and resulting development.*

**2. Residential Density.**

FRIENDS argues that the City cannot use 5.46 units/acre for its density calculations and suggests that the City should use a safe harbor for density provided in OAR 660-0040(8)(f).

However, as provided in the legal memorandum from Bateman Seidel, if the City does not use the safe harbor provided, it must use data based on development that has occurred in the UGB since the last Housing Needs Analysis.

ORS 197.296(5) states:

Except as provided in paragraphs (b) and (c) of this subsection, the determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

- (A) The number, density and average mix of housing types of urban residential development that have actually occurred;
- (B) Trends in density and average mix of housing types of urban residential development;
- (C) Market factors that may substantially impact future urban residential development; **and**
- (D) The number, density and average mix of housing types that have occurred on the buildable lands described in subsection (4)(a) of this section.

In this case, the last Housing Needs Analysis calculated building permits up until 2000. This Housing Needs Analysis calculated building permits from 2000 -2018. The Housing Needs Analysis Project Advisory Committee chose to go with the local data for its baseline. (Please see attached Bateman Seidel and ECONorthwest memorandums).

The 2019 Missing Middle Housing legislation allowed cities to increase that historic density calculation for the purpose of housing needs analysis calculation by up to 3% if it chose to do so.

The Project Advisory Committee reviewing the updated documents chose to enact that increase which led to the 5.46 units/acre.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor suggested by FRIENDS. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Use “safe harbor” instead of local data.	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The land use process is meant to reflect local community values. Local data is more reflective of McMinnville’s comprehensive plan policies and resulting development.*

**3. Housing needs for all city residents.**

FRIENDS argues that the City did not adequately account for all housing needs, inferring current households struggling with affordable housing were not accounted for in the analysis and that the City should use the safe harbor for housing density provided in OAR 660-0040(8)(f).

As provided in both the legal memorandum from Bateman Seidel and the analysis memorandum from ECONorthwest, this is not an exercise of this planning analysis but rather the next housing planning document that the City needs to provide the state by December 31, 2024, the Housing Production Strategy.

OAR 660-008-0005(7) and (8) describe what a Housing Production Strategy is and when it should be adopted. Please see below.

(7) "Housing Production Strategy" means a specific tool, action, policy, or measure a city will implement to meet the housing needs described in a Housing Capacity Analysis. A Housing Production Strategy is one component of a Housing Production Strategy Report.

(8) "Housing Production Strategy Report" means the report cities must adopt within one year of their deadline to complete an updated Housing Capacity Analysis, pursuant to OAR 660-008-0050.

*Staff Recommendation: This issue will be addressed with the Housing Production Strategy process.*

#### **4. Capacity of C3 lands to provide high density housing.**

FRIENDS argues that the PAC did not assign new housing capacity to vacant C3 commercial lands, and that if assigned, the C3 vacant commercial lands would host a higher density of housing units than the R1, R2, R3 and R4 zones per the historical data, thus reducing the need for additional land for housing.

However, this would then increase the deficit of land for commercial needs, and the City was already showing a deficit of commercial land per the 2013 EOA that was adopted.

The PAC discussed housing on C3 lands in two different perspective: 1) what has occurred in terms of density and housing units developed on C3 lands; and 2) what would occur in the future on C3 land relative to housing.

The PAC concluded that since the 2013 EOA showed a deficit of commercial land need that had not been accommodated by any reclassification of land to commercial zoning since the EOA was adopted, any assumption about future housing development on C3 zoned land would only exacerbate that deficit at a greater level. They elected to rely on the overall density of 5.46 units/acre for a capacity analysis and then to rely on future land-use efficiencies to identify opportunities for application of the R5 zone (which mimics the C3 zone for higher density residential development, but does not also allow general commercial development) on existing land in the UGB beyond what is already planned in the MGMUP. This approach would then preserve the commercial land for the commercial land deficit.

There are two different issues: identification of future need (demand) and inventory of current capacity (supply). "**Needed density**" (planned density) is used to calculate future need (demand), not to calculate current capacity (supply) of buildable lands with City zoning, which is an inventory of current conditions. Any plan to address future needs and address

the identified deficit will need to achieve average needed density. “Needed density” reflects the “needed housing mix” as well as the average density that occurred for all housing types and all zones, including the higher multi-family density that occurred in the C-3 zone.

As noted throughout the HNA report, the current report is a baseline analysis: it identifies the capacity of buildable lands in the UGB based on current zoning. If the City makes changes to that zoning as part of its land-use efficiency analysis it could have an effect on **capacity** of those lands, with more guarantee that it would develop as high-density housing.

For example, if the City updates infrastructure plans to enable capacity for higher-density housing in the city center and then rezones some of the R4 land to R5, a new high-density zone that allows higher densities without the lower-density housing currently allowed in the R4 zone. Then additional capacity could be assigned to those lands in an area where higher-density housing can be supported with services. However, that would occur during the evaluation of land-use efficiencies and resulting implementing measures, and wouldn't be reflected in the baseline analysis.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and assign housing capacity to vacant commercial land within the existing UGB. ECONorthwest has provided a scenario that they feel would be supported with the data – 10% of new housing would be developed in the C3 zone, consistent with historical development trends in McMinnville between 2000 and 2018 (see Exhibit 22 in the HNA). If the Planning Commission would like to assign 10% of new housing to the C3 zone, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Assign 10% of future housing to C3 zoned land.	1 day	\$1,750	4 Hours

*Staff Recommendation:* The city has had a lot of conversations recently about the lack of neighborhood amenities for high-density housing locating in the C3 General Commercial zone, and how difficult it is to achieve the Great Neighborhood Principles within those conditions. The C3 zone is located to support general commercial development primarily, which is focused on voluminous vehicular access and not neighborhood amenities. Rezoning land into a high-density residential zone that is ideally located for residential development would be a preferred methodology for locating high-density residential development. Since both housing and commercial land need are showing a deficit of supply the sum net effect for expansion needs is the same.

## **5. Group Quarters.**

FRIENDS argues that the HNA does not adequately address Group Quarters (Linfield College, Jail and Assisted Living Facilities) and that an earlier draft version did (March, 2019). They provide data from the 2020 Census and suggest that McMinnville should use that data to calculate group quarters population housing needs.

The March 2019 HNA draft did have a discussion and assignment of housing for group quarters in the narrative (approximately 5%. Then, at the March Housing Needs Analysis Project Advisory Committee meeting, some of the members challenged the 5% assumption.

Staff visited with members of the PSU Population Research Center to learn how they addressed group quarters in the McMinnville Population Forecast since it was not called out independently and learned that PSU incorporated the group quarters population into the overall population forecast due to lack of growth in group quarters different than the overall population growth.

Staff put together a memorandum for the HNA PAC dated May 29, 2019 (Please see attached memorandum dated May 29, 2019) and asked for the PAC feedback. This memorandum explained the result of staff research and conversation with PSU and provided three scenarios for the PAC to choose from. The PAC choose scenario #3 after receiving that data and that is what is reflected in the current HNA draft.

As indicated in the legal memorandum from Bateman Seidel, the City does not need to do anything about Group Quarters that differs from the PSU Population Forecast. And as provided in the ECONorthwest memorandum, the PAC was provided with three scenarios to choose from and the PAC chose the scenario that reflected the PSU population forecast based on local data.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest to evaluate alternative data, but the data would need to be within the same timeframe as the data in the report.

*Staff Recommendation:* Keep the Project Advisory Committee recommendations. This is not an issue of safe harbor versus local data, but rather agreement with the data used. The PAC reviewed three different scenarios after an in-depth analysis and conversation with the PSU Population Research Center staff who developed the Population Forecast, and elected a scenario that reflects the same approach as the PSU Population Forecast for Group Quarters assignments in McMinnville.

## **6. Right-of-Way.**

FRIENDS contends that the City does not have any factual evidence to support the right-of-way calculations (25%) used for streets and roads in the HNA and suggests that the City use the safe harbor provided for public land need in the law which is 25% for parks, public right-of-way and schools, OAR 660-024-0040(10)

ECONorthwest describes the empirical process that they utilized to analyze the current public right-of-way land needs in McMinnville per zoning district. Per the description in the HNA, a sample of developed lots was evaluated. Recently, Mark Davis requested the background data for this sampling, and ECONorthwest with staff turnover was not able to locate the GIS data set used, so they analyzed another sample of developed land in McMinnville that is described in the memo dated September 14, 2023, and entitled “McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” provided as part of this memorandum. The result was the same 25% of the land was needed for public right-of-way development. These results and the methodology are described in more depth in the ECONorthwest response to the FRIENDS testimony.

The safe harbor suggested by FRIENDS allows for a 25% allocation of land for public right-of-way, parks and schools. This safe harbor would not be representative of the built environment in McMinnville, as just the public right-of-way is 25% of the public land need.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest revise the data and documents to reflect the safe harbor suggested by FRIENDS. If the Planning Commission would like to use the safe harbor instead of the Project Advisory Committee recommendations, ECONorthwest has identified the following timeframe and costs.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Reject the local data and use the “safe harbor”	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. The land use process is meant to reflect local community values. Local data is more reflective of McMinnville’s comprehensive plan policies and resulting development.*

**7. HNA Safe Harbors**

In this instance, the Project Advisory Committee chose to use the safe harbor for household size and vacancy rates. FRIENDS argues that the City cannot use this safe harbor as the data relied upon is too old. As is reflected in the legal memorandum provided by Bateman Seidel, was the best available date when the analysis was being developed and drafted. If the City needed to update the data every year when new data was released, it would not be able to actually get to a finish draft product.

*Planning Commission Options:* The Planning Commission can choose to keep the Project Advisory Committee recommendations or request that ECONorthwest to evaluate alternative data, but the data would need to be within the same timeframe as the data in the report.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Reject the PAC recommendation of a safe harbor is deemed legal and look for other data sources from the same time period for which to make a decision. ”	1 day	\$1,750	4 Hours

*Staff Recommendation: Retain PAC recommendations. This is not a legal issue, and the City is allowed to use the safe harbor.*

### III. ECONOMIC OPPORTUNITY ANALYSIS

#### **1. Refill, Redevelopment and Employment on Non-Employment Lands.**

FRIENDS argues that the 5% assumption that the PAC recommended for employment that would occur as a factor of refill, redevelopment and employment on non-employment lands is too low – ie 5% of McMinnville’s future employment will be based on redevelopment, employment on non-employment lands and refill).

Appendix B of the EOA provides the detailed analysis that the PAC used to arrive at their recommendation. McMinnville’s job base is medical, manufacturing, government and retail. All four industries are working on lean efficiencies to reduce labor costs through automation or reduced program delivery. They are not actually adding more jobs for existing services. The PAC talked about the previous EOA’s assumption of 17% and felt that it was too high and aspirational, and not reflective of the reality in McMinnville.

The employment densities for industrial and commercial lands have remained almost unchanged since the 2001/03 EOA. Industrial job densities have decreased from 11 jobs per acre to 10 jobs per acre, and commercial job densities have increased from 22 jobs/acre to 23 jobs/acre. This is demonstrative that the past 17% assumption of refill and redevelopment was unrealistic for McMinnville.

FRIENDS argues that there are a lot of job openings currently advertised for assisted living facilities in McMinnville on non-employment land. Job advertisements are not indicative of overall net new jobs being created but reflective of an industry with a significant turnover of employees.

FRIENDS also argues that the 5% assumption does not take into account remote workforce. Remote workforce (when not an individual home occupation which is part of the data used for the 5% calculation by the PAC) in exurban environments is typically reflective of office employment that is in a hybrid work environment, meaning a percentage of time working remotely and at the office. There is no data to indicate how much of that remote workforce is captured in McMinnville as new jobs on non-employment land and how many jobs that have been lost in McMinnville due to remote work opportunities. Recently two large companies have indicated that the majority of their workforce moved from McMinnville when the opportunity for remote work presented itself. This is a phenomenon that needs more data to understand more fully the ramifications to a community like McMinnville.

FRIENDS also argues that the assumption used by the PAC is significantly lower than other communities. Which is true for the communities illustrated. However, there are also some communities that recently went through a data analysis and lowered their assumptions for refill and redevelopment potential. The City of Bend's assumption for refill and redevelopment was challenged when they submitted their EOA in 2008. Their assumption was 10%. It was remanded back to them. To respond to the remand, the City of Bend chose to do an analysis of actual occurrences in Bend for refill and redevelopment during the past data horizon of their EOA and through that process learned that the actual percentage of new jobs created through refill and redevelopment was 5.9%, lower than the original 10% assumed.

The EOA PAC reviewed a significant amount of data and scenarios at their meeting on October 10, 2019 (please see attached EOA PAC meeting packet, October 10, 2019). The data, scenarios and conclusion of the PAC are described in Appendix B of the EOA, and discussed further in the memorandum provided by ECONorthwest and attached to this memorandum.

*Planning Commission Options:* The Planning Commission will need to decide if the data is adequate for the 5% recommendation by the EOA PAC or if there is other data from the same time period that would lead to a different conclusion and then provide the basis for that conclusion.

*Staff Recommendation:* Retain PAC recommendations unless other data is presented. The assumption of 17% is not supported by any of McMinnville's data.

## **2. Other needed employment sites.**

Goal 9 requires that the City consider land supply needs to support its adopted economic development strategy, and stresses that the economic opportunity analysis should be focused on local visions for economic development based upon a thoughtful evaluation of strengths, weaknesses and opportunities and the goals of the community for economic development. The City of McMinnville spent two years researching, evaluating and engaging the public on the MAC Town 2032 Economic Development Strategic Plan (Plan). The PAC for the EOA spent two meetings (January 20, 2020 and February 27, 2020) reviewing that plan and all of the projects and programs identified in it to ensure that the EOA would support it. The plan has 8 goals and 57 strategies, with approximately 180

Memorandum

Date: September 18, 2023

Re: G 1-20, G 3-20, Response to Public Testimony

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potential tasks or projects, 57 of which have land-use or site-related needs. Of those it was determined that 47 could be met within the employment forecast and 10 would have additional unique land needs to be implemented. These were then researched with the local economic development agencies and similar projects were reviewed in other communities for land-use needs and job capacity. That list was reduced to 8 projects with the 2023 update.

FRIENDS argues that all of the projects should be met within the existing employment forecast, although admitting that they represent different types of economic projects than what is categorized in the economic forecast. They also argue about the viability and impact of the projects on the community's existing economy.

The viability of the projects is not the question for this planning effort but rather whether or not the EOA supports the successful implementation of the Plan. The Plan has already been vetted and adopted and is currently being implemented by the McMinnville Chamber of Commerce, McMinnville Downtown Association, Visit McMinnville, McMinnville Economic Development Partnership, and the McMinnville Economic Vitality Leadership Council. Members from those economic development groups participated in the PAC for the EOA. Opposition to this approach was conveyed at the PAC by Sid Friedman as a member of the PAC representing Friends of Yamhill County and the PAC elected to still move forward with including this exhibit and calculation in the EOA.

*Planning Commission Options:* In the Bateman Seidel memorandum from legal counsel, it is noted that this type of approach, although utilized by others, has not been challenged and does not have a history of case law and judicial interpretations. The Planning Commission will need to decide if it is worth the legal risk of opposition from 1000 Friends and Friends of Yamhill County to include this list of projects in the EOA.

<b>Revision Request</b>	<b>Timeframe to Complete</b>	<b>Costs to Amend Data and Document – Consultant</b>	<b>Staff Time to Review Amended Data and Document</b>
Remove Exhibit 58 from the EOA and modify the land need calculations.	1 day	\$1,750	4 Hours

*Staff Recommendation:* It is unfortunate that one special interest group can question the community's vision and approach for its economic development program relative to land need, but the lack of historical precedent and interpretation in the judicial system could create a considerable delay for the adoption of the document if challenged. The Planning Commission will need to make a policy decision based on what is best for the City moving forward.

**3. Retail Leakage.**

McMinnville has demonstrative significant retail leakage and commercial land deficit. The EOA strives to respond to the retail leakage with a land need analysis. FRIENDS argues that this is additive to the safe harbor that the City elects to take for the calculation of land need based on commercial employment needs. The EOA concludes that the city needs an additional 12 acres of commercial land to accommodate this retail leakage in addition to its other commercial land needs.

This is a new approach for EOAs and as the legal memorandum from Bateman Seidel states it has not been subject to review by LCDC, LUBA or the Court of Appeals.

*Planning Commission Options:* The Planning Commission will need to decide if it is worth the legal risk of opposition from 1000 Friends and Friends of Yamhill County to include the additive acreage of commercial land need attributed to retail leakage in the EOA.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Remove retail leakage calculations from the EOA.	1 day	\$1,750	4 Hours

*Staff Recommendation:* What is interesting about the Oregon land use system relative to retail and commercial land needs – it is based on employment formulas to calculate for land need and not services – ie retail leakage. McMinnville has a history of not addressing its commercial land need which has led to the retail leakage that currently exists in the community where households need to leave town to access general merchandise. This contributes to additional costs for households in terms of gas and travel time as well as gas emissions. However, since this is untested in Oregon, staff is recommending removing this calculation from the EOA.

**IV. BUILDABLE LANDS INVENTORY**

**1. Removal of Vacant and Partially Vacant Land Based on Ownership.**

Traditionally land owned by government, schools, and churches have been identified as committed land on buildable lands inventory due to the specialty assignment of the land. FRIENDS argues that the City cannot show these sites as committed and must show them as vacant for residential or commercial uses depending upon their underlying zone.

Appendix E of the EOA has a letter on the record from Linfield College and the McMinnville School District identifying the fact that they will be retaining ownership of their land to support their programs, and will not be surplussing them for residential or commercial

opportunities. As identified by the legal memorandum from Bateman Seidel, it is appropriate for McMinnville to exclude them from the buildable lands inventory.

In terms of churches, FRIENDS argues that the vacant or partially vacant land owned by existing churches should fulfill the land need for future churches identified in Appendix E of the EOA. This is a new approach to the assignment of future church land need that has not been utilized by many other communities as it assumes shared future land opportunities for what has been historically independent uses.

In 2017, McMinnville’s Affordable Housing Committee met with all of the churches in McMinnville that had vacant or partially vacant land to see if they would partner on affordable housing projects. All eventually indicated that their congregations were not interested in leveraging the land for that purpose. (Please see attached database of church-owned land and maps). This information was shared with the PAC when it was discussed whether or not the City should consider church-owned property for housing.

*Planning Commission Options:* The Planning Commission can decide to retain the PAC’s recommendations to exclude these types of properties from the buildable lands inventory or to amend the buildable lands inventory per the recommendation of FRIENDS.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Add Linfield and church property to the BLI.	2 days	\$2,950	8 Hours

*Staff Recommendation:* The record is clear that these lands will not be leveraged for anything other than the purpose they currently serve.

**2. The Buildable Lands Inventory in the EOA Fails to Meet Legal Standards**

Per the legal memorandum from Bateman Seidel and the memorandum from ECONorthwest this argument has very little legal basis.

**3. Population Forecast**

FRIENDS argues that the City should use the updated population forecast that was published June 30, 2020 after the City noticed the first evidentiary hearing for the HNA and EOA in May, 2020.

Per OAR 660-032-0020(5), Population Forecasts for Land Use Planning, “If a local government outside the Metro boundary initiates a periodic review or any other legislative review of its comprehensive plan that concerns an urban growth boundary or other matter authorized by [OAR 660-032-0040 \(Interim Forecasts\)](#)(2) after the Portland

State University Population Research Center issues a final population forecast for the local government, but prior to the issuance of a final forecast by PRC in the subsequent forecasting cycle described in OAR 577-050-0040(7), the local government may continue its review using the forecast issued in PRC’s previous forecasting cycle.”

*Planning Commission Options:* The City is legally justified in using the population forecast that it first used to draft the HNA and EOA. However if the Planning Commission would like to update the population forecast it would need to update all of the other data sources in the HNA and EOA. ECONorthwest could provide these updates per the following.

Revision Request	Timeframe to Complete	Costs to Amend Data and Document – Consultant	Staff Time to Review Amended Data and Document
Update population forecast and data sources in the HNA and EOA.	120 – 180 days	\$150,000	\$50,000

*Staff Recommendation:* This is an unnecessary expense for the City.

**DAVIS TESTIMONY, SEPTEMBER 5, 2023**

In his letter dated September 5, 2023, Mark Davis contends that the Parks Master Plan has expired and was never seriously implemented so it should not be used as a means of projecting future land use need for parks.

However, the 1999 McMinnville Parks Recreation and Open Space Master Plan has never been repealed and is still in effect. And more importantly, per Comprehensive Plan Policy 170.05, *“For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used. (Ord. 4796, October 14, 2003)”*

The 1999 McMinnville Parks Recreation and Open Space Master Plan is the currently adopted plan that should be used. Table 2 of the Plan establishes the following standards for future land use needs for parks.

**Parks Master Plan , Recommended Levels of Service, (Table 2, Page 11)**

- 2.00 Acres / Neighborhood Park per 1000 capita
- 6.00 Acres / Community Park per 1000 capita
- 6.00 Acres / Greenways and Open Spaces per 1000 capita
- 14.00 Acres per 1000 capita

Per Comprehensive Plan Policy #163.05, neighborhood parks and community parks needed to be located outside of the flood plain.

And Comprehensive Plan Policy #164.00 states that *“The City of McMinnville shall continue to acquire floodplain lands through the provisions of Chapter 17.53 (Land Division Standards) of the zoning ordinance and other available means, for future use as natural areas, open spaces, and/or parks.”*

This policy does not direct the city to locate all other parks in the floodplains but directs the city to acquire floodplain lands for future use as natural areas, open spaces, and/or parks.

When the City goes through a land-use efficiency process it should identify locationally based on the attributes described in the Parks, Recreation, and Open Space Master Plan where the greenway and open space should be located.

Table 2  
**PARK STANDARDS AND ANTICIPATED NEED**

Facility	Existing Standards	Recommended Standards	Anticipated Need 2017 pop 38,000
Mini-Parks/Playlots	0.10 - 0.30 acres/1000	ns	
Neighborhood Parks	2.00 acres/1000	2.0 acres/1000	76
Community Parks	5.00 - 8.00 acres/1000	6.0 acres/1000	104
Linear Parks	ns	ns	
Special Use Parks	ns	ns	
Greenspace/Greenways/ Natural Areas	ns	6.0 acres/1000	116
Trails and Connectors	ns	1 system	
<b>Total</b>	<b>7.1-10.3 acres/1000</b>	<b>14.0 acres/1000</b>	<b>295.54 acres</b>

**DAVIS TESTIMONY, SEPTEMBER 7, 2023**

In his letter dated September 7, 2023, Mark Davis contends that there is an addition factor in the calculation of park land need attributable to not including the 60 acres of land that was brought into the UGB with the MGMUP UGB amendment in 2021 for Joe Dancer Park, and a 34% reduction of buildable land used for greenspaces and greenways in the MGMUP park findings.

Staff agrees that there is an error in the calculation of park land that was brought into the UGB with the 2021 UGB amendment (tax lot R4421 00400, 61.37 acres). The park land calculations

for the Phase 2 UGB Expansion, 2003 – 2023, should be 315.37 acres and not 254.00 acres, resulting in an overall park land deficit of 76.63 acres and not 138.0 acres. ***This would reduce the overall land need for public and semi-public land to 32.00 acres.***

The 34% reduction of buildable land used for greenspaces and greenways is a finding in the MGMUP for existing parks, but is not a comprehensive plan policy or level of service for future land need projections. Greenways and open spaces should be located to serve the functionality identified in the Parks Open Space and Recreation Master Plan, and as the city goes through an evaluation of land-use efficiencies, it should review greenways and open spaces from that perspective to identify how much should be on buildable acreage and how much should be on unbuildable acreage.

*Staff Recommendation: Amend the park land need to reflect the addition of 61.37 acres to the 254.00 acres of park land that was added to the McMinnville UGB with phase 2 of the MGMUP adoption. This would reduce the overall park land need to 76.63 acres and the overall land need for public and semi-public land to 32.00 acres.*

#### **ATTACHMENTS:**

- Memorandum to HNA Project Advisory Committee re Group Quarters Assumptions, May 29, 2019
- McMinnville Group Quarters Data, 2010 – 2018
- EOA Project Advisory Committee Meeting Packet, October 10, 2019
- Church Database and Church Owned Property Maps, May, 2017
- ECONorthwest Memorandum, Response to 1000 Friends / Friends of Yamhill County Public Testimony, dated September 15, 2023
- ECONorthwest Memorandum, McMinnville HNA: Percentage of Land in Rights-of-Way Assumption, dated September 14, 2023.
- Bateman Seidel Memorandum, Response to 1000 Friends / Friends of Yamhill County Public Testimony, dated September 18, 2023



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

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## MEMORANDUM

**DATE:** May 29, 2019  
**TO:** Housing Project Advisory Committee (PAC)  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Direction Needed on Group Quarters Assumptions by End of Day Thursday, May 30

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### Dear Housing PAC Members:

As discussed at the May 21 PAC meeting, interested PAC members were invited to meet on the morning of Thursday, May 23 to review questions and comments related to the new content in the Housing Needs Report, which was based on direction provided by the PAC at the March meeting. We met and had a productive meeting. Many of the comments and questions were answered. Resolution of issues could generally be classified as one of the following:

- The question was answered, and no further action is needed.
- The question was answered, and additional clarifying / explanatory narrative will be included in the report.
- The issue was previously discussed at a PAC meeting, and the PAC already provided direction on the issue. The issue reflects the minority position on a previous PAC vote that provided direction on this issue. Therefore, no further change is proposed.
- **The issue relates to incorporation of new information based on previous PAC direction, but the new information may reflect additional assumptions not previously discussed by the PAC. The item needs direction from the PAC.**

Assumptions regarding group quarters falls into the last category, needing direction from the PAC.

### **PAC Direction Needed:**

**PAC direction is needed regarding methods and assumptions related to group quarters. If you can provide your feedback to staff by e-mail before end of day Thursday, May 30, we believe we can make any necessary revisions to the Housing Needs document before the June 13 PAC meeting and send out both redlined and clean documents by June 6, without the need for an additional PAC meeting before then.**

### **Staff Recommendation:**

Based on staff research and McMinnville-specific data gathered after the May 23 meeting, staff recommends that a different McMinnville-specific method be used for how population is assigned to new residential units vs. group quarters. The basis for the recommendation is detailed below.

In short, staff recommends that **Option 3** presented at the end of this report be used. This is based on data about McMinnville's group quarters population and assumptions in PSU's official population forecast for McMinnville, described in more detail below. This would reduce the share of forecast population assigned to group quarters. The current, more general assumption that current share of population in group quarters be applied to forecast population growth in the future is more likely to over-allocate population to group quarters. Instead, staff recommends a method in which current population in group quarters is assumed to be generally constant, and that land needs for new net population growth be assigned to residential units.

**Background:**

There is no direction, simplified method, or "safe harbor" in the statutes or administrative rules for assumptions about land needs for the portion of forecast population assigned to group quarters. The methodology in DLCD's "Planning for Residential Growth" workbook specifies that before calculating housing needs, a portion of the forecast population should be subtracted from the total forecast population and assigned to group quarters rather than residential housing. However, once deducted, there is no direction, requirement, or safe harbor for how to assign land need for that portion of the forecast population assumed to reside in group quarters.

Even the optional "simplified" 14-Year UGB analysis method in OAR 660-038-0030 provides a method for deducting population assigned to group quarters from residential needs, but doesn't provide a method for adding that population back into the land needs:

- (3) The city must subtract from the forecast population growth the number of persons projected to live in group quarters in the UGB during the planning period. The city shall determine this number by calculating the percentage of the city's population living in group quarters at the last decennial United States Census and subtracting the same percentage from projected population growth. For the purpose of this rule, "group quarters," as defined by the United States Census, are places where people live or stay, in a group living arrangement, which is owned or managed by an entity or organization providing housing or services for the residents.

Many cities use the method described in OAR 660-038-0030(3), or a similar method, for deducting population assigned to group quarters before calculating housing needs for the remainder of the population assigned to housing. However, unsurprisingly, without specific direction in statute or administrative rule to assign land needs to group quarters, there is no single method cities have used to calculate land needs for population assigned to group quarters. Rather, cities have used different approaches. Further, some cities have completed the population deductions for group quarters to determine residential land needs as described above, but never re-assigned land needs back into the calculations to account for the portion of the forecast population that was deducted and assigned to group quarters. (Examples include smaller cities with relatively small population numbers in group quarters, such as Phoenix and Talent in Southern Oregon). Further, the Census Bureau doesn't publish data for group quarters analogous to average household size that could be used as safe harbors

**Assumptions Used in the May Draft Report**

The May draft of the Housing Needs Analysis included a forecast for future population assigned to group quarters based on the current share of population in group quarters compared to current total population, using Census data. Land needs for group quarters were then calculated by assigning one person per group quarter unit and applying land needs for group quarters at the same density factor used for multi-family residential units.

This is the same method that has been used by other cities including Grants Pass, Redmond, and Newberg.

### **Comments Received**

After distribution of the May draft of the Housing Needs Report, staff received comments from some PAC members. One comment was about the assumptions used to assign land needs to group quarters. This was further discussed during the May 23 meeting. There was a comment in disagreement about the portion of the methodology that assigned one person per group quarter. There was not concern with the method for assigning a share of population to group quarters or for applying the multi-family density factory to group quarters. The comment included a request that more than one person be assigned to a group quarter unit before applying the density factor to calculate land needs. Examples were provided of cities that had used this approach (Woodburn, Bend, and McMinnville's 2003 Housing Needs Analysis).

During the May 23 meeting, there was also discussion about local conditions and context pertaining to group quarters. This included questions about what share of group quarters population should be assumed to occur at Linfield, which makes up a majority of the group quarters population, and additional discussion about McMinnville's group quarters.

***The details of the methodology for assigning land needs to group quarters hadn't been previously discussed by the PAC, so we noted that direction from the full PAC would be needed for this direction and decision.***

### **Need for Additional Research and Analysis:**

The discussion prompted me to conduct additional research into McMinnville's specific group quarters population to provide further background to assist the PAC with deliberations.

This led to the following fundamental questions about group quarters assumptions:

***Is the current methodology for allocating a portion of the forecast population to group quarters the best assumption for McMinnville? Should McMinnville retain the assumption that the future year group quarters population will be the same share of McMinnville's population as the current share?***

These questions should be addressed before any further discussion about the methodology for how much land need should be assigned to the group quarters population.

### **Results of Additional Research and Analysis:**

**First, I obtained the 2010-2018 data for the annual group quarters population estimates from PSU's Population Research Center.**

- The group quarters annual reporting for McMinnville provided to PSU (who reports to the Census Bureau) shows very little change in new group quarters or population in group quarters between 2010 and 2018. (Linfield data was missing from the 2010 data, and no data was reported in 2011).
- The report shows that the total Group Quarters population estimate in 2018 was 1,262, as follows:

Page 4

- About 58% of Group Quarters was at Linfield (738 people)
  - About 15% was Jail Population (191 people)
  - About 26% was Other (mostly skilled nursing, assisted living, etc.) (333 people)
- These totals and distributions have remained fairly stable from 2010-2018. There has been year to year fluctuation, but not a consistent trend.
    - In 2018, 58% of group quarters population was at Linfield. While Linfield expects to be transitioning to a growth period after declining enrollment, we would not expect year over year growth in student enrollment at Linfield that would keep pace with McMinnville's forecast population growth. We could expect the group quarters facilities and population at Linfield to remain relatively stable. As student enrollment turns over, the group quarters would be occupied by new students. Some graduating students will remain in McMinnville and occupy housing as part of the "general population", and some will leave the community, not requiring housing in McMinnville.
    - In 2018, 15% of group quarters population was in jail population. That population fluctuated between 2012 and 2018. While it is possible that the jail population could grow proportionally with overall population, there is no clear trend. If jail capacity remains relatively constant, then released population will consume housing.
    - In 2018, 24% of group quarters population was in other group living and/or group care types of facilities. This is less than 1% of McMinnville's current population. This is the segment of group quarters most likely to experience increased growth as population grows, although not necessarily in direct proportion to population growth. Further, group quarters capacity isn't always added in small increments. Development of large new facility might accommodate increased demand in larger, less frequent increments. However, 2010-2018 data doesn't show new group quarters facilities or a consistent trend to new group quarters construction. While an aging population may place additional demand on this type of group quarters, it is also recognized that the age of residents in these group quarters is disproportionately older, with a higher mortality rate, relative to the general population, which means the demand for new group quarters units is less likely to keep pace with other population and housing. There is also desire for aging in place at home and with extended family, reflected in trends including design for visitability, accessibility, and home health care services. Therefore, it is reasonable to assume a decreasing share in "other" new group quarters relative to growth of the general population.
  - This raised the following question: Given the flat trend data, would it be reasonable to assume all of the net new forecast population growth was assigned to dwelling units instead of assigning a portion to group quarters? The current population numbers assigned to group quarters would be assumed to remain constant (assuming existing units would also experience refill). This is consistent with assumptions that have already been discussed by the PAC, with a portion of the older population assumed to live in multi-family housing (also substitutable with group quarters with the same effective land need characteristics), extended family living situations, co-housing, cottage clusters, aging in place in existing homes, downsizing, etc.

**Next, after reviewing this data and noting the observations above, I asked PSU's Population Research Center about assumptions for Linfield College and the jail used to develop**

**McMinnville's official population forecast, upon which housing needs must be based.** I found that the observations noted above regarding group quarters turned out to be very similar to key assumptions PSU used in developing McMinnville's official population forecast:

- Based on local data, PSU's official population forecast for McMinnville assumes constant population (no change from current population) for Linfield or the jail.

(Note: This is also consistent with Linfield's current campus master plan on file with the Planning Department, which doesn't include plans for additional dormitories).

- Therefore, it would be inconsistent with McMinnville's official population forecast to assign any new growth to the Linfield campus or jail, or consequently to assume any demand for new group quarters at Linfield or the jail.
- Therefore, all of the total forecast population growth would be forecast to reside in residential units or "other" group quarters such as nursing homes, etc., with no population growth or associated demand for group quarters (or housing), assigned to Linfield or the jail.
- Based on this local information, which is reflected in PSU's official population forecast for McMinnville, it is reasonable to conclude that a different assumption could be used regarding the share of future population that would reside in group quarters.

**NOTE:** *Communities might benefit from one or more safe harbors or simplified methods in the OARs relating to population assigned to group quarters which address associated land needs, including an option based on the same general population assumptions used in PSU's forecasting.*

### **Conclusions:**

- **Would it be reasonable to use a different assumption for future group quarters share of population? Yes.** Based on the data presented above, it would be reasonable to use a different assumption about the share of future population assigned to group quarters. It would be reasonable to assume more of the net new population growth should be assigned to residential units.
- **Would it be reasonable to assign all of the net new population growth to residential units, rather than deducting a share for group quarters? Yes.** Based on the historic trend data about group quarters specific to McMinnville, which also provides the basis for PSU's official population forecast for McMinnville, a different assumption would be reasonable. It might be more reasonable to assume the current population in group quarters will generally remain constant, and assign all new population growth to residential units using the same assumptions for household size, vacancy rates, and housing mix, and density already used for new housing in the Housing Needs report. This still recognizes that a portion of that net growth could be in "other" group quarters; however, for calculating land needs, it isn't critical to determine with specificity whether that need will be met in multi-family housing or group quarters with effectively the same land needs, and that also means no separate methodology is required to calculate land needs for group quarters.

**Options:**

**Option 1: Use the “Share Method,”** then assign one person per group quarter, and assign group quarters to land need at the same density as multi-family development. This method has been used by other cities. ***This is the methodology used in the current draft.*** (Note: *this methodology didn’t apply a vacancy rate assumption as used for the housing needs calculations*).

**Option 2a: Use the “Share Method,”** then assign an analogous “household size”, then apply that to land population and calculate land needs. *This method was requested instead of Option 1 by two PAC members at the May 23 meeting. This method has been used by other cities. See also note above about vacancy rate assumptions.*

**Option 2b: Use the “Share Method,”** then assign a direct group quarters population per acre estimate. This directly assigns population density for group quarters rather than use an interim assignment step analogous to “household size.” There is no practical difference from 2b in the substantive results.

**Option 3: Don’t use the “Share Method.”** Instead, use the following assumptions and methods, based on the data above regarding McMinnville-specific group quarters data and PSU’s official population forecast for McMinnville. *This method is recommended by staff based on the research that followed the May 23 meeting discussed in this memo.*

- **Assign all new net population growth to housing units.** This assumes population in group quarters at Linfield and the jail will remain relatively constant. Population in other group quarters represents less than 1% of current population. It has also remained relatively constant and hasn’t experienced a consistent increasing trend in recent years. Growth in this population segment would represent a declining share of overall net population growth. Further, housing for this population would be assumed to be met as described above; however, some of that would have land needs which are essentially interchangeable whether multi-family-family residential or group quarters.

**McMinnville Group Quarters Population Summary 2010-2018:**

Summarized GQ Pop by Class	2010	2011	2012	2013	2014	2015	2016	2017	2018
Number Linfield	Missing	No Data	813	803	829	816	883	783	738
Percent Linfield	Missing	No Data	60%	61%	66%	62%	64%	61%	58%
Number Jail	238	No Data	208	168	183	178	209	195	191
Percent Jail		No Data	15%	13%	15%	14%	15%	15%	15%
Number Other	327	No Data	323	340	245	321	292	309	333
Percent Other		No Data	24%	26%	19%	24%	21%	24%	26%
<b>Number Total</b>	<b>565</b>	<b>No Data</b>	<b>1,344</b>	<b>1,311</b>	<b>1,257</b>	<b>1,315</b>	<b>1,384</b>	<b>1,287</b>	<b>1,262</b>
<b>Percent Total</b>		<b>No Data</b>	<b>100%</b>						

Group Quarters Data, 2010 - 2018

GQ_FACILITY_NAME	MAIN_CODE_DESC_PRC	ALT_CODE_PRC	GQ_ADDRESS	GQ10	GQ11	GQ12	GQ13	GQ14	GQ15	GQ16	GQ17	GQ18	PRC_SURVEY_SOURCE
Alterra - Wynwood	Nursing facilities/skilled-nursing facilities		?	55		33	53	54	57	56	60		
Brookdale of McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	721 NE 27th Street									66	Survey from McMinnville
Fircrest	Nursing facilities/skilled-nursing facilities		213 NE Fircrest Dr	37		75	76		75	69	69	79	Survey from McMinnville
Hillside Retirement Community	Nursing facilities/skilled-nursing facilities		900 NW Hill Rd	37		36	36	36	33	30	34	37	Survey from McMinnville
Life Care Center - McMinnville	Nursing facilities/skilled-nursing facilities	Type 3: Nursing Facilities/Skilled-Nursing Facilities	1309 NE 27th St	62		52	63	60	54	54	53	54	Survey from McMinnville
Linfield College (dorm and fraternity)	College/university student housing		900 SW Baker St			813	803	829	816	883	783	738	Survey from McMinnville
Mid-Valley Rehabilitation	Other noninstitutional facilities		319 NE 5th St	33		34	24	24	25	5	25	24	Survey from McMinnville
Oakwood Care Center	Nursing facilities/skilled-nursing facilities		?	67		56	56	46	43	43	34		
Osprey Court	Nursing facilities/skilled-nursing facilities		?	36		37	32	25	34	35	34		
Pacifica Senior Living in McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	320 SW Hill Rd									39	Survey from McMinnville
Prestige Care of McMinnville		Type 3: Nursing Facilities/Skilled-Nursing Facilities	421 S Evans St									34	Survey from McMinnville
Yamhill County Jail	Correctional facilities for adults		535 NE 5th St	238		208	168	183	178	209	195		
Yamhill County Jail - Adult		Type 1: Correctional Facilities for Adults	525 NE 5th Street									179	Survey from McMinnville
Yamhill County Jail -Juvenile		Type 1: Correctional Facilities for Adults	525 NE 5th Street									12	Survey from McMinnville
<b>SUM</b>				<b>565</b>	<b>-</b>	<b>1,344</b>	<b>1,311</b>	<b>1,257</b>	<b>1,315</b>	<b>1,384</b>	<b>1,287</b>	<b>1,262</b>	
<b>Summarized GQ Pop by Class</b>				<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	
			Number Linfield	Missing	No Data	813	803	829	816	883	783	738	Number Linfield
			Percent Linfield	Missing	No Data	60%	61%	66%	62%	64%	61%	58%	Percent Linfield
			Number Jail	238	No Data	208	168	183	178	209	195	191	Number Jail
			Percent Jail		No Data	15%	13%	15%	14%	15%	15%	15%	Percent Jail
			Number Other	327	No Data	323	340	245	321	292	309	333	Number Other
			Percent Other		No Data	24%	26%	19%	24%	21%	24%	26%	Percent Other
			<b>Number Total</b>	<b>565</b>	<b>No Data</b>	<b>1,344</b>	<b>1,311</b>	<b>1,257</b>	<b>1,315</b>	<b>1,384</b>	<b>1,287</b>	<b>1,262</b>	
			<b>Percent Total</b>		<b>No Data</b>	<b>100%</b>	Percent						



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

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## Economic Opportunities Analysis (EOA) and Urbanization Study

### Project Advisory Committee

#### Meeting #3: Agenda

Thursday, October 10, 2019, 4:30pm-6:30pm

Police Department Training Room, 121 SW Adams Street

Committee Members	Time	Agenda Items
<b><u>Citizen Advisory Committee (CAC):</u></b> Kellie Menke Roger Lizut Susan Dirks Sid Friedman Mark Davis Paul Davis Andrew Burton Beth Caster Michael Jester Robert J. Banagay Amanda Perron Matt Deppe Patty O'Leary  Doug Hurl Scott Cooper Alan Amerson Kelly McDonald Mike Morris Jeff Knapp Gioia Goodrum Ed Gormley Kyle Faulk Jody Christensen John Dietz	4:30pm	1. Call to Order/Introductions
	4:40pm	2. General: PAC Meeting #3- <b>Exhibit 1: Cover Memo</b> a. Summary of PAC Meeting #2 (September 5, 2019) b. Summary of PAC Meeting #3 Materials & PAC Guidance c. Assumptions Matrix
	4:55pm	3. Economic Opportunities Analysis - a. Employment Density and Redevelopment- <b>Exhibit 2: Appendix B</b>
	5:25pm	4. Urbanization Study – a. Public/Institutional Land Needs- <b>Exhibit 3: Public Lands Memo</b>
	5:55pm	5. Introduce Site Characteristics/Needs Discussion
	6:20pm	6. Next Steps
	6:25pm	7. Comments
	6:30pm	8. Adjournment
<b><u>Technical Advisory Committee (TAC):</u></b> Tom Schauer - Lead Heather Richards Chuck Darnell Jamie Fleckenstein Mike Bisset Susan Muir (Parks Director) Angela Carnahan (DLCD) Stephanie Armstrong (Yamhill County)		

DATE: October 7, 2019  
TO: McMinnville Economic Opportunities Analysis Project Advisory Committee  
CC: Heather Richards and Tom Schauer, City of McMinnville  
FROM: Bob Parker and Margaret Raimann, ECONorthwest  
SUBJECT: COVER MEMO - PAC MEETING 3

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The third meeting of the City of McMinnville's Economic Opportunities Analysis (EOA) Project Advisory Committee (PAC) is scheduled to occur on October 10, 2019 from 4:30 to 6:30 p.m. The purpose of this memo is to outline the key decisions and discussion points from the second PAC meeting on September 5, 2019, as well as provide a summary of the materials included in the packet for PAC meeting #3.

Key decision points for PAC #3 include:

- Infill and redevelopment rate
- Employee per acre assumptions
- Incorporation of public/institutional land needs which are based on site needs rather than employment forecast and employment density calculations

## Summary of Previous Meeting

PAC meeting #2 occurred on September 5, 2019 from 4:30 to 6:30 p.m. The purpose of the meeting was to review the preliminary employment forecast and the options for each assumption included in the forecast. A summary of key decisions and PAC recommendations is provided below. Detailed notes of the discussion that occurred at the meeting is provided in the summary notes document.

**Growth rate.** PAC members discussed the three growth rate options and the implications of choosing a higher growth rate. The low and mid-growth options presented are safe harbors, while the high-growth option would need substantial evidence (findings) to support. After this discussion, *the PAC recommended using the medium-growth rate of 1.36% (1.2% for the 46-year period) based on the growth rates in the PSU population forecast.*

**Land use types.** PAC members discussed the distribution of employment across five land use types (Industrial, Retail Commercial, Office Commercial, Tourism Services, and Government.) They agreed on the definition of the five categories, and discussed the distribution of the share of employment of each land use type. *The PAC recommended adjustments to future year share, resulting in the following: 21% Industrial, 12% Retail Commercial, 47% Office & Commercial Services, 12% Tourism Services, and 8% Government.*

**Employment on non-vacant commercial or industrial land.** The PAC discussed the assumption for *new* employment that will not require vacant commercial or industrial land. The preliminary forecast used 17%, an assumption carried over from the 2013 EOA. PAC members did not make

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a recommendation during this meeting, instead requesting more information to make an informed decision.

**Employment density and net to gross conversion.** The PAC did not have sufficient time remaining in the meeting to discuss assumptions on employment density. ECONorthwest and city staff had already planned to bring more information on these assumptions to the next meeting. PAC members agreed that they need more context and data to make an informed decision.

## Summary of Meeting #3 Materials and PAC Guidance

This section summarizes the key decisions for the PAC to decide during meeting #3. Supplemental materials provided to assist PAC members in making recommendations for this portion of the analysis include:

- **Appendix B. Employment on Other Land and Employment Density.** The discussion at PAC meeting #3 will be based on the information presented in this document. It will ultimately be included as Appendix B in the final EOA document. It is intended to provide the background information needed for the PAC to make the remaining recommendations related to assumptions of employment density and employment on other land, including infill and redevelopment rates.

A key focus of the October 10 PAC meeting will be getting PAC input on remaining assumptions related to the employment land need calculations. ECONorthwest started this discussion at the July and September meetings and have done considerable research based on the EOA methods and PAC input to inform the discussion. Consistent with the 2013 EOA, land need is estimated using a 10-step process. The attached table on the following page outlines the steps, explains the purpose of each step, and describes potential options.

This table also provides recommendations for steps that require a PAC decision. For steps where the PAC has made a decision, the final recommendation is stated. For steps that still require a PAC decision in meeting #3, we have provided *preliminary* recommendations. These preliminary recommendations are based on ECONorthwest's review and analysis of relevant information and vetted by city staff.

- **Summary of Public and Institutional Land Needs Data.** This discussion will be based on the information presented in a memo summarizing the results of conversations with public and institutional organizations.

At the prior meetings, data was presented about the method of calculating public and institutional land needs using a ratio of acres per 1,000 population for those uses where the site needs don't lend themselves to calculations based on the employment forecast and associated employment density. Since PAC Meeting #2, staff has outreached to City and County government, Linfield, Chemeketa, and the McMinnville School District to review methods for estimating land needs and obtain feedback. That information will be shared and vetted with the public lands work group and presented to the PAC.

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## Land Use & Siting Characteristics

At PAC Meeting #3, we will introduce the discussion of site characteristics needed for the identified land use categories (industrial, retail commercial, office commercial, tourism services, and government). This will have a bearing on locational determinations in the next phase of work, and may inform whether new zoning districts should be established for these land use categories. A portion of the commercial use will need to be designated for sites to provide neighborhood services and commercial uses consistent with the Great Neighborhood Principles. In addition, public and government uses may be assigned to a new public facilities and uses zone, and/or may be assigned to existing plan designations and zones.

DRAFT

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
1	Planning Period	<i>No decision needed</i>	N/A	N/A	N/A	N/A	Pre-2021 (2017) – 2021 2021-2041 2041-2067	Already established.
2	Population Forecast	<i>No decision needed</i>	N/A	June 2019 Housing Needs Analysis, Exhibits 29 and 30.	N/A	N/A	<p><b>Total Population:</b> 2021: 36,238 2041: 47,498 2067: 62,803</p> <p><b>Population Change:</b></p> <p><b>Consecutive Periods:</b> 2017-2021: 1,480 2021-2041: 11,260 2041-2067: 15,305</p> <p><b>Cumulative from 2017:</b> 2017-2041: 12,740 2017-2067: 28,045</p> <p><b>Cumulative from 2021:</b> 2021-2041: 11,260 2021-2067: 26,565</p>	Must use PSU forecast.
3	UGB Employment Trend	<i>No decision needed</i>	N/A	PAC 9/5/19 Packet: Attachment 3: 8/29/19 Employment Trends Memo  Additional data to be presented in EOA	N/A	N/A	N/A	This is data only.
4	Employment Forecast (Total Number)	<i>Decision made</i>	1.-OED Safe Harbor (low) 2.-PSU Safe Harbor (med) 3.-2013 EOA (high) 4.-Other?	PAC 9/5/19 Packet: Attachment 2: 8/29/19 Employment Forecast Memo, Exhibit 2.  PAC 10/10/19 Packet: Meeting #2 Notes: Employment Forecast Scenarios-Growth rate		PSU Population Forecast Safe Harbor (9/5/2019 Meeting)	<p><b>Total:</b> Pre-2021 (as of 2017): 20,907 2021: 22,157 2041: 29,042 2067: 38,158</p> <p><b>Change:</b> <b>Consecutive Periods:</b> 2017-2021: 1.36% (+1,163) 2021-2041: 1.36% (+6,885) 2041-2067: 1.06% (+9,116)</p> <p><b>Cumulative from 2017:</b> 2017-2041: 1.36% (+8,048) 2017-2067: 1.19% (+17,164)</p> <p><b>Cumulative from 2021:</b> 2021-2041: 1.36% (+6,885) 2021-2067: 1.19% (+16,001)</p>	The 2013 EOA had three forecasts and used the midpoint forecast derived from the 2012 population forecast. That was higher than either of the safe harbors (including the current population forecast), and carrying the 2013 forecast forward didn't currently appear justified based on the latest forecast and trend data.

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5a	Select Land Use Categories	<b>Decision made</b>	<p><b>2001/03 &amp; 2013 EOAs:</b> -3 Land Use Types (commercial, industrial, institutional)</p> <p><b>ECO Recommendation:</b> -4 Land Use Types: (industrial, retail commercial, office commercial, government)</p> <p><b>PAC Recommendation:</b> -5 Land Use Types: (industrial, retail commercial, office commercial, tourism services, government)</p>	<p>PAC 7/16/19 Packet: 7/12/19 Summary Memo</p> <p>PAC 9/5/19 packet: Attachment 1, 8/29/19 Cover Memo, Summary of Previous Meeting</p>		Five Categories (7/16/2019 and 9/5/19 meetings)	<p><b>Five categories:</b> Industrial Retail Commercial Office Commercial Tourism Services Government</p>	Using these categories now allows the option to later compress them into commercial and industrial land use categories if needed, but provides opportunity to analyze potential differences in employment density and site characteristics separately before deciding whether to keep them separate or combine them. This could potentially lead to new land use categories and/or spatial planning options.
-	Assign employment sectors to land use categories	<b>Decision made</b>		PAC 9/5/19 Packet: Attachment 2, 8/29/19 Employment Forecast Memo, Exhibit 1.		Assignment to five categories as presented in Exhibit 1.	18 employment sectors assigned to 5 land use categories per Exhibit 1.	See Note 1.
-	Assign Land Use Categories to Plan Designations	<b>Concurrence needed</b>			As presented		<p><b>Industrial Plan Designation:</b> -Industrial</p> <p><b>Commercial Plan Designation:</b> -Retail Commercial -Office Commercial -Tourism Services</p> <p>-Government – See Notes.</p>	<p>Some government, public, and institutional land needs will either be assigned to a new “Public” plan designation to be created, or to the appropriate commercial, industrial, or residential plan designation appropriate to the type of use.</p> <p>Some public and institutional uses will be analyzed for site needs rather than estimating needs based on employment forecast and employment density.</p> <p>If needed, new plan designations or zones could be created for the land use sub-types assigned to the commercial plan designation. Otherwise these land use subcategories will be used together with site needs and siting characteristics to calculate commercial plan designation and zoning acreages needed for these categories.</p>

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5b	Assign Employment Forecast to Land Use Categories	<b>Decision made</b>	-Keep Base Year Mix as Future Year Mix  -Keep Base Year Mix with Policy-Based Adjustments  -Change Future Year Mix by Extending Employment Forecast Trend	PAC 9/5/19 packet: Attachment 2, 8/29/19 Forecast Memo, Exhibits 3-6  PAC 10/10/19 Packet, Meeting #2 Notes, Employment Forecast Scenarios-Land use types		Use base year mix with policy-based adjustments for future years: (21/12/47/12/8)  (9/5/2019 Meeting)	<b>Total Employment: (adjusted from covered employment)</b>  <b>2017:</b> Industrial: 20% (4,187) Retail Commercial: 14% (2,842) Office & Commercial Services: 46% (9,755) Tourism Services: 10% (2,124) Government: 10% (2,082) <b>SUM: 20,990</b>  <b>2021:</b> Industrial: 20% (4,431) Retail Commercial: 14% (3,102) Office & Comm. Services: 46% (10,192) Tourism Services: 10% (2,216) Government: 10% (2,216) <b>SUM: 22,157</b>  <b>2041:</b> Industrial: 21% (6,099) Retail Commercial: 12% (3,485) Office & Comm. Services: 47% (13,650) Tourism Services: 12% (3,485) Government: 8% (2,323) <b>SUM: 29,042</b>  <b>2067:</b> Industrial: 21% (8,013) Retail Commercial: 12% (4,579) Office & Comm. Services: 47% (17,934) Tourism Services: 12% (4,579) Government: 8% (3,053) <b>SUM: 38,158</b>	A portion of "retail commercial" and "office & commercial services" will need to be allocated to neighborhood-based sites/locations for neighborhood serving commercial and services

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5c	Deduct Employment to be Calculated by Site Needs Rather than Employment Forecast and Employment Density	<b>Calculation Only – No Decision Needed</b>					<p><b>2021 estimate of distribution of gov't/institutional emp (% is share of total gov't or institutional emp number)</b></p> <p><b>Government:</b>                      City Parks (1%): 29                      City Other (12%): 267                      County (24%): 525                      State (6%): 126                      Federal (2%): 44                      Other local emp (3%): 71                      SUM: 1,061 (in 2021)</p> <p><b>Education (52%): 1,154</b>                      MSD: XX acres                      Chemeketa: 0 acres                      Linfield: 0 acres</p> <p><b>SUM:</b>                      2,216 (in 2021)</p>	
5d	Determine Portion of Employment with Land Needs to be Calculated Using Employment Forecast and Employment Density	<b>Calculation Only – No Decision Needed</b>			<p>For purposes of forecasting employment that will be based on employment density, deduct the following from base year employment before forecasting. Land needs for these orgs will be based on separate site needs analysis rather than employment forecast:</p> <ul style="list-style-type: none"> <li>-City Govt</li> <li>-City Parks</li> <li>-County Govt</li> <li>-Mac School District</li> <li>-Chemeketa</li> <li>-Linfield</li> </ul>		<p><b>Portion of Total Employment Subject to Employment Density Calculations:</b></p> <p><b>2021:</b>                      Industrial: 4,431                      Retail Commercial: 3,102                      Office &amp; Commercial Services: 9,382                      (10,192, less 360 Linfield employees)                      Tourism Services: 2,216                      Government: 0</p> <p><b>2041:</b>                      Industrial: 21%                      Retail Commercial: 12%                      Office &amp; Commercial Services: 45%                      (adj. for Linfield)                      Tourism Services: 12%                      Government:</p> <p><b>2067:</b>                      Industrial: 21%                      Retail Commercial: 12%                      Office &amp; Commercial Services: 45%                      (adj. for Linfield)                      Tourism Services: 12%                      Government: 0%</p>	

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
5e	Estimate Site and Land Needs for Organizations/Uses that were Deducted from Employment Forecast	<b>Concurrence needed</b>	Based on Meetings/Interviews with Key Personnel for the Following Organizations:  -City of McMinnville -McMinnville Water & Light -Yamhill County -McMinnville School District -Chemeketa CC -Linfield College	See attached 10/10 public land needs memo summarizing meetings and results.	Use results from meetings and interviews		<i>See 10/10/2019 memo. Some results are forthcoming</i>	
6	Allocate Employment to Land Development Status  (Percent of employment that won't consume vacant employment land).	<b>Decision needed</b>		<p><b>2001/03 EOA:</b> Commercial: 15% Industrial: 17% Institutional: 13%</p> <p><b>2013 EOA:</b> Commercial: 17% Industrial: 17% Institutional: 17%</p> <p><b>PAC 10/10/19 Packet:</b> <b>Employment Density Memo:</b></p> <p><b>Comparison Cities:</b> See 10/7/2019 Memo</p> <p><b>Comparative Data from 2013 EOA</b> See 10/7/2019 Memo</p> <p><b>Effective Density Resulting from Interaction of Density and Refill Assumptions:</b> See 10/7/2019 Memo</p>	5% for commercial and industrial.		<p><b>See 10/7/19 memo (Appendix B) for results based on recommendation:</b></p> <p>5% commercial 5% industrial</p>	<p>See discussion in 10/7/2019 memo.</p> <p>Assumptions about the % of employment that doesn't require other land effectively assumes higher employment densities will be achieved on existing developed sites. This needs to be considered together with assumptions about employment density.</p> <p>On commercial and industrial sites, in cases of refill vs. redevelopment, that typically means this would occur through existing businesses adding jobs, but new businesses would still need sites if existing sites are occupied by existing businesses.</p>

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
7a	Apply Job Density Factors (Commercial/Industrial)	<b>Decision needed</b>	<p><b>Previously Presented:</b></p> <ul style="list-style-type: none"> <li>-2001/03 EOA</li> <li>-2013 EOA</li> <li>-2013 EOA with Sensitivity Analysis, +/- 10%</li> </ul> <p><b>Newly Presented:</b></p> <ul style="list-style-type: none"> <li>-Empirical Calcs. By Plan Designation</li> <li>-Sample Area Calcs.</li> <li>-Calcs by Plan Designation as Control, Commercial Subcategory Allocation by Sample Area Data</li> </ul>	<p><b>PAC 7/16/19 Packet: 7/12/19 Summary Memo, Figure 21:</b></p> <p><b>2001/03 EOA:</b></p> <ul style="list-style-type: none"> <li>-Commercial: 22 emp/ net ac</li> <li>-Industrial: 11 emp/ net ac</li> <li>-Institutional: 35 emp/ net ac</li> </ul> <p><b>2013 EOA:</b></p> <ul style="list-style-type: none"> <li>-Commercial: 26 emp/net c</li> <li>-Industrial: 11 emp/net ac</li> <li>-Institutional: 35 emp/net ac</li> </ul> <p><b>PAC 9/5/19 Packet: Attachment 2, 8/29/19 Forecast Memo:</b></p> <p>Employment Density section and Appendix A-Employment Density Sensitivity Analysis (+/- 10% from 2013 EOA Densities))</p> <p><b>PAC 10/10/19 Packet: Employment Density Memo:</b></p> <ul style="list-style-type: none"> <li>-Mac. Empirical Calcs by Plan Designation</li> <li>-Sample area calcs</li> <li>-Comparative Data from 2013 EOA (Figure 40)</li> <li>-Comparison City Data</li> <li>-DLCD Goal 9 Workbook Ranges</li> </ul>	<p>Per 10/7/19 memo:</p> <p>Industrial: 11 emp/ac</p> <p>Commercial: 23 emp/ac</p> <p>Government : Needs based on meetings/interviews</p>		<p>Commercial: 23 emp/ net acre Industrial: 11 emp/ net acre <b>See 10/7/2019 memo for results</b></p> <p>Government and institutional based on data in 10/10 public land needs memo. <b>Results pending for some agencies</b></p>	<p>See 10/7 memo re employment density.</p> <p>The 2013 EOA used an empirical method to calculate commercial density of 22 emp/ac and made a policy decision to increase the assumed density to 26 emp/ac. and assume refill on top of that. This has not occurred.</p> <p>This is denser than the guidelines in the DLCD Goal 9 Guidebook of 14-20 jobs/ac for commercial uses.</p> <p>The 2013 EOA used the 2001/03 EOA assumptions for industrial at 11 emp/ac and institutional at 35 emp/ac.</p>
7b	Apply Job Density Factors to Land Use Sub-Types	<b>Decision needed</b>	<p>Apply 11 emp/ac to industrial</p> <p>And either:</p> <p>Apply 23 emp/ac for each commercial subtype, or</p> <p>Apply sample area data to commercial subtypes, or</p> <p>Use 23 emp/ac as control total and proportion using sample data</p>	<p><b>PAC 10/1019 Packet: Employment Density Memo:</b></p> <p>Calculations provided in tables</p> <p><b>By Plan Des:</b></p> <p><b>Industrial:</b></p> <ul style="list-style-type: none"> <li>-Industrial: 10 employees per acre</li> </ul> <p><b>Commercial:</b></p> <ul style="list-style-type: none"> <li>-Retail Commercial: 23 emp/ac</li> <li>-Office &amp; Comm. Svc: 23 emp/ac</li> <li>-Tourism Services: 23 emp/ac</li> </ul> <p><b>By Sample Areas:</b></p> <p><b>Industrial:</b></p> <ul style="list-style-type: none"> <li>-Industrial: 11 employees per acre</li> </ul> <p><b>Commercial:</b></p> <ul style="list-style-type: none"> <li>-Retail Commercial: 19</li> <li>-Office &amp; Comm Svc: 29</li> <li>-Tourism Services: *Assume 19</li> </ul>	<p>Use 11 emp/ac for industrial</p> <p>Use 23 emp/ac for comm – for each subtype or as a control and allocate by sample data</p>		<p>See 10/7/2019 memo for results</p>	

Employment Forecast and Land Need Assumptions

Step	Item	Decision Needed?	Method				Result/Outcome	Notes
			Options	Data	Staff/Consultant Recommendation	PAC Recommendation		
-	Net to Gross Conversion Factor	<i>Calculation Only- No decision needed</i>	Empirical evaluation	PAC 9/5/19 packet: Attachment 2, 8/29/19 Forecast Memo	Empirical evaluation		6% for Industrial 18% for commercial (retail commercial, office commercial, and tourism services) 18% for government	
8a	Land Demand-Based on Employment Density	<i>N/A Subtot. Only</i>						
8b	Land Demand- Based on Site Needs	<i>N/A Subtot. Only</i>						
8c	Total Land Demand	<i>N/A Total Only</i>						
	BLI-Land Supply	<i>Forthcoming</i>		<i>Forthcoming</i>				
	BLI-Constraints	<i>Decision Made</i>	<b>Slope Constraints:</b> -2013 EOA 25% slope -Update to 15% slope	PAC 9/5/19 Packet: Attachment 1, 8/29/19 Cover Memo		Update to 15% slope constraint	15% slope constraint	
9	Sufficiency (supply vs. demand)	<i>N/A Calc. Only</i>		<i>Forthcoming</i>				In some cases (including school district), site needs and existing acres may differ slightly if currently owned sites don't exactly match acreage associated with needed sites, where remnant acreage on one site can't be applied to meet needs for sites at other locations.
10	Policy Options and Objectives	<i>Forthcoming</i>						
10a.	Site Characteristics for Land Use Types	<i>Direction Needed</i>	Introduce at 10/10 meeting					

**Note 1: Employment Sectors Assigned to Land Use Categories**

**Exhibit 1. Estimated total employment by sector, McMinnville UGB, 2017**

Sector	Generalized Land Use Type	Covered Employment	Estimated Total Employment	Covered % of Total
Agriculture, Forestry, and Mining	Industrial	356	356	100%
Construction	Industrial	585	852	69%
Manufacturing	Industrial	2,277	2,549	89%
Wholesale Trade	Industrial	127	180	71%
Retail Trade	Retail Commercial	2,170	2,842	76%
Transportation and Warehousing and Utilities	Industrial	140	250	56%
Information	Office & Commercial Services	127	211	60%
Finance and Insurance	Office & Commercial Services	459	912	50%
Real Estate and Rental and Leasing	Office & Commercial Services	113	867	13%
Professional and Technical Services	Office & Commercial Services	367	998	37%
Management of Companies	Office & Commercial Services	117	161	73%
Admin. and Support/Waste Mgmt/Remediation Serv.	Office & Commercial Services	584	1,044	56%
Health Care and Social Assistance; Private Education Serv.	Office & Commercial Services	3,159	4,457	71%
Arts, Entertainment, and Recreation	Tourism Services	168	458	37%
Accommodation and Food Services	Tourism Services	1,503	1,666	90%
Other Services	Office & Commercial Services	630	1,105	57%
Government	Government	2,082	2,082	100%
<b>Total Non-Farm Employment</b>		<b>14,964</b>	<b>20,990</b>	<b>76%</b>

Source: 2017 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department.

**Note 2: Employment Density Analysis Calculations**

**By Land Use Type**

Plan designation	Covered emp	Total emp	Total acres	Wetland acres	Unconstrained acres	Emp density (using unconstrained acres)
Industrial	3,422	4,485	442	13	428	10
Commercial	6,245	8,184	359	2	357	23

**By Sample Areas**

Land use type	Covered emp	Total emp	Acres	Emp density
Industrial	1,410	1,848	170	11.0
Retail Commercial	241	316	16	19.0
Office Commercial	59	77	3	29.0

## Appendix B. Employment on Other Land and Employment Density

This appendix presents research and findings that ECONorthwest completed to provide rationale for employment density and “refill” and redevelopment assumptions for the 2019 update of the City of McMinnville’s EOA. It presents empirical analysis of existing employment densities in McMinnville and information on assumptions used for EOAs in comparison cities noted in *Exhibit 1*.

**Exhibit 1. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

In addition, with the 2013 EOA, the City also previously collected comparative data from other cities and the 2001/03 EOA for employment density and “refill” and redevelopment factors. That is summarized in Figure 40 of the 2013 EOA, which is also attached at the end of this document. It also includes guidelines from DLCD’s Goal 9 Guidebook. The City elected to add additional comparable cities to the analysis as three of the five cities in Figure 40 are metro cities with considerably different economic development opportunities and strategies.

### Employment on Other (Non-Vacant) Land

ECONorthwest compiled information from the comparison cities on assumptions used in each city’s EOA for employment that doesn’t require vacant commercial or industrial land. (This corresponds to step 6 in the EOA summary matrix.) The 2013 McMinnville EOA used an overall assumption for employment on non-vacant land of 17%. Exhibit 2 summarizes assumptions used in other Oregon comparison cities.

**Exhibit 2. Employment on other land assumptions for comparison cities**

City	Emp. on Other Land	Rationale/Approach	Date
Ashland	20%	Empirical analysis of capacity on redevelopable lands.	2007
Newberg	5% (retail only)	Empirical analysis. (See Figure 40 on pg. 85 of 2013 McMinnville EOA)	2006
Redmond	10%	Reasonable judgement. (pg. 5-29).	2005
Grants Pass	10%	Reasonable judgement based on comparison areas. (pg. 8-46)	2007
Albany	0%	Redevelopment was accounted for in the BLI, so they did not account for it again in the forecast. (pg. 11)	2005
Corvallis	Industrial: 11% Retail: 12% Office: 29%	Reasonable judgement based on available buildable land. (pg. 4-56)	2016
Bend		Note: Bend used a site-based approach for estimating land need. We do not recommend this approach.	2016

DLCD’s Goal 9 workbook presented guidelines of 85-90% growth on vacant land, based on 10-15% refill and redevelopment cited as a rule of thumb.

The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands. Employment density is discussed further in the next section, but must be evaluated together with assumptions about refill and redevelopment. As discussed in the next section, the observed density of employment in commercial and industrial plan designations is currently about 10 employees/net acre in industrial plan designations (down slightly from the 2013 EOA) and 23 employees/net acre in commercial plan designations (up slightly from the 2013 EOA). Exhibits 3A-3C show the effective densities resulting from applying 17%, 10%, and 5% of new employment to developed commercial and industrial sites.

For industrial employment, this ranges from absorbing between 96 to 325 additional employees from present through 2041, and increasing to absorb between 191 to 650 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 10 employees/acre to between 11 to 12 employees/acre.

For commercial development, this ranges from absorbing between 295 to 1,003 additional employees from present through 2041, and increasing to absorb between 619 to 2,103 additional employees from present through 2067 on *currently* developed properties. This would increase the employment density for these sites from 23 employees/acre to between 25 to 29 employees per acre.

**Exhibit 3A. Effective Employment Densities with 17% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc Emp Density	17% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 17% of emp to 2041	17% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 17% of emp to 2067	
Industrial	3,422	4,485	428	10	325	4,810	11	650	5,135	12	
Commercial	6,245	8,184	357	23	1,003	9,187	26	2,103	10,287	29	

**Exhibit 3B. Effective Employment Densities with 10% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc Emp Density	10% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 10% of emp to 2041	10% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 10% of emp to 2067	
Industrial	3,422	4,485	428	10	191	4,676	11	383	4,868	11	
Commercial	6,245	8,184	357	23	590	8,774	25	1,237	9,421	26	

**Exhibit 3C. Effective Employment Densities with 5% Refill/Redevelopment Assumption on Current Developed Commercial and Industrial Sites**

Plan Designation	Covered Employment by Plan Des.	Total Emp. Calc. by Plan Des.	Net Unconstrained Developed Acres in Plan Designation	Effective Employment per Net Acre on Current Developed, Non-Vacant Sites							
				Current Calc Emp Density	5% of Add'l Emp to 2041	Tot Emp Exist Sites by Plan Des. In 2041	Emp. Density Exist Sites with 5% of emp to 2041	5% of Add'l Emp to 2067	Tot Emp Exist Sites by Plan Des. In 2067	Emp. Density Exist Sites with 5% of emp to 2067	
Industrial	3,422	4,485	428	10	96	4,581	11	191	4,676	11	
Commercial	6,245	8,184	357	23	295	8,479	24	619	8,803	25	

Both the industrial and commercial employment densities have remained nearly the same over time: from the 2001/03 EOA, the empirical calculations in the 2013 EOA, and the empirical calculations in the current analysis. Industrial densities have decreased slightly from about 11 employees/acre to about 10 employees/acre. Commercial densities have increased slightly from about 22 employees/acre to about 23 employees/acre.

The 2001/03 EOA used variable assumptions for refill/redevelopment, with 17% for industrial, 15% for commercial, and 13% for institutional, while the 2013 EOA increased these all to 17%.

Average employment densities don't appear to have increased consistent with those rates. Actual changes compared to assumptions about refill/redevelopment of the existing developed sites may be the result of:

- Refill/redevelopment has not occurred, or has occurred at lower rates than assumed in McMinnville's prior EOAs
- Employment densities of existing businesses may have declined, through reduction of employees or through expansion of facilities without commensurate increases in employment densities
- Increases in employment density in some cases may have been offset by reductions in employment density in other cases

Potential reasons may include:

- Increases in automation, where operations occupy the same space, but with fewer employees
- More new businesses/new land use of types with the same or lower employment densities than previous business' employment densities
  - Potential increases in area devoted to storage, cold storage, warehousing, and distribution, some of which may increase together with surrounding agricultural uses.
  - Potential increases in area devoted to indoor grow operations, potentially further increasing from the growth of industrial hemp production.<sup>1</sup>

The dynamics of new job creation should also be considered in evaluating refill and redevelopment.

- How strongly is job growth correlated with the size or age of a business? How much job growth is created through newer start-ups vs. long-term growth of more established businesses? How many smaller entrepreneurial businesses intend to grow to be larger businesses vs. remain smaller?
- While there may be capacity to add employees within established space for existing businesses, new businesses may need their own facilities that can't be located within the facilities of other businesses. Some existing businesses may retain partially vacant sites in the event they need to expand. Some businesses will require ownership of their land and facilities rather than leasing space on existing developed sites.

An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 emp/ac to about 11 emp/ac on existing developed sites. This is generally consistent with McMinnville's historic trends.

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<sup>1</sup> <https://www.forbes.com/sites/andrebourque/2019/01/31/how-hemp-is-moving-oregon-marijuana-to-an-indoor-grow-crop/#10ff80b960ed>

The empirical calculated density for commercial sites in the 2013 EOA was 22 emp/acre, but an aspirational policy of 26 emp/acre was adopted. Any of the three scenarios calculated above (5%, 10%, or 17%) for refill/redevelopment on *currently* developed sites would result in an increase in density on these sites that would exceed currently observed densities, ranging from 24 to 26 emp/acre by 2041. Carrying over the 17% assumption from the 2013 EOA would mean an assumed employment density of 29 emp/acre on these sites by 2067, compared to the current 23 emp/acre, and exceeding even the aspirational overall assumption of 26 emp/acre used in the 2013 EOA. An assumption of 5% commercial refill/redevelopment would result in an increase in employment density from 23 emp/ac to 25 emp/ac on these sites in 2067.

## **Recommended approach and assumptions**

This update could simply carry forward the 17% refill/redevelopment assumption from the 2013 EOA for all categories, but the analysis of empirical data, calculations of effective density, and comparisons with other cities and the DLCDC Goal 9 Guidebook suggest that assumption is high, and that McMinnville hasn't achieved this historically. Further, even if that level of refill/redevelopment had been achieved historically, carrying over an assumption for each planning period would have a compounding effect of assuming unlimited, successively higher capacity of the same existing developed sites to absorb more employment each time. This would push the employment density for those developed lands up each planning cycle, where infill and redevelopment would have already theoretically occurred and increased in each previous planning cycle.

*A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend.* This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.

The assumed 17% refill/redevelopment rate from the 2013 EOA would be an aspirational assumption that exceeds the empirical densities and exceeds the aspirational density from the 2013 EOA. It is an estimate that we don't anticipate will be achieved, and is higher than most comparisons. The 2001/03 EOA refill/redevelopment assumption of 17% for industrial and 15% for commercial is another aspirational assumption that hasn't been observed historically.

The tables below show the result of the 5%, 10%, and 17% refill/redevelopment assumptions for comparison for the 2021-2041 period.

*The government land use type is excluded from the remaining employment forecast calculations, as we account for government employment in calculations for other land needs.*

**Exhibit 4a. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (17% Assumption)**

<b>Land Use Type</b>	<b>New Employment Growth</b>	<b>Emp. on Other Land</b>	<b>New Emp. on Vacant Land</b>
Industrial	1,667	283	1,384
Retail Commercial	383	65	318
Office & Commercial Services	3,346	569	2,777
Tourism Services	1,269	216	1,053
<b>Total</b>	<b>6,665</b>	<b>1,133</b>	<b>5,532</b>

**Exhibit 4b. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (10% Assumption)**

<b>Land Use Type</b>	<b>New Employment Growth</b>	<b>Emp. on Other Land</b>	<b>New Emp. on Vacant Land</b>
Industrial	1,667	167	1,500
Retail Commercial	383	38	345
Office & Commercial Services	3,346	335	3,011
Tourism Services	1,269	127	1,142
<b>Total</b>	<b>6,665</b>	<b>667</b>	<b>5,998</b>

**Exhibit 4c. Estimate of new employment that will require vacant land, McMinnville UGB, 2021 to 2041 (5% Assumption)**

<b>Land Use Type</b>	<b>New Employment Growth</b>	<b>Emp. on Other Land</b>	<b>New Emp. on Vacant Land</b>
Industrial	1,667	83	1,584
Retail Commercial	383	19	364
Office & Commercial Services	3,346	167	3,179
Tourism Services	1,269	63	1,206
<b>Total</b>	<b>6,665</b>	<b>332</b>	<b>6,333</b>

## Employment Density

ECONorthwest completed an empirical analysis of the overall employment density in commercial and industrial areas, as well as in sample areas for the following land use types included in the employment forecast—industrial, office commercial, and retail commercial.<sup>2</sup> The 2013 McMinnville EOA used the following assumptions for employment density:

- **Industrial:** 11 employees per acre
- **Commercial:** 26 employees per acre

The 2013 EOA included an empirical analysis of employment density. The 11 employee/acre industrial density was the empirical calculated density. The empirical commercial employment density was 22 employees per acre. The 26 employee/acre density was an aspirational, policy-based assumption.

In the PAC materials provided for the meeting on September 5, 2019, we completed a sensitivity analysis for employment density based on the 2013 EOA assumptions. The analysis shows the effect of a 10% increase and 10% decrease of the 2013 employment density assumptions and the range of resulting needed acreage. The PAC requested further research based on existing employment density in McMinnville. The results of that analysis are provided in this section.

### Overall employment density for existing employment in McMinnville

The analysis of overall employment density for commercial and industrial areas included lots identified as “developed” in the buildable lands inventory (BLI) and summarized the employment per acre on these sites by plan designation (commercial or industrial land only). Land in wetlands was removed from the acreage calculation to better account for land used for employment. We calculated employment density, expressed here as total employees per acre, by dividing the number of employees on developed sites in commercial and industrial plan designations by the acreage (less wetlands) of those developed sites. The results of this calculation were:

- **Industrial:** 10 employees per acre
- **Commercial:** 23 employees per acre

Exhibit 5 shows the results of applying these employment density assumptions for the remaining land use types.

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<sup>2</sup> The other land use types—tourism services and government—were excluded from the sample area analysis. The PAC will be discussing site characteristics. The sites needed for tourism services are typically similar to the needs for retail commercial. Thus, it is reasonable to assume the same employment density for both tourism services and retail commercial. Government employment will not require vacant commercial and industrial land, so we did not analyze employment density for this land use type.

**Exhibit 5a. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,467	10	147	156
Retail Commercial	337	23	15	18
Office & Commercial Services	2,945	23	128	156
Tourism Services	1,117	23	49	59
<b>Total</b>	<b>5,866</b>		<b>338</b>	<b>389</b>

**Exhibit 5b. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	10	150	160
Retail Commercial	345	23	15	18
Office & Commercial Services	3,011	23	131	160
Tourism Services	1,142	23	50	61
<b>Total</b>	<b>5,998</b>		<b>346</b>	<b>398</b>

**Exhibit 5c. Estimate of future land demand for new employment (plan designation approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	10	158	169
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>365</b>	<b>420</b>

While this approach provides a reasonable indication of employment densities in McMinnville, the mix of types of employment on sites may affect the overall result (i.e., not all employment in industrial areas is classified as industrial employment). However, these results align with comparable areas and previous guidelines for calculating employment density, and are therefore reasonable assumptions for the purposes of the EOA.

## Sample area employment density for existing employment in McMinnville

ECONorthwest also analyzed sample areas representative of employment in McMinnville by land use type. City staff assisted in choosing these areas for further analysis based on local knowledge as well as requirements for data confidentiality. Again, we calculated the employment density by dividing the number of total employees in each sample area by the total acreage of the sample area site. The results by land use type were:

- **Industrial:** 11 employees per acre
- **Office commercial:** 29 employees per acre
- **Retail commercial:** 19 employees per acre

Similar to the first approach to calculate overall employment density, a sample area approach also has limitations. Sample areas, by definition, do not provide information on employment density across McMinnville. However, these areas were chosen based on a representation of typical employment areas in McMinnville. Limitations in data availability, reporting, and confidentiality also present limitations in results.

The results of both approaches align with results from other studies in comparable cities, as well as the guidelines in DLCD's *Industrial and Other Employment Lands Analysis—Basic Guidebook*, which states:

“Typical employment densities per net acre range from 8 - 12 jobs for industrial; 14 - 20 jobs for commercial; and 6 - 10 jobs for institutional/other jobs.”

The next section provides background information on employment density assumptions used in cities that are comparable to McMinnville.

Exhibit 6 shows the results of applying these employment density assumptions for the remaining land use types.

**Exhibit 6a. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 17% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,384	11	126	134
Retail Commercial	318	19	17	20
Office & Commercial Services	2,777	29	96	117
Tourism Services	1,053	19	55	68
<b>Total</b>	<b>5,532</b>		<b>294</b>	<b>339</b>

**Exhibit 6b. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 10% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,500	11	136	145
Retail Commercial	345	19	18	22
Office & Commercial Services	3,011	29	104	127
Tourism Services	1,142	19	60	73
<b>Total</b>	<b>5,998</b>		<b>319</b>	<b>367</b>

**Exhibit 6c. Estimate of future land demand for new employment (sample area approach), McMinnville UGB, 2021 to 2041, after 5% deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	19	19	23
Office & Commercial Services	3,179	29	110	134
Tourism Services	1,206	19	63	77
<b>Total</b>	<b>6,333</b>		<b>336</b>	<b>388</b>

## Employment density comparison

City of McMinnville staff provided ECONorthwest with a list of cities typically used for comparison purposes. The cities and their population are listed in Exhibit 7.

**Exhibit 7. Cities used for comparison to the City of McMinnville by population and county**

City	Population (2018 PSU Estimate)	County
Ashland	20,815	Jackson
Newberg	23,795	Yamhill
Redmond	29,190	Deschutes
Grants Pass	37,285	Josephine
Albany	53,145	Linn & Benton
Corvallis	59,280	Benton
Bend	89,505	Deschutes

Each city listed above has completed an EOA between 2005 and 2016. Methodologies for each EOA varied, and information related to employment density assumptions was not consistently reported. The assumptions document in each EOA are listed in Exhibit 8, along with a description of the rationale or approach used for arriving at the employment density numbers, if available. These approaches generally fell into two categories, either (1) a reasonable judgement based on comparable cities or (2) an empirical analysis of existing employment density or other metric.

**Exhibit 8. Employment densities for comparison cities**

City	Employment Density (employees per acre)			Rationale/Approach	Date
	Industrial	Commercial	Retail		
Ashland	12	17	--	Reasonable judgement/comparison (pg. C-6)	2007
Newberg	11	21	21	Empirical analysis (pg. 84 McMinnville 2013 EOA)	2010
Redmond	5 (low) – 12 (high)	12 (low) – 20 (high)	--	Empirical analysis/comparison (pg. 5-29)	2005
Grants Pass	10	17	17	Reasonable judgement/comparison (pg.8-47)	
Albany	12	--	20	Reasonable judgement/comparison (pg 11)	2007
Corvallis	10	35	25	Empirical analysis (pg 4-60)	2016
Bend	--	--	--	<i>Note: Bend did not use an EPA approach for the 2016 EOA.</i>	2016

## Recommended assumptions and approach

The results of the empirical analysis are within reasonable ranges for employment densities. Exhibit 9 shows the recommended approach of 11 employees per acre for industrial and 23 employees per acre for all other land use types. It would also be possible to use the commercial density as a total control for the commercial subcategories and allocate a proportion of the total acreage to each subcategory based on the share from the sampled employment densities if preferred, but we believe this method is reasonable.

**Exhibit 9. Estimate of future land demand for new employment (recommended approach), McMinnville UGB, 2021 to 2041, after 5% refill/redevelopment deduction**

Land Use Type	New Emp. on Vacant Land	Employees per Acre (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	1,584	11	144	153
Retail Commercial	364	23	16	19
Office & Commercial Services	3,179	23	138	169
Tourism Services	1,206	23	52	64
<b>Total</b>	<b>6,333</b>		<b>351</b>	<b>405</b>

*These calculations do not include the government land needs, which are calculated separately.*

During discussion of site characteristics, a portion of the commercial uses will be split out and assigned to neighborhood-serving commercial and services to be located in neighborhood areas.

**Figure 40. Comparative Employment Density & Redevelopment Factors**

Reference	Employment Density (Jobs per Acre)	% of Job Growth on Vacant Employment Land
2001 McMinnville EOA	11 industrial 22 commercial 35 institutional	83% industrial 85% commercial 87% institutional (based on factors including 1-5% requires no non-res built space or land, 5-7% on existing developed land, and 5% vacancy rate)
DLCD Goal 9 Guidebook (2005)	8-12 industrial 14-20 commercial 6-10 institutional & other (demand for net acres; also noted is that each acre can accommodate 10-15 jobs for general commercial and office-park industrial, 20 for offices in non-metro downtowns & suburban settings)	85-90% job growth on vacant land (based on 10-15% use of vacant or redeveloped buildings cited as general rule of thumb)
Salem-Keizer Metro Area Regional EOA 2012-2032 (May 2011)	Forecast densities @: 20 light industrial (above 12-15 current) 36 general office (reflecting current average with range from 27 in retail areas to 73 in Salem central business area) Retail/personal service uses forecast not by jobs per acre (but @ 0.30 FAR)	95% industrial 83% general office (based on assumption that 5% of industrial and 17% of office new employment will locate in existing space or sites not requiring new land; EOA also notes that "there is no study that quantifies how much employment is commonly accommodated in existing built space over a 20-year period in a city.")
Albany EOA Update (2007)	12 industrial 20 commercial retail/services 10 government	100% job growth on vacant land (was at 90% with 2000 EOA @ 10% refill rate but adjusted to 0% rate as the updated 2007 BU already accounted for infill and redevelopment on supply side of analysis)
Newberg EOA (2010)	11 industrial (including 10% increase in density as efficiency measure) 21 commercial retail & office (overall average with office calculated @ 40% FAR & avg 201 sf/job; retail estimated @ 14.8 net buildable acres per 1,000 new households)	See density for industrial Office appears to assume 100% development on vacant land Retail assumes 95% use of vacant land (with 5% assumed for infill & redevelopment)
City of Beaverton Final Draft EOA (2010)	18 general industrial 10 warehouse 23 flex/business park 58 office 30 retail 38 institutional (@ Metro method of jobs/bldg sf & FAR for densities)	94.2% industrial 92.7% commercial (calculated for excess vacancy above 6% target normalized rate with excess figures at 5.8% industrial, 7.3% commercial)
Metro Urban Growth Report (2009)	6 general industrial & warehouse 23 flex/business park 46 office 27 retail 27 institutional (Calculated using jobs/bldg sf & FAR for densities; @ low end of spectrum for outer ring suburbs)	80-90% general industrial, warehouse & flex/business park (10-20% refill) 70% office (30% refill) 40-70% retail (or 30-60% refill with most (generally @ lower end of refill rates) 60-65% institutional (or 35-40% refill) (Range for outer ring suburbs, 2015-30 time period)

Sources: From documents prepared by ECONorthwest, Johnson-Gardner and E. D. Hovee & Company, LLC.



**City of McMinnville**  
**Planning Department**  
 231 NE Fifth Street  
 McMinnville, OR 97128  
 (503) 434-7311

[www.mcminnvilleoregon.gov](http://www.mcminnvilleoregon.gov)

## MEMORANDUM

**DATE:** October 10, 2019  
**TO:** Economic Opportunities Analysis PAC and Public Lands Work Group  
**FROM:** Tom Schauer, Senior Planner  
**SUBJECT:** Public & Institutional Lands - Preliminary

Certain land uses don't lend themselves to forecasting land needs by use of an employment forecast and employment density assumptions. At a previous meeting, information was presented about public and institutional organizations and lands. Data was presented about calculations using a ratio of acreage per 1,000 population that can be used to forecast site needs. However, this method isn't always applicable to each of these entities. Following the September 5, 2019 PAC Meeting #2, staff held meetings with representatives of public and institutional organizations to discuss land needs and methods. This memo summarizes the results of the meetings and summarizes some information discussed at the last PAC meeting. For some organizations, there is still some data collection and analysis needed based on the methodologies discussed during the meetings. The other estimates in this memo are preliminary and for review, discussion, and verification.

### City of McMinnville

#### Data Forthcoming

- **General, Misc. City Departments: (Administration, Office, Police, Public Works, Fleet, Library, Recreation Buildings, etc.)**
  - Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning period.
  - Generally, there was a sense that a ratio of acreage per 1,000 population could over-estimate the City's future land needs. Given existing facilities and site arrangements, there are opportunities to consolidate facilities, redevelop/expand onto existing city sites, use land more efficiently, grow into more recent expansions that retain capacity, etc.
  - With a forecast population of about 48,000 in 2014 and 63,000 in 2067, it is not expected that the City would grow to a size that would necessitate substantial branch facilities or satellite locations during the planning period (such as a library branch etc.)
  - Existing data from cities of approximately 48,000 population and 63,000 population corresponding to the future year populations for McMinnville might help inform McMinnville's land needs. For example, as a comparison, analysis of current acres per population for cities of those sizes might help inform McMinnville's future needs.

***Forthcoming.***

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- Use of an employment forecast growth rate for the office portion of the City's land need might also provide a useful comparison to help inform future land needs.
- **Fire:**
  - The Fire Department anticipates transition from single downtown station to three satellite stations at approximately 1.5 acres each: (1) Baker Creek/Hill Road area, (2) Airport area, (3) Northeast area. The estimated need would be about **4.5 acres for three substations**. There could be opportunities to co-locate police substations at sites. There is potential that they could be co-located on sites with other uses. The NE station may be within the current UGB or may be further to the northeast. There is potential for the current station to be re-used for other municipal or other uses.
- **Police:**
  - **No specific plans for new facilities.** Their needs can be accounted for as part of the overall City need using the same methods.
- **Airport:**
  - **No additional land needs identified.**
- **Sewer:**
  - **Treatment: No additional land needs anticipated.** The City owns 5 tax lots with approximately 70 acres east of the UGB where the sewer treatment plant is sited. No additional land need is anticipated. There is capacity to expand the treatment plan on the existing site. If there is a UGB expansion to east which includes this area, these properties won't be available for buildable land for other uses.
  - **Collection System: No significant additional land demand is assumed outside of the public right-of-way, so no calculation has been added or assumed for de minimus need.** Minimal needs for future pump stations may be needed for new development. Site needs for small pump stations are similar to or smaller than a residential lot. The lands needs for these facilities are relatively small and no additional acres are proposed. Depending on direction of growth, there could be needs for larger pumping facilities.
- **Parks:**
  - The Comprehensive Plan includes the following policies:
    - **159.00.** The City of McMinnville's Parks, Recreation, and Open Space Master Plan shall serve to identify future needs of the community, available resources, funding alternatives, and priority projects
    - **163.05.** The City of McMinnville shall locate future community and neighborhood parks above the boundary of the 100-year floodplain
    - **170.05.** For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used
  - The Master Plan level of service (LOS) standard is 14 acres/1,000 persons.

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- The 2017 UGB population was 34,293.
  - The City has approximately 273 acres of developed park land and 76 acres of undeveloped park land, totaling about 349 acres (**See attached**).
  - The 2017 need was approximately 480 acres; there's a deficit of approximately 207 acres of developed park land.
  - Need for 665 total acres by 2041 (an additional need of 185 ac, or total of 392 ac with the current deficit)
  - Need for 879 total acres by 2067 (an additional need of 400 ac, or total of 660 ac with the current deficit)
  - Absent joint use agreements with other entities for public use of facilities consistent with the needs identified in the Park Master Plan, park sites and recreational facilities that aren't city-owned aren't assumed to meet the LOS for developed park needs. If there are separate standards for open space, that may be evaluated.
- **Other (stormwater):** While no specific need was identified, there was a sense that stormwater detention and water quality standards would likely increase the amount of land that will need to be dedicated for on-site stormwater management (detention and treatment) as best practices seek to manage stormwater close to "where the rain hits the ground" to reduce peaking of down stream flows and conveyance of sediment and/or contaminants in runoff. These sites may be privately or publicly owned and maintained, but should be accounted for.
  - **Other (transit related):** There was a sense that, as the community grows and the transit system expands and matures, it expected that there will be a more robust transit system with some additional land needs.

### **McMinnville Water & Light (MWL):**

#### **Estimated need of 21-24 acres, plus additional location/development specific needs**

- General: It is estimated that in addition to sites already owned by MWL, they will need approximately 21 additional acres for power and water, and may have additional needs that are dependent on specific growth characteristics and developments. Some users require an on-site substation that requires a site and land. If growth occurs to the west further upslope into the west hills, that might include the 3-acre reservoir site needed to serve water pressure Zone 2, and could necessitate an additional reservoir/site if growth continues far enough upslope to result in a Zone 3 service area.
- The additional 21-acre need includes 16 acres for a treatment plant and pumping facilities which could co-locate with a power substation in the easterly portion of the UGB; an additional 2 acres in the easterly UGB area for power, and an additional 3 acres in the westerly UGB for additional storage for fire flow.

### **Yamhill County**

#### **Data forthcoming**

- Currently, there is no formally adopted plan outlining space needs and plans for existing and future building/facility needs for the planning period.

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- The acreage per 1,000 population estimate is a reasonable method, first deducting the fairgrounds property before calculating the ratios.
- Current county-owned sites don't allow for much incremental on-site expansion, so additional capacity would likely require redevelopment or expansion onto additional land.
- Transit may have a need for expanded bus parking/storage area that doesn't require new structures
- Locational analysis: The County Parks Master Plan identifies potential lands for parks at key locations in proximity to McMinnville near confluence areas shown on vision map in the Master Plan)

### **Chemeketa Community College**

**No new land needs.** Chemeketa Community College sold the property they previously owned, the former campus site, on Hill Road. Their McMinnville campus on Norton Lane houses their facilities as well as commercial and office tenants. For planning purposes, Chemeketa doesn't anticipate new land needs beyond their current ownership, and doesn't anticipate displacement of tenants.

### **Linfield College**

**No new land needs.** Linfield College doesn't anticipate new land needs beyond current their ownership during the planning period. They recently sold a portion of the property to MV Advancements. For planning purposes, the City should not assume non-college use or sale of further property during the planning period.

### **McMinnville School District**

**Data forthcoming.** ECONorthwest prepared a school needs forecasting model that staff shared with the Superintendent. They have more detailed data they will provide regarding student enrollment forecasting, school size, and site needs by school type to estimate their site and land needs for the planning period. That information is forthcoming.

**MCMINNVILLE PARKS SYSTEM**

<b>COMMUNITY PARKS</b>		<b>ACRES</b>
<b>City Park</b>		<b>16.79</b>
	R4420AD 09800	15.51
	R4420AD 05101	0.56
	R4420AD 06900	0.13
	R4420AD 07000	0.13
	R4420AD 07100	0.07
	R4420AD 07200	0.08
	R4420AD 07300	0.11
	R4420AD 07400	0.19
<b>Joe Dancer Park</b>		<b>107.62</b>
	R4422 02300	79.52
	R4421 00400*	23.90
	R4422 WATER*	4.20
<b>Discovery Meadows Park</b>		<b>20.97</b>
	R4429 00300	17.07
	R4429BB 02600	3.90
<b>Kiwanis Marine Park</b>		<b>4.63</b>
	R4421 00800	1.30
	R4421DB 04200	2.79
	E4421DB ROADS*	0.54
<b>Riverside Dog Park</b>		<b>3.80</b>
	R4421 00100*	
<b>Wortman Park</b>		<b>21.66</b>
	R4416AD00100	
<b>COMMUNITY PARKS TOTAL</b>		<b>175.47</b>

\*Notes partial taxlot

<b>MINI-PARKS/PLAYLOTS</b>		<b>ACRES</b>
<b>Bend-o-River</b>		<b>0.33</b>
	R4422CD 00128	
<b>Chegwyn Farms Park</b>		<b>3.94</b>
	R4409CD 00100*	
<b>Greenbriar</b>		<b>0.23</b>
	R4417BC 00100	
<b>Heather Hollow</b>		<b>3.22</b>
	R4429BC 00100	
<b>Jay Pearson Park</b>		<b>2.94</b>
	R4418 00202*	
<b>Kingwood</b>		<b>0.58</b>
	R4422DD06000	
<b>North Evans</b>		<b>0.34</b>
	R4416BC03300	
<b>Taylor</b>		<b>0.31</b>
	R4420DC04900	
<b>Thompson</b>		<b>2.28</b>
	R4428BA04300	
<b>Village Mill</b>		<b>0.49</b>
	R4428BA00111	0.22
	R4428BA00105	0.27
<b>West Hills Park</b>		<b>7.77</b>
	R452400803	
<b>MINI-PARKS/PLAYLOTS TOTAL</b>		<b>22.43</b>

\*Notes partial taxlot

<b>TOTAL DEVELOPED PARK LANDS</b>	<b>272.81</b>
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<b>OPEN SPACE/UNDEVELOPED</b>		<b>ACRES</b>
<b>Angella</b>		<b>2.21</b>
	R4428BD02100	
<b>Ashwood/Derby</b>		<b>0.29</b>
	R4420DB02401	
<b>Barber Property</b>		<b>11.76</b>
	R442901201	
<b>Bennett</b>		<b>0.19</b>
	R4416AA05800	
<b>Brookview</b>		<b>0.72</b>
	R4420BA00500	
<b>Carlson</b>		<b>1.53</b>
	R4420DB00300	
<b>Creekside Cozine</b>		<b>3.69</b>
	R4430DD00200	
<b>Creekside #3 Cozine</b>		<b>15.31</b>
	R4430DC03500	
<b>Crestwood</b>		<b>2.08</b>
	R4420BA00300	1.10
	R4420BA00301	0.60
	R4420BA ROADS*	0.38
<b>Davis St. Fill</b>		<b>1.57</b>
	R4421CC00900	0.91
	R4421CC02601	0.66

\*Notes partial taxlot

<b>TOTAL UNDEVELOPED PARK LANDS</b>	<b>75.76</b>
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<b>TOTAL PARK LANDS</b>	<b>348.57</b>
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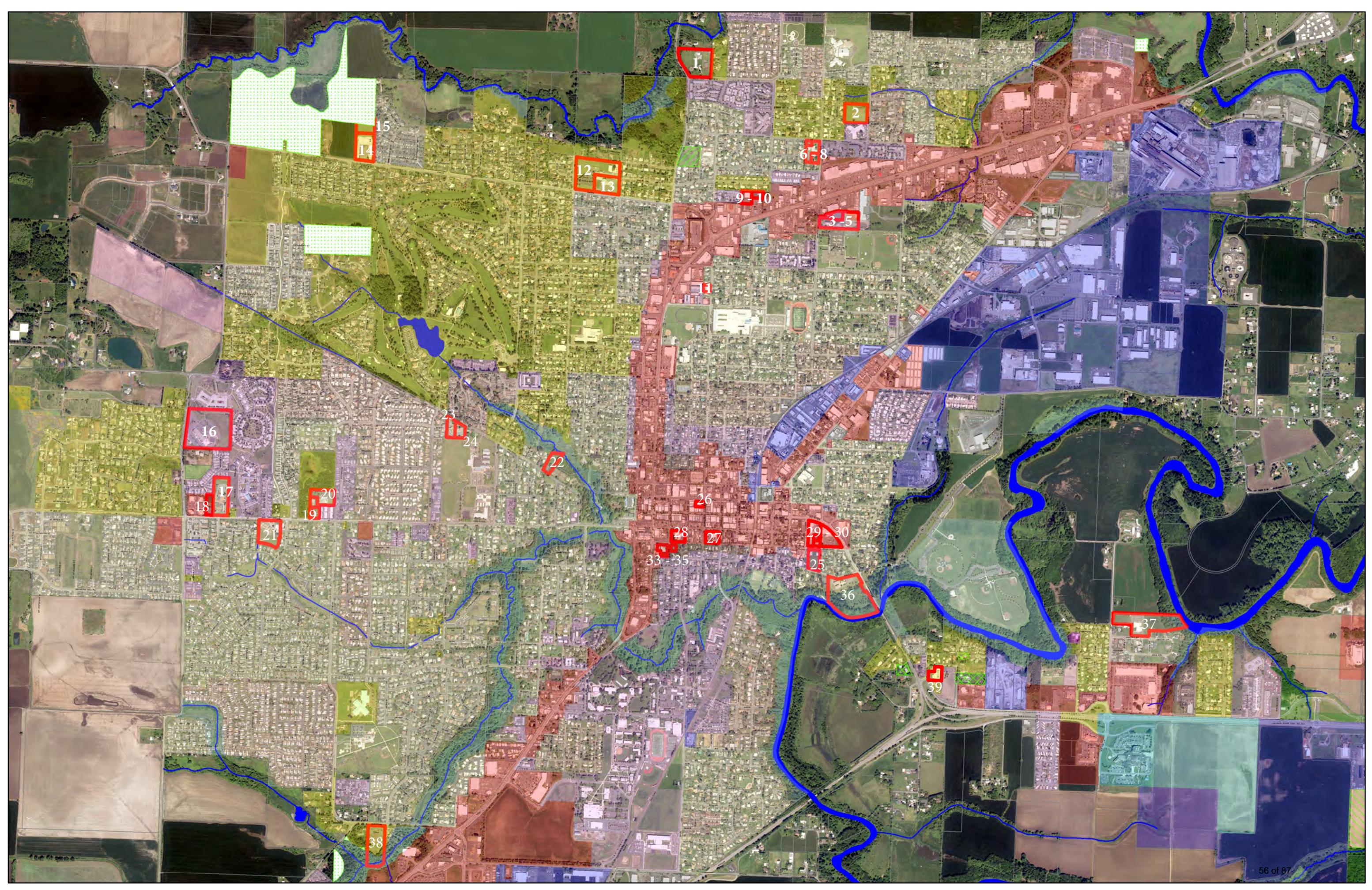
<b>LINEAR/TRAIL PARKS</b>		<b>ACRES</b>
<b>Airport Park</b>		<b>18.82</b>
	R442600203*	2.74
	R4426 ROADS*	0.62
	R442600500*	1.28
	R442600201*	14.18
<b>Ash Meadows</b>		<b>1.29</b>
	R4420CC00239	
<b>BPA Pathway</b>		<b>2.84</b>
	R4419AD02100	0.98
	R4419AC00200	0.08
	R4419AC00101	0.30
	R441901200*	0.32
	R4419AA11700	0.35
	R4419AA11800	0.45
	R4418DC04100	0.36
<b>BPA II Pathway</b>		<b>4.23</b>
	R4418DC00100	0.83
	R4418DC04400	0.14
	R4418DC07100	0.32
	R4418DC06600	0.32
	R4418DB12200	0.66
	R4418DB12000	1.04
	R441800202*	0.63
	R4418AD10800	0.29
<b>Goucher St. Pathway</b>		<b>1.95</b>
	R4420CC ROADS*	1.01
	R4420CC NONTL	0.02
	R4420CB ROADS*	0.92
<b>James Addition</b>		<b>1.54</b>
	R4420CC00124	1.27
	R4419DD00390	0.27
<b>Jandina</b>		<b>2.25</b>
	R4419DD02790	
<b>Jandina III</b>		<b>2.78</b>
	R4419DA13200	1.99
	R4419DA13300	0.79
<b>Roma Sitton</b>		<b>1.69</b>
	R4418AD10900	
<b>Tice Rotary</b>		<b>33.82</b>
	R441700101	32.82
	R441700100	1.00
<b>Westvale</b>		<b>3.70</b>
	R4419DB02400	
<b>LINEAR/TRAIL PARKS TOTAL</b>		<b>74.91</b>

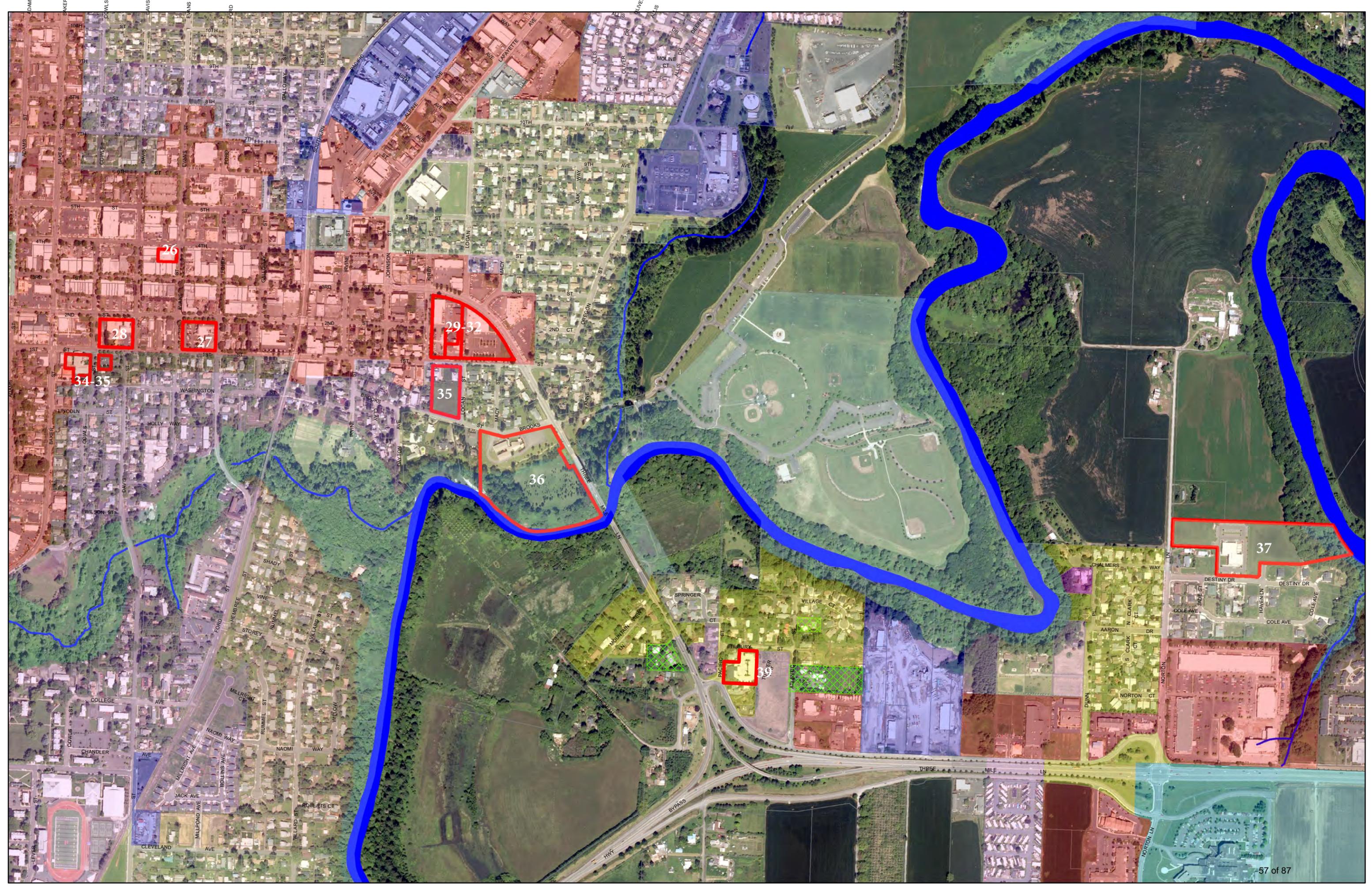
<b>OPEN SPACE/UNDEVELOPED</b>		<b>ACRES</b>
<b>Elmwood</b>		<b>3.07</b>
	R4420DB00200	1.79
	R4420DA04300	1.28
<b>Fir Ridge</b>		<b>0.69</b>
	R4420AC02600	
<b>Irvine St.</b>		<b>6.68</b>
	R4421CA03200	4.00
	R4421CA03901	0.66
	R4421CA03401	1.63
	R4421CA ROADS*	0.39
<b>Jay Pearson-East</b>		<b>1.16</b>
	R4418 00202*	
<b>Meadowridge</b>		<b>0.69</b>
	R4420BA00409	
<b>Quarry</b>		<b>11.54</b>
	R4419AD00700	
<b>Tall Oaks</b>		<b>12.58</b>
	R442903200	9.60
	R4429BA14190	1.55
	R442900108	1.43

**Church Database and Church Owned Property, May , 2017**

No.	Tax Lot	Site Address	Owner	Attn:	Mailing Address	City State	Zip	Zone	Lot Size
1	R4409 01900	385 NE BURNETT RD	UNITED METHODIST	UNITED METHODIST CHURCH OF MCMINNVILLE	544 NE 2ND ST	MCMINNVILLE OR	97128		252713.75
2	R4416AB04100	2831 NE NEWBY ST	ADVENTURE CHRISTIAN	ADVENTURE CHRISTIAN CHURCH	2831 NE NEWBY ST	MCMINNVILLE OR	97128	R-1	127970.40
3	R4416AC00900	2206 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2142 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	10351.67
4	R4416AC01000	2206 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2244 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	28677.93
5	R4416AC01100	2142 NE MCDONALD LN	ST JOHN	ST JOHN LUTHERAN CHURCH	2142 NE MCDONALD LN	MCMINNVILLE OR	97128	R-4	148381.05
6	R4416BA02900	2631 NE MCDONALD LN	VALLEY BAPTIST	VALLEY BAPTIST CHURCH	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	59104.97
7	R4416BA02901	1004 NE 27TH ST	VALLEY BAPTIST	VALLEY BAPTIST CHURCH OF MCMINNVILLE	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	8009.11
8	R4416BA03000	2603 NE MCDONALD LN	VALLEY BAPTIST	VALLEY BAPTIST CHURCH	2631 NE MCDONALD LN	MCMINNVILLE OR	97128	R-2	21928.99
9	R4416BC02001		COAST HILLS	COAST HILLS COMMUNITY CHURCH	655 NE HIGHWAY 99W	MCMINNVILLE OR	97128	C-3 PD	23709.74
10	R4416BC02101	655 NE HIGHWAY 99W	COAST HILLS	COAST HILLS COMMUNITY CHURCH	655 NE HIGHWAY 99W	MCMINNVILLE OR	97128	C-3 PD	40060.83
11	R4416CB05200	1801 NE EVANS ST	VALLEY CHURCH	VALLEY CHURCH OF CHRIST INC	PO BOX 1210	MCMINNVILLE OR	97128	R-2	14453.39
12	R4417AD04700	325 NW BAKER CREEK RD	FIRST CONSERVATIVE	FIRST CONSERVATIVE BAPTIST CHURCH	325 NW BAKER CREEK RD	MCMINNVILLE OR	97128	R-1	297342.98
13	R4417AD04701	325 NW BAKER CREEK RD	BETHEL BAPTIST	REISTER CARL	325 NW BAKER CREEK RD	MCMINNVILLE OR	97128	R-1	131009.30
14	R4418 00102	1645 NW BAKER CREEK RD	CHURCH OF	LATTER DAY SAINTS	50 E NORTH TEMPLE ST	SALT LAKE CITY UT	84150	R-1	153968.43
15	R4418 00103		CHURCH OF	LATTER DAY SAINTS	50 E NORTH TEMPLE ST	SALT LAKE UT	84150	R-1/EF80	86166.47
16	R4419 01302	700 NW HILL RD	FIRST CHURCH	FIRST CHURCH OF THE NAZARENE MCMINNVILLE	700 NW HILL RD	MCMINNVILLE OR	97128	R-4 PD	526983.44
17	R4419AC00400	2155 NW 2ND ST	MCMINNVILLE COVENANT	MCMINNVILLE COVENANT CHURCH	2155 NW 2ND ST	MCMINNVILLE OR	97128	R-2	173250.33
18	R4419AC00501		MCMINNVILLE COVENANT	MCMINNVILLE COVENANT CHURCH	2155 NW 2ND ST	MCMINNVILLE OR	97128	C-3 PD	44512.57
19	R4419AD00800		CALVARY CHAPEL	CALVARY CHAPEL OF MCMINNVILLE	1825 NW 2ND ST	MCMINNVILLE OR	97128	R-2 PD	122080.36
20	R4419AD00900	1825 NW 2ND ST	CALVARY CHAPEL	CALVARY CHAPEL OF MCMINNVILLE	1825 NW 2ND ST	MCMINNVILLE OR	97128	R-2 PD	27122.79
21	R4419DA14900	1950 SW 2ND ST	SALVATION ARMY	SALVATION ARMY	PO BOX 8798	PORTLAND OR	97208	R-2 PD	159479.84
22	R4420AC02700	720 NW WALLACE RD	NORTHWEST YEARLY	FRIENDS CHURCH	200 N MERIDIAN ST	NEWBERG OR	97132	R-2	60044.25
23	R4420BA10200	1145 NW WALLACE RD	UNITED PENTECOSTAL	UNITED PENTECOSTAL CHURCH	PO BOX 374	MCMINNVILLE OR	97128	R-2	47996.72
24	R4420BA10300	1145 NW WALLACE RD	UNITED PENTECOSTAL	UNITED PENTECOSTAL CHURCH	PO BOX 15	MCMINNVILLE OR	97128	R-2	43757.87
25	R4421AC03500	1145 NE 1ST ST	ARCHDIOCESE OF	ST JAMES PARRISH	2838 E BURNSIDE ST	PORTLAND OR	97214	C-3	93509.39
26	R4421BC05300	333 NE EVANS ST	CREEKSIDE COMMUNITY	CREEKSIDE COMMUNITY CHURCH	PO BOX 1598	MCMINNVILLE OR	97128	C-3	12173.07
27	R4421BC11500	544 NE 2ND ST	MCMINNVILLE MINISTRIES	MCMINNVILLE MINISTRIES INC	544 NE 2ND ST	MCMINNVILLE OR	97128	C-3	48020.52

No.	Tax Lot	Site Address	Owner	Attn:	Mailing Address	City State	Zip	Zone	Lot Size
28	R4421BC12900	390 NE 2ND ST	FIRST PRESBYTERIAN	FIRST PRESBYTERIAN CHURCH OF MCMINNVILLE	390 E 2ND ST	MCMINNVILLE OR	97128	C-3	48017.69
29	R4421BD07200	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	68370.94
30	R4421BD07300	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	9005.69
31	R4421BD07400	200 NE KIRBY ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	C-3	14005.35
32	R4421CA00100	1110 SE 1ST ST	ST JAMES	ST JAMES CATHOLIC CHURCH MCMINNVILLE OR	1145 NE 1ST ST	MCMINNVILLE OR	97128	R-4	70228.18
33	R4421CB03200	304 SE 1ST ST	FIRST BAPTIST	MCMINNVILLE	125 S COWLS ST	MCMINNVILLE OR	97128	O-R	9008.28
34	R4421CB03700	125 SE COWLS ST	FIRST BAPTIST	FIRST BAPTIST CHURCH OF MCMINNVILLE		MCMINNVILLE OR	97128	O-R	26031.13
35	R4421CB03900	135 SE COWLS ST	FIRST BAPTIST	FIRST BAPTIST CHURCH OF MCMINNVILLE	125 S COWLS ST	MCMINNVILLE OR	97128	O-R	4000.11
36	R4421DB04100	1300 SE BROOKS ST	FIRST CHRISTIAN	FIRST CHRISTIAN CHURCH OF MCMINNVILLE	1300 SE BROOKS ST	MCMINNVILLE OR	97128	R-2/FP	456397.69
37	R4422 03400	2705 NE DESTINY DR	NEW HORIZONS	NEW HORIZONS CHURCH	2705 NE DESTINY DR	MCMINNVILLE OR	97128	R-2 PD	343810.13
38	R4429 01301	1500 SW OLD SHERIDAN RD	OREGON CONFERENCE ADVENTIST CHURCHES	ATTN MCMINNVILLE SDA CHURCH	19800 OATFIELD RD	GLADSTONE OR	97027	R-1	207570.34
39	R4421DD00701	160 NE PACIFIC ST	WEST CONGREGATION	JEHOVAHS WITNESS MCMINNVILLE OREGON	160 NE PACIFIC ST	MCMINNVILLE OR	97128	R-1	47139.40





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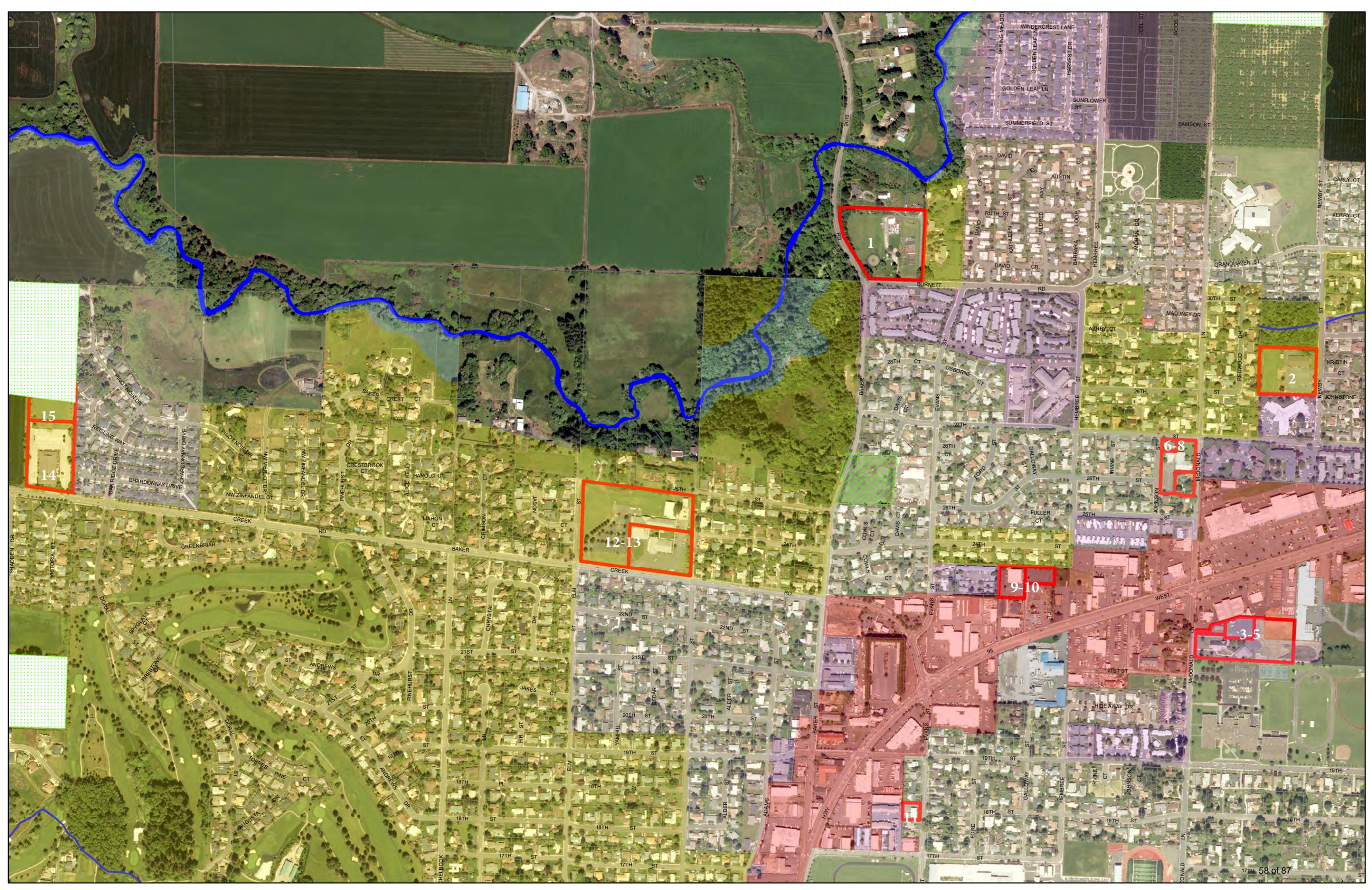
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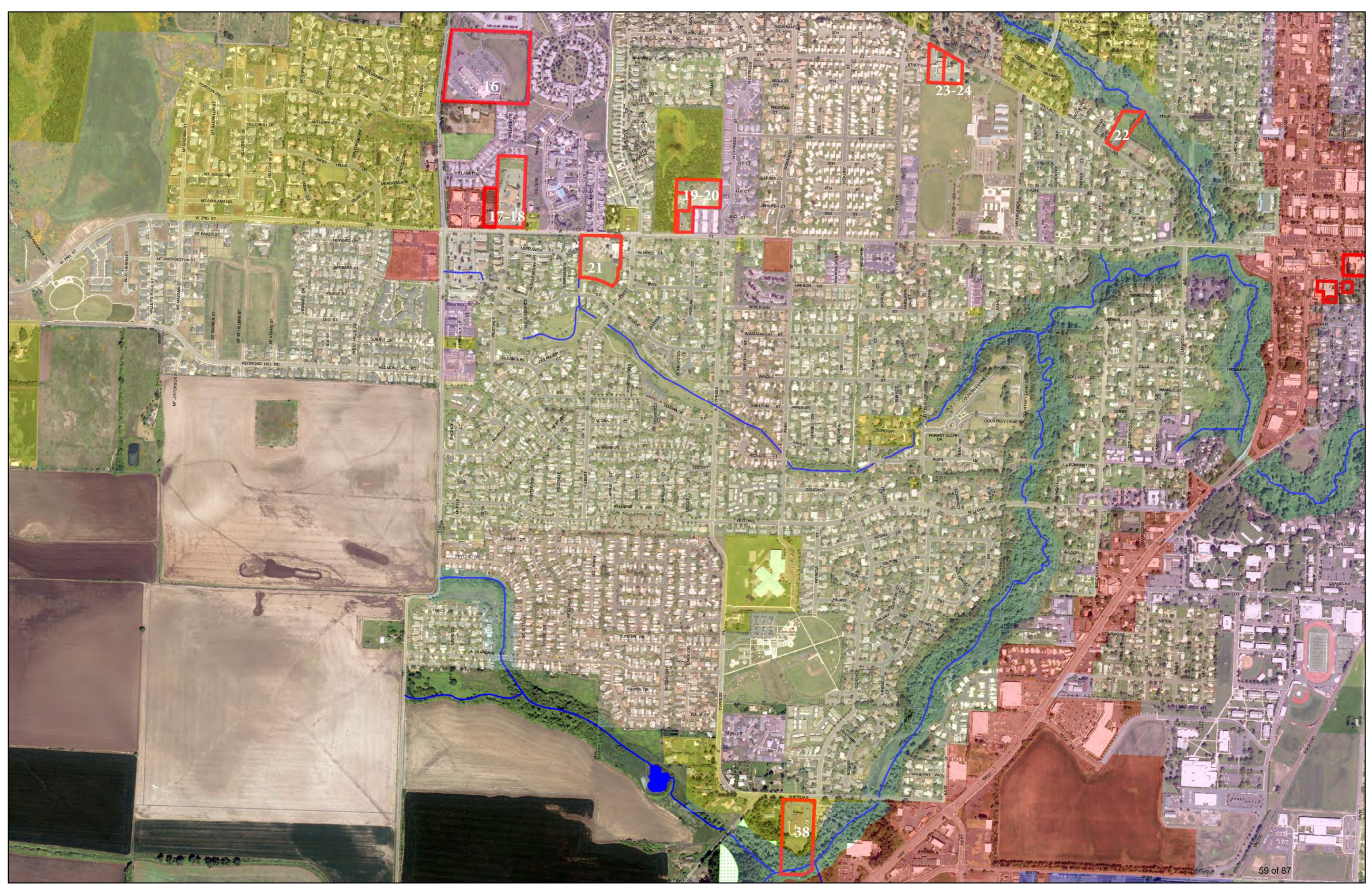
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DATE: September 15, 2023  
TO: Heather Richards  
FROM: Beth Goodman and Bob Parker  
SUBJECT: Information in Response to 1000 Friends of Yamhill County's Letter

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ECONorthwest developed a Housing Needs Analysis (HNA) and Economic Opportunities Analysis (EOA) for the City of McMinnville. 1000 Friends of Oregon and Friends of Yamhill County (FRIENDS) wrote a letter to the McMinnville Planning Commission raising questions, concerns, and issues they have with the HNA and EOA reports. This memorandum responds to each of FRIENDS comments, providing information about the data used in the analysis, the basis for the analysis, and information about how other cities in Oregon handle similar issues.

The City is proposing to adopt the HNA and EOA, then evaluate land use efficiency measures to increase capacity for development (and reduce needed UGB expansion) within the existing UGB, develop a Housing Production Strategy to address need for affordable housing, and develop UGB expansion analysis to accommodate land need that cannot be fit within the existing UGB. The City has applied to the the Department of Land Conservation and Development (DLCD) to implement this adoption process.

## I. General Comments

The letter from FRIENDS raises the following key issues in the general comments:

- **Minimum lot sizes.** FRIENDS says that the minimum lot sizes in McMinnville are larger than those in other cities in the Willamette Valley. In our opinion, if the City wants to change minimum lot sizes, this would be best addressed through evaluation of land use efficiency measures. The City expects to evaluate land use efficiency measures in 2024. The HNA presents an estimate of land need that does not account for land use efficiency measures. If land use efficiency measures reduce the land needed for housing in a potential UGB expansion, that will be reflected in analysis that comes after the HNA is adopted.
- **Density estimate.** FRIENDS says that the average density in the HNA (5.46 dwelling units per acre) is less than that used in the McMinnville Growth Management and Urbanization Plan (MGMUP), which resulted in the 2020 UGB expansion. This issue is addressed later in this memorandum, as well as in the City attorney's memorandum.
- **Demand for park land.** FRIENDS' comments about park land is addressed later in this memorandum, as well as in City staff's memorandum about the comments.
- **Population forecast.** FRIENDS' comments about the population forecast is addressed later in this memorandum, as well as in the City attorney's memorandum.

## II. Housing Needs Analysis

### 1. Capacity of Lands designated Urban Holding and projection of future park needs

FRIENDS say that the HNA and public/semi-public land analysis assumes too much land for parks, schools, and institutional uses and that the assumption about park land need is based on an inadequate factual basis. They say that the City should not rely on the McMinnville Growth Management and Urbanization Plan to determine how much land brought into the UGB will be used for housing uses and how much for residential uses through 2041 (and beyond).

In our experience, cities must use adopted plans and policies to justify assumptions about park land. The City adopted the McMinnville Growth Management and Urbanization Plan (MGMUP), which provided details about how land brought into the UGB will be used, such as to address parks and other public/semi-public land needs, as well as for neighborhood commercial and residential uses, such as land for the City's new R-5 zone.

The park land need is based on the City's adopted "Parks Recreation, and Open Space Master Plan," which was adopted in 1999. Whenever we work with cities to estimate future park land needs, we do so based on the adopted parks plan. This is the approach we have taken on several prior UGB expansions and it is our understanding that it is the legally required approach.

The HNA, EOA, and Urbanization summary incorporates these assumptions. Doing otherwise would require justification to ignore adopted City policies. We do not have justification for alternative assumptions.

### 2. Residential Density

FRIENDS says that the average density in the HNA (5.46 dwelling units per acre) is less than that used in the McMinnville Growth Management and Urbanization Plan (MGMUP), which resulted in the 2020 UGB expansion.

The density estimate in the HNA (5.46 dwelling units per acre) is based on an analysis of historical achieved densities over the 2000 to July 2018 period, using McMinnville's building permit data. This analysis is shown in Exhibit 22 of the 2023 HNA report. The historical density analysis forms the basis for the estimate of future housing capacity of buildable land, which is shown in Exhibit 98 in the 2023 HNA report. This analysis and estimate of future capacity is consistent with the requirements of ORS 197.296(5)(a)(A).

In addition McMinnville updated its zoning code in 2022 to allow middle housing types as required by House Bill 2001 (2019). ORS 197.296(6)(b) limits a city to increasing the future density expectations to 3% over the historical densities without "quantifiable validation" for a larger assumption about increases in density. McMinnville assumed a 3% increase over

historical densities (in Exhibit 22<sup>1</sup>) to account for complying with complying with HB 2001 (2019).

This method of estimating future density is consistent with requirements of Oregon law (ORS 197.296) and does not account for potential land use efficiency measures. If McMinnville needs to expand its UGB, that expansion would account for new land use efficiency measures and the future density would likely be above 5.46 dwelling units per acre. This is the same approach we use for other cities that, like McMinnville, are subject to the requirements of ORS 197.296.

### 3. Housing Needs for All City Residents

FRIENDS says that the HNA addresses housing needs of “new” residents but does not address unmet housing needs of existing residents.

Addressing unmet housing needs of existing residents is a complex topic. One way to understand the unmet housing needs of existing residents is through housing affordability. Residents who cannot afford their existing housing or people experiencing homelessness have unmet housing needs. The 2023 HNA provides information about housing costs in Exhibit 63 through 67 and about housing affordability in Exhibit 68 through Exhibit 77. The HNA also provides information about people experiencing homelessness in Yamhill County from the Point-in-Time counts in Exhibit 57 and students experiencing homelessness in Exhibit 58.

People who live in McMinnville, except for people experiencing homelessness, have an existing place to live, even if it is unaffordable. An HNA does not assume that new housing is needed for every household that cannot afford their current housing. An HNA is expected to present information to understand the extent of affordability challenges.

Cities are expected to identify policies to address unmet housing needs of existing residents in their Housing Production Strategy (HPS), which is a newer State requirement. An HPS includes policies to: (1) support development of housing that is more affordable, especially for low-income households, (2) preserve existing affordable housing, (3) address homelessness, and (4) meet other (related) State requirements. Policies in an HPS may include: zoning-related strategies to reduce housing costs (such as lowering minimum lot sizes), financial strategies to support development of affordable housing and preservation of existing affordable housing, partnerships to support development and preservation of affordable housing, and many other approaches.

McMinnville expects to develop its HPS in 2024. We recommend McMinnville use the HPS as the way to address these unmet housing needs to the best of the City’s ability.

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<sup>1</sup> Throughout this memorandum, where we refer to a specific exhibit, it is from either the 2023 HNA report or the 2023 EOA report, unless earlier versions of the HNA or EOA reports are specifically referenced.

#### 4. Capacity of C-3 Lands to Provide High Density Housing

FRIENDS comments that the HNA did not assume that new housing would develop in the C-3 zone.

This assumption is based on discussions with the Project Advisory Committee (PAC) during development of the HNA in 2018 and 2019. The issue is that McMinnville has a deficit of land in the C-3 for commercial uses. Assuming more housing development in C-3 could increase that deficit further.

This assumption is a policy decision. The City could direct ECONorthwest to revise the HNA to assume that some housing would develop in the C-3 zone. A reasonable assumption *might* be that 10% of new housing would develop in the C-3 zone, consistent with historical development trends in McMinnville between 2000 and 2018 (see Exhibit 22 in the HNA).

To do this work would take 1 days and \$1,750. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

#### 5. Group Quarters

FRIENDS comments that the HNA did not assume that some population would locate in group quarters, which includes dormitories, congregate living facilities like nursing homes, and jails.

The HNA documents assumptions and information about group quarters. The HNA provides information that about 5% of McMinnville's population lived in group quarters. It notes that population in group quarters in McMinnville declined over the last decade.

City of McMinnville staff and the Project Advisory Committee considered three options<sup>2</sup> to address the population in group quarters. Staff recommended—and the majority of the Project Advisory Committee agreed—that for the purpose of this analysis, we assume that group quarters will be met through the same land needs as the net new population without allocating housing to group quarters separately (option 3).

Option 3 assigns all new net population growth to housing units. This method assumes the population in group quarters at Linfield and the jail will remain relatively constant. The

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<sup>2</sup> **Option 1:** Use the "share method," then assign one person per group quarter, and assign group quarters to land need at the same density as multifamily development.

**Option 2a:** Use the "share method," then assign an analogous household size, and then apply that to the population to calculate land needs. Two Project Advisory Committee members requested this method instead of Option 1.

**Option 2b:** Use the "share method," then assign a direct group quarters population per acre estimate. This method directly assigns population density for group quarters rather than rely on use of an interim assignment step analogous to household size.

**Option 3:** Do not use the "share method." Instead, use assumptions and methods based on McMinnville-specific group quarters data and PSU's official population forecast for McMinnville.

population in other group quarters represents less than 1% of McMinnville’s current population.

The needed housing mix (Exhibit 85 in the HNA report) reflects an expectation of development of a larger percentage of housing in multifamily housing than the historic development patterns (which were dominated by single-family detached housing). The land needs and densities for multifamily housing and group quarters are assumed to be equivalent. Without differentiating between population in multifamily housing and group quarters, the identified land needs would meet the same needs, whether the population is in housing or in group quarters.

There is no State requirement that the City account for land for group quarters in the forecast of new housing need.

## 6. Right-of-Way

FRIENDS say that the HNA does not provide substantial evidence about the assumption of land for rights-of-way.

As part of development of the HNA, ECONorthwest did an empirical analysis of existing rights-of-way in areas with existing residential development in McMinnville. The purpose of this analysis was to determine how much land is in rights-of-way (also referred to as an “average net-to-gross” percentages) for existing development, as the basis for estimating land need for future rights-of-way.

In developing the 2019 HNA, ECONorthwest sampled at least one developed area within each zone, for a total of 18 sample areas within McMinnville.<sup>3</sup> The results of that sample are shown in **Exhibit 1**. This shows that rights-of-way accounted for between 17% and 30% of developed land in McMinnville in these sample areas.

**Exhibit 1. Average ROW for sample areas, McMinnville UGB, 2019**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	5	26%
R-3 Two Family Residential	4	29%
R-4 Multiple-Family Residential	3	23%
O-R Office/ Residential	1	17%
C-3 General Commercial	1	30%
<i>Overall sampled average</i>		<i>25%</i>

<sup>3</sup> The reason for not evaluating the amount of land in rights-of-way for all developed areas in McMinnville is that getting a good estimate of land in rights-of-way requires cleaning the data to remove large undeveloped areas, parks, account for larger rights-of-ways in particularly hilly areas, and address other idiosyncratic issues that are present in every community.

The assumptions about land in rights-of-way are used in Exhibit 92 of the HNA, to adjust density assumptions to account for rights-of-way).

FRIENDS made a public records data request for the data that is the basis for the information in **Exhibit 1**, including a map of the areas sampled and the tax lots included in each sample area. In a search of our archives from the 2019 project, we found that we had not saved the GIS data about the areas sampled. As a result, we repeated the analysis. The new analysis is documented in the memorandum “McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” (September 14, 2023).

**Exhibit 2** presents the analysis developed by ECONorthwest in response to FRIENDS request. The underlying data (GIS data from the 2019 BLI, which considered parcels that were developed as of the 2019 BLI database) is the same as the data used for the analysis in **Exhibit 1**. The specific areas sampled in **Exhibit 1** and **Exhibit 2** are almost certainly different.

The analysis in **Exhibit 2** includes about 65% of developed land within city limits (for the zones shown in **Exhibit 2**). The results of this analysis are largely similar to the results of the analysis in **Exhibit 1**. The overall average percent of land in rights-of-way in **Exhibit 2**, consistent with the analysis in **Exhibit 1**. The areas with substantial difference are commercial, O-R and C-3. The analysis in **Exhibit 1** included fewer sample areas (and likely less developed land) than the analysis in **Exhibit 2**.

**Exhibit 2. Average ROW for selected areas, McMinnville UGB, 2023**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	6	24%
R-3 Two Family Residential	7	29%
R-4 Multiple-Family Residential	4	27%
O-R Office/ Residential	5	24%
C-3 General Commercial	5	23%
<i>Overall sampled average</i>		<i>25%</i>

We think the City is justified in continuing to use the assumptions in **Exhibit 1** for the residential zones based on the substantial evidence presented in the memorandum McMinnville HNA: Percentage of Land in Rights-of-Way Assumption” (September 14, 2023).

Using the assumptions in **Exhibit 2** for the residential zones would not make a substantial difference in development capacity. The City could direct ECONorthwest to update the HNA and use the assumptions in **Exhibit 2**.

If the City directs ECONorthwest to allocate housing to the C-3 zone (in response to comment 4 above), we recommend using the assumption about rights-of-way in **Exhibit 2**.

To do this work would take 1 days and \$1,750. . Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

## 7. HNA Safe Harbors

FRIENDS says that safe harbors must be based on the most current data published by the Census Bureau and that the HNA does not use the most current data published by the Census.

A safe harbor is an assumption that a city can use in a housing needs analysis, which the State has said will satisfy the requirements of Goal 14. OAR 660-024 defines a safe harbor as “an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not the only way, or necessarily the preferred way, to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

The safe harbors used in the HNA were around household size and vacancy rates, used in the analysis in Exhibit 78. In both cases, the data used in the HNA was from 2013–2017 American Community Survey (ACS), which was released in December 2018. That was the most current Census Bureau data when the study was developed and completed (June 2019). The next year ACS data (for 2018) was not released until December 2019.

Due to work sessions with the Yamhill County Commissioners and the City Council in August, 2019 and February, 2020, the City notice intention to adopt the HNA in May 2020. FRIENDS suggest using 2021 ACS data, which was released in December 2022, which was released 2.5 years after the HNA was noticed.

The issue of aging data is very common in HNAs (or EOAs) where it takes time for a study to be adopted. If a city updated data every time newer data replaced it, cities would be perpetually updating their HNA (or EOA) and unable to adopt them if there was any substantial delay in the adoption process.

Since the best sources of widely available data for these assumptions is ACS data, the City could strike the language about a safe harbor and rely on the ACS data as the basis for the assumptions.

To do this work would take 1 hour and \$220. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

### III. Economic Opportunities Analysis

#### 1. Refill, Redevelopment and employment on non-employment land

FRIENDS states “The EOA fails to adequately account for employment that will occur on non-employment land (primarily residential land), and uses very low refill and redevelopment rates.”

The Goal 9 administrative rules (OAR 660-009) do not explicitly require EOA’s address refill (which is typically defined as a combination of infill and redevelopment). OAR 660-009-0015(3) envisions that cities will address redevelopment potential through the buildable lands inventory:

“Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.”

The rule uses the following definitions of *vacant* and *developed* lands:

“Developed Land” means non-vacant land that is likely to be redeveloped during the planning period. (OAR 660-009-0005(1)

(14) “Vacant Land” means a lot or parcel:

(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or

(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

DLCD’s Goal 9 Guidebook<sup>4</sup> briefly touches on an alternative approach, which is to deduct a percentage of employment that can be accommodated in vacant buildings and/or underutilized sites.

**“Growth that can be accommodated in vacant buildings and/or underutilized sites.** As there is little empirical data on the share of employment growth that can be accommodated in vacant or redeveloped buildings, a general rule-of-thumb is 10% to 15%.”

Research conducted by the University of Oregon’s Community Service Center (now the Institute for Policy Research & Engagement) for the Division 38 rulemaking process validates the statement in the Goal 9 guidebook “there is little empirical data on the share of employment growth that can be accommodated in vacant or redeveloped buildings.” In a survey of municipal planners, the CSC found that “most cities surveyed

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<sup>4</sup> [https://www.oregon.gov/lcd/Publications/goal9guidebook\\_2005.pdf](https://www.oregon.gov/lcd/Publications/goal9guidebook_2005.pdf)

(62%) indicated that they cities surveyed did not monitor redevelopment. Those that did tended to be smaller cities; no cities over 25,000 reported that they systematically monitor redevelopment activity.”<sup>5</sup>

The implication is that cities have little data upon which to base assumptions about infill and redevelopment. In McMinnville’s case, the City analyzed what data were available and presented that data to the Project Advisory Committee for review, comment, and ultimately a recommendation.

The 2023 EOA states (pg. viii):

- “The City assumed 5% of new employment would be accommodated on sites that don’t require new vacant land, through infill, redevelopment, and locations that don’t require new employment land.”

Considerable evidence exists in the record for how the city got to that assumption. Staff included a detailed analysis in the October 10, 2019 PAC meeting packet (pages 13-17 of 29).<sup>6</sup> The gist of the analysis was summarized as follows:

“The effect of applying refill and redevelopment rates to existing developed land is to implicitly increase the employment density on those lands.” (page 13 of 29)

The packet includes analysis of how various refill/redevelopment assumptions impact overall employment densities (Exhibits 3A through 3C). The analysis then concludes:

“Both the industrial and commercial employment densities have remained nearly the same over time: from the 2001/03 EOA, the empirical calculations in the 2013 EOA, and the empirical calculations in the current (2020 EOA) analysis. Industrial densities have decreased slightly from about 11 employees/acre to about 10 employees/acre. Commercial densities have increased slightly from about 22 employees/acre to about 23 employees/acre.” (page 14 of 29)

The narrative goes on to state that data show that employment densities “don’t appear to have increased consistent with those rates,” providing additional commentary on the potential reasons (page 14 of 29) and ultimately concluding:

“An assumption of 5% industrial refill/redevelopment would result in an increase in employment density from about 10 employees/acre to about 11 employees/acre on existing developed sites. This is generally consistent with McMinnville’s historic trends.”

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<sup>5</sup> *Analysis of Mixed-Use Development and Redevelopment in Oregon Cities, A Report to the HB 2254 Rules Advisory Committee*, University of Oregon Community Service Center, September 2015, page iii.

[https://www.oregon.gov/lcd/UP/Documents/UO\\_Report\\_MixedUse\\_Redevelopment\\_UGB\\_2015.pdf](https://www.oregon.gov/lcd/UP/Documents/UO_Report_MixedUse_Redevelopment_UGB_2015.pdf)

<sup>6</sup> [https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/us\\_eoa\\_pac\\_3\\_10-10-2019\\_agenda\\_and\\_packet.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/us_eoa_pac_3_10-10-2019_agenda_and_packet.pdf)

The packet goes on to make the following recommendation to the PAC:

“A reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment, which is what we would recommend. This would result in an increase in employment density on currently developed sites, still exceeding the empirical employment densities from the 2013 EOA.”

The PAC had considerable discussion about the refill/redevelopment assumption and ultimately recommended the 5% assumption. The results of that recommendation are included in the draft of the EOA which was distributed to the PAC for discussion at the January 21, 2020 PAC meeting. The EOA includes the following narrative about the assumption:

Some employment growth in McMinnville will not require vacant (or partially vacant) employment land over the planning period. This includes redevelopment of areas with existing employment, where redevelopment increases the intensity of employment uses (i.e., more employees are accommodated on the same amount of land). The 2013 EOA assumed that 17% of employment for each land use type would not require vacant commercial or industrial land.<sup>100</sup> **Based on the information presented in Appendix B, the PAC determined that a reasonable assumption would be 5% refill/redevelopment for both commercial and industrial employment.**

Thus, the city included substantial evidence in the record supporting the 5% refill/redevelopment assumption and that evidence was thoroughly vetted through the PAC which endorsed the assumption.

## 2. Other Needed Employment Sites

FRIENDS says that the Other Needed Employment Sites (see Exhibit 58 of the 2023 EOA) are low-job-density uses, some of which would be publicly owned and occur on public lands. FRIENDS also says that an EOA is not an appropriate tool for designating land need for specific, individual uses.

The land needs in this section include a total of 49 acres for: a community center and recreation facility, outdoor stage/amphitheater, arts and culture focused event center, Evergreen Aviation and Space Museum expansion, Wings and Waves expansion, conference center, food hub and public market, and makerspace/innovation hub.

Some of these uses may well be low-job-density uses. But many types of businesses have relatively low-job-densities. For example, warehouse and transportation businesses typically have three or fewer employees per acre. Self-storage businesses frequently have fewer than one employee per acre. There is no requirement in Goal 9 or OAR 660-009 that tells the City what employment density it must plan for, especially not on individual sites.

Any of these uses could be privately run and some may be public uses. There are instances of the following uses being privately owned (FRIENDS asserts these would be public uses): conference centers, arts and cultural centers, or public markets. There are privately-owned arts and cultural centers, conference centers, food hubs/public market, and outdoor stages in communities across Oregon (see pages 93 to 96 of the EOA). While community centers and may be more likely to be publicly owned, land for these uses is not otherwise accounted for in McMinnville's existing planning documents.

There is no guidance in Goal 9 or OAR 660-009 that discusses or prohibits planning for land needs that are out of the ordinary for economic and employment uses. Most of these uses have clear connections with tourism and economic development and the remaining uses provide services for people living in McMinnville.

FRIENDS makes additional assertions about how items such as how the Evergreen sites, conference center, food hub and public market, and makerspace should be accommodated. Our assessment is that these are City policy choices. The City can direct ECONorthwest to modify the land needs identified in Exhibit 58, if so desired by decision makers.

To do this work would take 1 days and \$1,750. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

### 3. Retail Leakage

FRIENDS says that the retail leakage analysis is additive on top of the methodology used for the employment forecast, which uses safe harbor assumptions about employment growing at the rate of population growth.

The EOA does include both a forecast of employment growth based on the population forecast, as well as an additional analysis of land needed to address retail leakage. The forecast of new employment growth is intended to meet the needs of the community for retail services (and other employment growth), as well as meet the City's economic development objectives. The retail leakage analysis addresses existing deficits in retail businesses in McMinnville. These deficits were documented in the report *McMinnville Three Mile Lane Area Plan: Market Analysis*, Leland Consulting Group, April 2019.

The EOA identifies need for an additional 12 acres of land to accommodate retail growth that is intended to address existing deficits of retail businesses in McMinnville (Exhibit 57 in the EOA).

ECONorthwest defers to the City attorney for legal interpretations of Goal 9 for whether the City is allowed to include both a safe harbor employment forecast and a retail leakage analysis in the forecast of future employment land needs.

To remove this analysis would take 1 days and \$1,750.

## IV. Buildable Lands Inventories (BLI)

### 1. Removal of vacant and partially vacant land based on ownership

FRIENDS says that the BLI excluded vacant and partially vacant land owned by tax-exempt organizations, beyond land that is publicly owned. They acknowledge that land that is publicly owned can be excluded from the residential BLI.

The BLI does exclude tax-exempt land owned by non-public organizations. In the HNA's BLI, this accounts for about 2 vacant unconstrained acres of land and about 24 partially vacant unconstrained land. In the EOA's BLI, this accounts for about 2 vacant unconstrained acres of land and about 2 partially vacant unconstrained land. Nearly all of this land is owned by churches.

This does not include land owned by Linfield College, which is about 57 acres, because the College has consistently told the City that its plans are to use the land it owns for future expansions and has no plans to sell land. This is documented in Appendix E of the Economic Opportunity Analysis.

The City could direct ECONorthwest to revise the BLI in the HNA and/or EOA to include vacant and partially vacant unconstrained land owned by non-public tax-exempt organization in the inventory of land that is buildable.

To do this work would take 2 days and \$2,950. Note: If the City directs ECONorthwest to make these and other changes, the costs will not be additive of the costs quoted here because there would be efficiencies of making multiple changes.

## 2. The Buildable Lands Inventory in the EOA fails to meet legal standards

FRIENDS asserts that the BLI in the EOA is inadequate because it does not include an inventory of lands that includes a description of the “site characteristics, development constraints, or infrastructure needs” of both vacant and developed land.

The BLI results and methodology are summarized in the EOA report but the BLI itself is a database in ArcGIS that includes all land within the McMinnville UGB that is designated for commercial or industrial use. The BLI database includes information about each commercial or industrial tax lot within the UGB, regardless of development status (e.g., developed or vacant land), that includes the location, tax lot boundaries, size, constraints (e.g., floodplain or steep slopes), shape of parcel, and other characteristics. The BLI can be used with other GIS data to describe the proximity of each parcel as it relates to public infrastructure, such as roads or water/sewer pipes.

The BLI presented in the McMinnville EOA is consistent with the dozens of BLIs that ECONorthwest has produced for cities across Oregon, which have been adopted and acknowledged by the State. BLIs typically include limited detailed information about characteristics of vacant sites such as size of site (Exhibit 46 in the EOA). For key sites, EOAs may include discussion of infrastructure deficiencies but often do not include site-specific information.

Including information that FRIENDS asserts is missing in the EOA report about each commercial and industrial site, 983 tax lots in McMinnville, would be onerous and not provide actionable information to decision makers. If there are questions about specific parcels in the BLI, the best way to answer the questions is by accessing the BLI in GIS, which allows for addition and consideration of other information the City may have but was not included in the BLI (e.g., distance from water or sewer infrastructure).

## 3. Population Forecast

FRIENDS asserts that the City is required to use the most recent official population forecast, which was released on 6/30/2020.

The HNA and EOA use the official population forecast that was released on 6/30/2017. This was the official forecast that the City was required to use when developing the HNA and EOA. The City noticed its intention to adopt the HNA and EOA in May 2020, before the 6/30/2020 population forecast was released.

Completing and adopting an HNA and EOA often takes years (and sometimes many years). The official population forecast is generally issued once every four years but was issued at a three year interval in this instance (which is not common or standard practice).

The practice in Oregon has been that a city can notice the State the intention to adopt an HNA or EOA when the report is complete (or substantially complete). Once the city notices the intention to adopt the report, the city is not expected to update the document to use a new population forecast. If cities did not have some way to “lock in” the key assumptions, especially population forecasts, then cities would be constantly revising the HNA and EOA analysis. The results of an HNA or EOA can change substantially with changes in key assumptions, like the population forecasts, which can require additional public outreach, policy analysis, and discussions with decision makers.

In addition, McMinnville will be required to revisit its residential land needs and develop a new HNA in 2031. This requirement means that the City will be evaluating residential land need on a consistent basis.

The City can direct ECONorthwest to revise the HNA or EOA based on the newer population forecast. A new population forecast will be issued on 6/30/2024.

To do this work would also entail updating all of the other data sources, and take 3 to 4 months and \$150,000 for a new HNA and EOA. Note: If the City directs ECONorthwest to update the documents to this level, the costs and time would be inclusive of all of the other items that the City would like to revise as well in terms of approach and safe harbors utilized.

#### 4. Record Completeness

FRIENDS noted that the EOA did not included Appendix D and E. The EOA in the Planning Commission packet for the September 7, 2023 meeting included Appendix D and E.

## Memorandum from ECONorthwest

DATE: September 14, 2023  
TO: Heather Richards  
FROM: Beth Goodman  
SUBJECT: McMinnville HNA: Percentage of Land in Rights-of-Way Assumption

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The City of McMinnville worked with ECONorthwest to develop the McMinnville Housing Needs Analysis (HNA) report in 2019 and to update it in 2023. McMinnville noticed a hearing for the HNA report with the McMinnville Planning Commission on September 7, 2023 for the purposes of adopting the HNA into the City's Comprehensive Plan.

1000 Friends of Yamhill County (FOYC) made a public records request to the City for information about assumptions in the HNA about land needed for future in rights-of-way. The HNA used the assumptions about land needed for rights-of-way in Exhibit 92 of the HNA, which allows for converting future housing density assumptions from net acres to gross acres.

This memorandum presents information about the assumptions of percent of land in rights-of-way.

### Methodology and Assumptions used in the 2019 HNA

ECONorthwest calculated the percentage of land in rights-of-way (ROW) in zones that allow residential use. Using Geographic Information Systems (GIS) software, we selected sample areas that represented developed residential areas by zone in the City of McMinnville. Developed residential areas were defined using the results of the buildable lands inventory. We defined multiple sample areas for each residential zone, which provided an average of net area of ROW. Since the City has few areas with developed residential use in the O-R and C-3 zones, we sampled fewer areas for this analysis.

The net to gross conversion was calculated as follows:

Land in ROW/All land in the Sample Area

Where:

Land in the Sample Area = Total sample area acreage

Land in ROW = Acreage in tax lots – Gross acres

In other words, Land in ROW is defined as the total area in ROW within the sample areas. The percentage resulting from this calculation is the average net-to-gross ratio.

**Exhibit 1. Average ROW for sample areas, McMinnville UGB, 2019**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	5	26%
R-3 Two Family Residential	4	29%
R-4 Multiple-Family Residential	3	23%
O-R Office/ Residential	1	17%
C-3 General Commercial	1	30%
<i>Overall sampled average</i>		<i>25%</i>

FOYC requested information beyond that provided in Exhibit 1, including a maps of the subareas selected and the specific tax lots in the subareas selected.

In a search of our archives from the 2019 project, we found that we had not saved the GIS data about the areas sampled. As a result, we repeated the analysis (presented in the next section) for land in ROW, following the methodology described above. As the basis for this analysis, we used the GIS data from the 2019 BLI, only including parcels that were developed as of the 2019 BLI database, to provide a directly comparable analysis of ROW with that presented in in Exhibit 1.

## Analysis of Land in ROW

Given that we were unable to produce the specific information about the analysis of land in ROW from the 2019 HNA, we developed a new analysis of the same information, presented in Exhibit 2. The underlying data (GIS data from the 2019 BLI, which considered parcels that were developed as of the 2019 BLI database) is comparable to the analysis in Exhibit 1. The specific areas sampled in Exhibit 1 and Exhibit 2 are likely different.

The analysis in Exhibit 2 includes about 65% of developed land within city limits (for the zones shown in Exhibit 2).

**Exhibit 2. Average ROW for selected areas, McMinnville UGB, 2023**

Zone/ Plan Designation	Number of sampled areas	Average net to gross
R-1 Single Family Residential	4	24%
R-2 Single Family Residential	6	24%
R-3 Two Family Residential	7	29%
R-4 Multiple-Family Residential	4	27%
O-R Office/ Residential	5	24%
C-3 General Commercial	5	23%
<i>Overall sampled average</i>		<i>25%</i>

Exhibit 3 compares the results from the analysis developed in 2019 (Exhibit 1) and the analysis completed in 2023 (Exhibit 2). The comparison shows that the results of the ROW analysis in 2019 and 2023 were similar in most zones. The zones with the largest differences were:

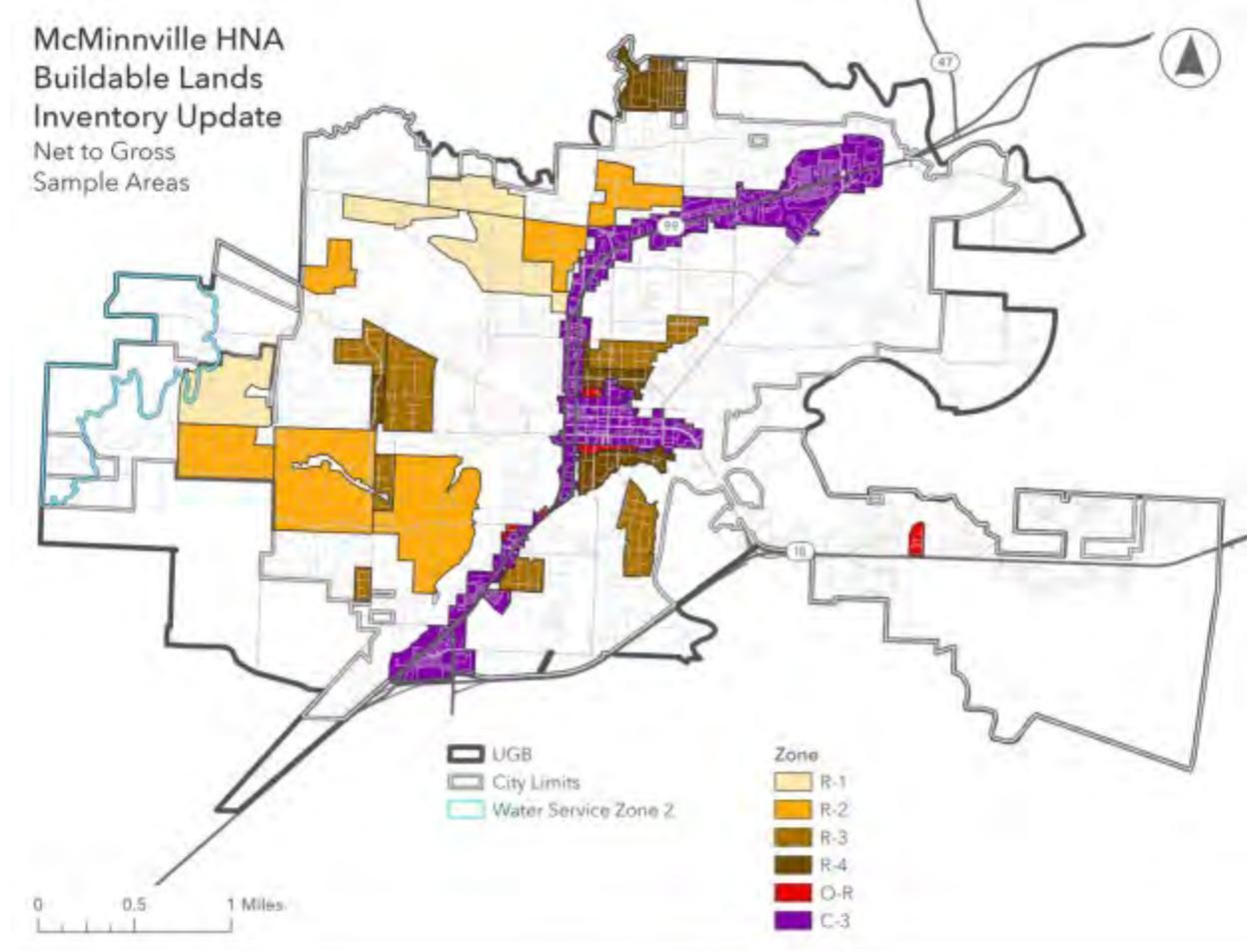
- **R-4.** The 2023 analysis included four sample areas, compared to the 2019 analysis, which had three sample areas. The 2023 analysis suggests that there is more land in ROW in R-4 than assumed in the HNA.
- **O-R.** The 2023 analysis examined five areas in the O-R zone, compared to one area in the 2019 analysis. It found that the land in ROW in the O-R zone is likely higher than the assumption used in the HNA. McMinnville only has 34 acres zoned O-R. The HNA did not allocate any housing to the O-R zone, the percent of land in ROW in this zone does not affect the estimate of capacity of housing in McMinnville.
- **C-3.** The 2023 analysis examined five areas in the C-3 zone, compared to one area in the 2019 analysis. It found that the land in ROW in the C-3 zone is likely lower than the assumption used in the HNA. The HNA did not allocate any housing to the C-3 zone, the percent of land in ROW in this zone does not affect the estimate of capacity of housing in McMinnville.

**Exhibit 3. Comparison of percent of land in ROW between the 2019 analysis and the analysis completed in 2023, McMinnville UGB**

Zone/ Plan Designation	2019 Average Net to Gross	2023 Analysis of Average Net to Gross*	Difference Between the 2019 and 2023 Analysis
R-1 Single Family Residential	24%	24%	-0.1%
R-2 Single Family Residential	26%	24%	-1.6%
R-3 Two Family Residential	29%	29%	-0.3%
R-4 Multiple-Family Residential	23%	27%	3.8%
O-R Office/ Residential	17%	24%	7.8%
C-3 General Commercial	30%	23%	-7.2%
<i>Overall sampled average</i>	25%	25%	-0.9%

Exhibit 4 shows the areas sampled to estimate the percentage of land in ROW in the 2023 analysis (Exhibit 2).

**Exhibit 4. Areas sampled to estimate percentage of land in ROW by zone in 2023, McMinnville UGB**





## MEMORANDUM

TO: McMinnville Planning Commission

FROM: William Kabeiseman  
Interim Land Use Attorney

DATE: September 18, 2023

RE: **Adoption of Housing Needs Analysis and Economic Opportunity Analysis – Analysis of Comments from Friends of Yamhill County and 1000 Friends of Oregon**

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### INTRODUCTION

The City is in the process of adopting a Housing Needs Analysis (“HNA”) and Economic Opportunity Analysis (“EOA”) as a first step in reviewing its land needs and whether the City’s current Urban Growth Boundary (“UGB”) is sufficient, or whether additional lands will be needed. The Friends of Yamhill County and 1000 Friends of Oregon (the “Friends”) have submitted a letter dated August 30, 2023, that identifies multiple concerns with the documents prepared by ECONorthwest with the assistance of City staff and based on the decisions of the City’s Project Advisory Committee (“PAC”). This memorandum is intended to provide the legal background for the decision before the Planning Commission and address the concerns raised by the Friends.

### DISCUSSION

#### A. Background.

As explained in the staff report for this item, the City is considering the adoption of a new HNA and EOA for the planning periods of 2021-2041 and 2041-2067. The work on this project began in 2018/19 and was updated in 2021 to reflect the City’s adoption of the McMinnville Growth Management and Urbanization Plan (the “MGMUP”) in 2020. These new documents are required to be adopted pursuant to DLCDC’s implementation of HB 2003 (2019) and must be adopted by the end of the year.

Historically, when a city evaluates whether its UGB has sufficient capacity to accommodate projected growth, no part of the decision becomes final (including new

HNAs or EOAs) until the City makes its final decision, including potential expansions to the UGB. However, the 2017 legislature passed SB 418 (codified at ORS 197.626(3)), which now allows DLCDC to review and approve the components parts of such an evaluation sequentially. In other words, under SB 418, DLCDC may now review each component part of that evaluation in steps, rather than waiting for the whole decision and, potentially identifying an error in the underlying document, such as an HNA or EOA that could unravel the entire determination. The city has applied to DLCDC to allow such a sequential process and hopes to be approved shortly.

B. Issues Raised by the Friends – Housing Needs Analysis.

1. Capacity of Lands Designated Urban Holding and Projection of Future Park Needs.

The first issue identified by the Friends is that the HNA assumes that too much land will be parks schools and institutions, and cites what it calls the “expired” parks plan. As the Friends point out, the City’s most recent parks plan, the “Parks Recreation, and Open Space Master Plan,” was adopted in 1999 and specifically notes that “[t]he Master Plan describes how the City will strive to provide parks and recreation opportunities to residents for the next 20 years.”

Based on that statement, the Friends assert that it “cannot be relied upon to justify land needs through either 2041 or 2067.” However, the Friends provide no legal support for that position. LUBA has reviewed so-called “expired” plans in only a few situations, most pertinently in series of cases from the city of Tangent. *Lengkeek v. City of Talent*, 50 Or LUBA 367 (2005), 52 Or LUBA 509 (2006), and 54 Or LUBA 160 (2007) (“*Lengkeek I*,” “*Lengkeek II*,” and “*Lengkeek III*.” In that series of cases, the City’s buildable land inventory projected lands through 2005, and the city “extrapolated” from those trends to find additional need. LUBA rejected that approach, concluding that it could not rely on the extrapolated BLI because it had not been incorporated into the city’s comprehensive plan. In particular, LUBA relied on a recent Court of Appeals case, *1000 Friends of Oregon v. City of Dundee*, 203 Or App 207, 216 (2005), in which the Court of Appeals held as follows:

“The comprehensive plan is the fundamental document that governs land use planning. Citizens must be able to rely on the fact that the acknowledged comprehensive plan and information integrated in that plan will serve as the basis for land use decisions, rather than running the risk of being ‘sandbagged’ by government's reliance on new data that is inconsistent with the information on which the comprehensive plan was based.”

This situation is not similar; McMinnville is not relying on extrapolations from an outdated plan. Instead, McMinnville is relying on the explicit policies that have been incorporated into the City’s Comprehensive Plan. In particular, Policy 159.00 explicitly incorporates the Parks, Recreation, and Open Space Master Plan “to identify future needs of the community” and, more importantly, Policy 170.05 explicitly addresses the projection of future park needs:

“For purposes of projecting future park and open space needs, the standards as contained in the adopted McMinnville Parks, Recreation, and Open Space Master Plan shall be used.”

In this case, the City can properly rely on the policies set forth in that plan to identify the “future” parks needs of the city.

The Friends go on to explain that OAR 660-024-00040(10) provides a “safe harbor” for City if it uses 25% of the land needs for streets and roads, parks and school facilities together. The Friends are correct that the administrative rules provide for safe harbors, including the one for streets, roads, parks, and school facilities, but the City is not required to use the safe harbor and may use a different estimate, so long as it is supported by the policies found in the City’s Comprehensive Plan. The Planning Commission should consider whether it wishes to direct staff to follow the safe harbor, or the recommendation from the Policy Advisory Committee (the “PAC”) embodied in the draft documents before the Planning Commission.

## 2. Residential Density.

The next issue raised by the Friends involves the residential density anticipated by the HNA as opposed to the residential density used in the City’s 2020 UGB expansion. In particular, the Friends note that the draft HNA before the Planning Commission assumes a lower density than the targeted density identified in the MGMUP for the area added to the UGB. However, ORS 197.296(5)(a) requires the City to use actual development that occurred in the City when it develops its estimates in the HNA:

“(5) (a) . . . [T]he determination of housing capacity pursuant to subsection (3)(a) of this section must be based on data relating to land within the urban growth boundary that has been collected since the last review under subsection (2)(a)(B) of this section. The data shall include:

“(A)The number, density and average mix of housing types of urban residential development that have actually occurred.”

The density used in the HNA is taken directly from the historic development that has “actually occurred” in the city and, accordingly, the City was required to use it. The Planning Commission does not have authority to ignore the density of development that actually occurred in the City.

## 3. Housing Needs for All City Residents.

The Friends next fault the draft HNA for looking only to “new” residents and not addressing the needs of existing homeless City residents. The difficulty with the Friends position is twofold. First, the regulatory framework for the preparation of the HNA is to determine whether the City has sufficient capacity to accommodate the housing needs of the entire population based on the City’s projected population, which does not distinguish between those residents who are housed and those that are homeless. The issue identified by the Friends here is better addressed in the City’s forthcoming Housing Production Strategy (“HPS”), which is an additional requirement that will follow once the HNA is adopted (OAR 660-008-0050). The HPS specifically requires the development of a “housing shortage analysis” that will address this concern. This is an important issue for

the City to address, but the proper method to consider it is as part of the HPS, not the HNA.

#### 4. Capacity of C-3 Land to Provide High-Density Housing.

In this issue, the Friends note that the HNA “assumed no residential capacity on current C-3 areas after 2023,” yet C-3 specifically allows for the development of apartments and other residential development. The Friends are correct that the C-3 zone allows for some level of residential development and the HNA will be revised to anticipate additional residential development on C-3 zoned land. However, this will almost certainly have a knock-on effect on the City’s EOA and identification of commercial land needs. To the extent C-3 land is anticipated to provide residential uses, it will likely result in an additional deficit of commercially zoned land. The Planning Commission should consider the revised HNA that projects some residential development on C-3 zoned land.

#### 5. Group Quarters.

Here, the Friends argue that an earlier version of the HNA separately addressed “group quarter” residences; in particular college dorms at Linfield and nursing or assisted living facilities. However, the Friends never identify any particular legal requirement to address group quarters separately from other forms of housing. The HNA adequately addresses the required types of residential need without separating out group quarters. The Planning Commission should consider whether it wants to separately address group quarters as an additional housing type as suggested by the Friends, or follow the recommendation of the PAC.

#### 6. Right-of-Way.

Next, the Friends identify that the HNA does not contain evidence to support allocating 25% of residential land to streets and roads, especially in light of the safe harbor numbers identified above. The Friends are correct that the City’s record does not contain that evidence, but the City’s consultant, EcoNorthwest, is working on that documentation and

will introduce it into the record. The Planning Commission should review the evidence provided by ECONorthwest to determine whether it supports the allocation of 25% of residential land for right-of-way.

## 7. HNA Safe Harbors.

In this section of their letter, the Friends note that the City relied on the “safe harbor” provision to calculate household size and vacancy rates, but asserts that, in doing so, the City is required to use the “most current data,” and that more current data is available and must be used. This assertion goes to one of the most challenging aspects of creating supporting documents such as the HNA and EOA.

As noted previously, the City began work on this project in 2018 based on the best data available at that time. Prior to beginning the public hearing process, the City undertook an extensive public outreach program that took some time and, in addition, revised the material to accommodate the substantial update to the City’s Comprehensive Plan in 2020. All of this work was further affected by the pandemic and other challenges over the past few years. The end result is that the City is working with documents that were developed some time ago.

Ideally, the City would be able to begin and complete analyses such as the HNA and EOA before new estimates and information became available, but that’s not realistically possible, nor what the law requires. The City submitted its Post-Acknowledgment Plan Amendment notice to DLCD in May of 2020, prior to the release of the new information identified by the Friends. To the extent the City was required to use the newly released information, it would require a complete re-structuring of the HNA and is not required. The Planning Commission should consider whether it would like to revise the HNA entirely to integrate the revised household size and vacancy rate numbers from 2021, including the additional cost and delay from doing so, or moving forward with the information as currently included with the HNA.

C. Issues Raised by the Friends – Economic Opportunity Analysis.

1. Refill, Redevelopment, and Employment on Non-Employment Land.

Turning to the EOA, the Friends first concern is that the EOA “fails to adequately account for employment that will occur on non-employment land;” essentially, the Friends are arguing that, regardless of the number of increased jobs, some of those jobs will occur on either existing employment lands (refill or redevelopment) or will occur on non-employment land (e.g., working from home means jobs will be accommodated on residential land and, therefore, the City need not bring in more employment and). The Friends point to the guidance from DLCD, which suggests that 10-15% of new jobs will be accommodated on existing employment land, and that does not include new jobs on residential land. According to the Friends, this means the expected 5% of new jobs to be accommodated in these fashions is too late, and that the number should be significantly higher.

There is no dispute that some level of jobs will be accommodated through refill, redevelopment and other non-employment land, so there is not a legal question about whether the City can do this, but just how much. The calculations to justify the use of a 5% number can be found in Appendix B to the EOA; the Planning Commission should review the material in Appendix B and the assertions in the Friends letter to determine whether the 5% number is adequately justified.

2. Other Needed Employment Sites.

The EOA contains an estimate of demand for commercial and industrial land; in that estimate, the EOA notes that the City’s adopted Economic Development Strategic Plan identifies several specific sites that are not necessarily captured in the buildable land inventory, such as a community center, an outdoor stage/amphitheater, event center, etc. . . . The EOA concludes that, because the characteristics of these uses are not adequately reflected in the average employment density calculations, the City should increase the land needs to accommodate those uses. The Friends acknowledge that some of these uses do present some “unique features not typically included in commercial land,” but still recommend that the City delete these “other sites” and the additional 49 acres of land needs that result.

It does not appear that LUBA, DLCD or the Court of Appeals have addressed this specific issue and that it is an open issue of whether the City can use this approach. The Planning Commission should consider whether it wants to pursue this approach for additional “other” needed employment sites.

### 3. Retail Leakage.

As identified in the EOA, the City has identified a significant amount of retail leakage and the PAC has recommended that the EOA include measures to address that concern. However, as Friends have noted, the inclusion of additional employees to address that retail leakage would take the City out of the safe harbor provisions. The concept of retail leakage has not been subject to review by LCDC, LUBA or the Court of Appeals and it is possible that those review bodies would agree with the Friends. The Planning Commission should consider whether retail leakage is significant enough that it should be addressed with additional employment forecast, or whether the EOA should simply rely on the safe harbor provided by the administrative rules.

#### D. Issues Raised by the Friends – Buildable Lands Inventories.

##### 1. Removal of Vacant and Partially Vacant Land Based on Ownership.

The Friends argue that the City improperly removed 20-49 acres of vacant, commercially zoned, land from the Buildable Lands Inventory; in particular, the Friends object to the removal of land owned by Linfield College and several churches.

Regarding the land owned by Linfield, the Friends argue that “to assume no accommodation of housing or employment on this vacant land” is not supportable. However, the Record contains a letter from Linfield that explicitly states that “Linfield College doesn’t anticipate new land needs beyond their current ownership during the planning period. . . **The City should not assume non-college use or sale of further property during the planning period.**” (Emphasis added). In short, Linfield has made its intentions clear that the land in question will not be sold or used for non-college purposes, so the exclusion of the land from the BLI is appropriate.

Regarding the churches, the City’s Community Development Director has had conversations with churches throughout the City and those churches that have indicated a

similar stance to Linfield have also been removed from the BLI. The City’s consultant is obtaining an estimate of the amount of land that is in church ownership that is vacant or partially vacant. The Planning Commission should consider whether the expressed intention of the church leadership is sufficient to remove the land from the BLI and provide further direction to staff.

## 2. The Buildable Lands Inventory in the EOA Fails to Meet Legal Standards.

In this section, the Friends argue that the EOA is inadequate because it does not include an inventory of lands that includes a description of the “site characteristics, development constraints, or infrastructure needs” of both vacant and developed land. It appears that the Friends believe that the Buildable Lands Inventory (“BLI”) found in Appendix A to the EOA is inadequate. As summarized in the EOA, the BLI generated a “land base” of property in the City, classified land by development status, identified constraints, and verified the BLI results. The BLI, as well as the summary contained in the EOA did what is required by the administrative rule. Unless the Friends are arguing for a radical change in the way in which BLIs are undertaken under DLCD’s rules, it appears that the Friends’ argument in this section is mistaken.

## 3. Population Forecast.

In this section of their letter, the Friends make an argument that the City is using the wrong population forecast in their EOA. As discussed at length above in the section regarding safe harbors, the serial nature of a project such as this one, which requires significant analysis, public engagement, and a lengthy hearing process; not to mention the unfortunate timing of this particular edition, it is almost inevitable that revised forecasts will be released before the entire process can be completed. City staff believes that it is legally able to rely on the work that began in 2018 as this process moves forward. As with the HNA, the Planning Commission should consider whether it would like to revise the EOA entirely to integrate the revised population forecast, including the additional cost and delay from doing so, or moving forward with the information as currently included with the EOA.

4. Record Completeness.

Finally, the Friends identify that certain appendices were missing from the record provided to the Planning Commission City staff will provide the identified appendices for the Planning Commission and public review.

**CONCLUSION**

Both the Friends of Yamhill County and 1000 Friends of Oregon have been long-time participants in almost all planning issues in the City of McMinnville and have many valuable insights and considerations to offer. As noted above, several of the issues that they raise will require changes to the HNA and EOA. Moreover, some of their arguments may be taken to suggest that the City follow a different policy perspective than was identified in the Staff report and recommended by the Project Advisory Committee. However, not all of their assertions are legally or factually supported. Staff will amend the HNA and EOA as required, and the Planning Commission may take the policy arguments into consideration in making its final decision and otherwise may disregard the arguments that are without factual or legal support.