

**MCMINNVILLE CASE STUDY
INDIRECT LAND USE
AND GROWTH IMPACTS**

Interim Report

**State Planning And Research
Project Number 327**

by

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16. Abstract To improve environmental analysis of indirect land use impacts of highway capacity improvements, this study analyzed the land use and growth patterns of 20 Oregon communities over 20 years. Using a Geographic Information System and aerial photos, growth patterns were categorized and mapped. Factors related to land use and transportation were evaluated for their relationships to resulting growth patterns. These relationships were further investigated in four in-depth case studies of development prior to, during, and after construction of a highway capacity improvement. Additional case studies are currently underway. The primary product of this research will be guidance for completing an assessment of the indirect impacts on land use and growth of a highway improvement. This assessment is required by environmental regulations, but tools and data for developing general land use forecasts is limited. The guidebook will include examples from the case studies, data types and possible sources, and guidance on using GIS tools for comparing alternative scenarios. Interim reports are available via the Research Internet web site. Additional case studies and a final report are scheduled to be published in the fall of 2000.					
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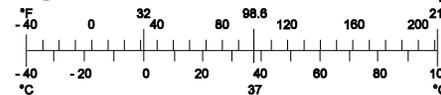
SI* (MODERN METRIC) CONVERSION FACTORS

APPROXIMATE CONVERSIONS TO SI UNITS

Symbol	When You Know	Multiply By	To Find	Symbol
<u>LENGTH</u>				
in	inches	25.4	millimeters	mm
ft	feet	0.305	meters	m
yd	yards	0.914	meters	m
mi	miles	1.61	kilometers	km
<u>AREA</u>				
in ²	square inches	645.2	millimeters squared	mm ²
ft ²	square feet	0.093	meters squared	m ²
yd ²	square yards	0.836	meters squared	m ²
ac	acres	0.405	hectares	ha
mi ²	square miles	2.59	kilometers squared	km ²
<u>VOLUME</u>				
fl oz	fluid ounces	29.57	milliliters	mL
gal	gallons	3.785	liters	L
ft ³	cubic feet	0.028	meters cubed	m ³
yd ³	cubic yards	0.765	meters cubed	m ³
NOTE: Volumes greater than 1000 L shall be shown in m ³ .				
<u>MASS</u>				
oz	ounces	28.35	grams	g
lb	pounds	0.454	kilograms	kg
T	short tons (2000 lb)	0.907	megagrams	Mg
<u>TEMPERATURE (exact)</u>				
°F	Fahrenheit temperature	5(F-32)/9	Celsius temperature	°C

APPROXIMATE CONVERSIONS FROM SI UNITS

Symbol	When You Know	Multiply By	To Find	Symbol
<u>LENGTH</u>				
mm	millimeters	0.039	inches	in
m	meters	3.28	feet	ft
m	meters	1.09	yards	yd
km	kilometers	0.621	miles	mi
<u>AREA</u>				
mm ²	millimeters squared	0.0016	square inches	in ²
m ²	meters squared	10.764	square feet	ft ²
ha	hectares	2.47	acres	ac
km ²	kilometers squared	0.386	square miles	mi ²
<u>VOLUME</u>				
mL	milliliters	0.034	fluid ounces	fl oz
L	liters	0.264	gallons	gal
m ³	meters cubed	35.315	cubic feet	ft ³
m ³	meters cubed	1.308	cubic yards	yd ³
<u>MASS</u>				
g	grams	0.035	ounces	oz
kg	kilograms	2.205	pounds	lb
Mg	megagrams	1.102	short tons (2000 lb)	T
<u>TEMPERATURE (exact)</u>				
°C	Celsius temperature	1.8 + 32	Fahrenheit	°F



* SI is the symbol for the International System of Measurement

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1.0 INTRODUCTION

1.1 PURPOSE OF THIS REPORT

This case study is part of a larger study sponsored by the Oregon Department of Transportation (ODOT) to quantify the impacts of its highway improvement projects on land use. Any significant highway improvement projects that ODOT undertakes will require Environmental Impact Statements, which in turn require an assessment of the improvements on land use, in addition to other environmental and socioeconomic impacts.

The larger study consists of three research components and a final report. The three research components are:

- *Literature Review.* Review of state and national studies to summarize empirical estimates of the relationship between highway and land use change, especially at the urban fringe.
- *20-Site Analysis.* Analysis of historical aerial photographs and highway maps to show the association between highway improvements and land use changes over 20 years in 20 Oregon cities.
- *Case Study Analysis.* More detailed analysis of highway projects in four Oregon cities to try to explain the reasons for the observed change in land use and highways. The case study cities are Albany, Bend, Grants Pass, and McMinnville.

This report is the case study analysis for the City of McMinnville only. It does not try to generalize to other situations, or to integrate this case study with the other research. The final report will do that and will include a summary of key findings of the literature review, the 20-site analysis and all the case studies.

1.2 DESCRIPTION OF THE CASE STUDY HIGHWAY PROJECT

The McMinnville case study evaluates the land use impacts of improvements to a 2.2 mile section of Oregon Highway 18 (the Salmon River Highway) from the East McMinnville Interchange on the west to Airport Road on the east (this stretch is also known as Three Mile Lane). Oregon Highway 18 was constructed in 1951 to supplement U.S. Highway 99W, the original route through McMinnville. Highway 18 has since become a bypass around McMinnville. Figure 1.1 shows the project in relation to the City of McMinnville. The project improved the section from two lanes with limited left turn refuges to four lanes with frontage roads between the interchange and Norton Lane and four lanes with a continuous left-turn median east of Norton Lane. Other improvements included eight to ten-foot shoulders (the highway had shoulders of less than three feet prior to improvement) striped for bicycles along the length of the project. Figure 1.2 shows the project location in detail and Figure 1.3 shows the frontage road

system. The Draft Environmental Impact Statement (DEIS) for the Three Mile Lane improvement was completed in 1984, and the Final Environmental Impact Statement (FEIS) was issued in 1985. Project construction began in 1990 and was completed in 1993.

According to the DEIS, the purpose of the project was to improve vehicle and bicycle safety, improve levels of service and control access to the planned industrial development area south of the highway. It was expected that the project would alleviate problems created by high traffic volumes traveling between the central Oregon coast and the Portland area by providing a left turn lane and frontage roads for local traffic. The DEIS predicted that the East McMinnville Interchange to Airport Road section of Highway 18 would be inadequate for future traffic volumes and adjacent land development. The DEIS expected that as the project area developed, both traffic volume and peak hour traffic would increase 60% by the year 2000.

The DEIS anticipated positive economic benefits from the project because it would improve access to existing and planned development along the project corridor, especially in the industrial area south of the highway, but stated that development was not dependent on the widening project. The DEIS also stated that the project could affect the location and spatial arrangement of economic development. The DEIS explained that the frontage roads might discourage strip development west of Norton Lane and that the continuous left-turn lane might encourage strip development east of Norton Lane. The DEIS also acknowledged that these tendencies could be countered by land use regulations. In this case, the Three Mile Lane Planned Unit Development overlay discussed in Chapter 2 contained policies to discourage strip development (such as requiring 120-foot setbacks).

In summary, the project was deemed desirable because it would, (1) improve traffic safety; (2) accommodate anticipated increases in traffic volume; and (3) allow and perhaps stimulate economic development.

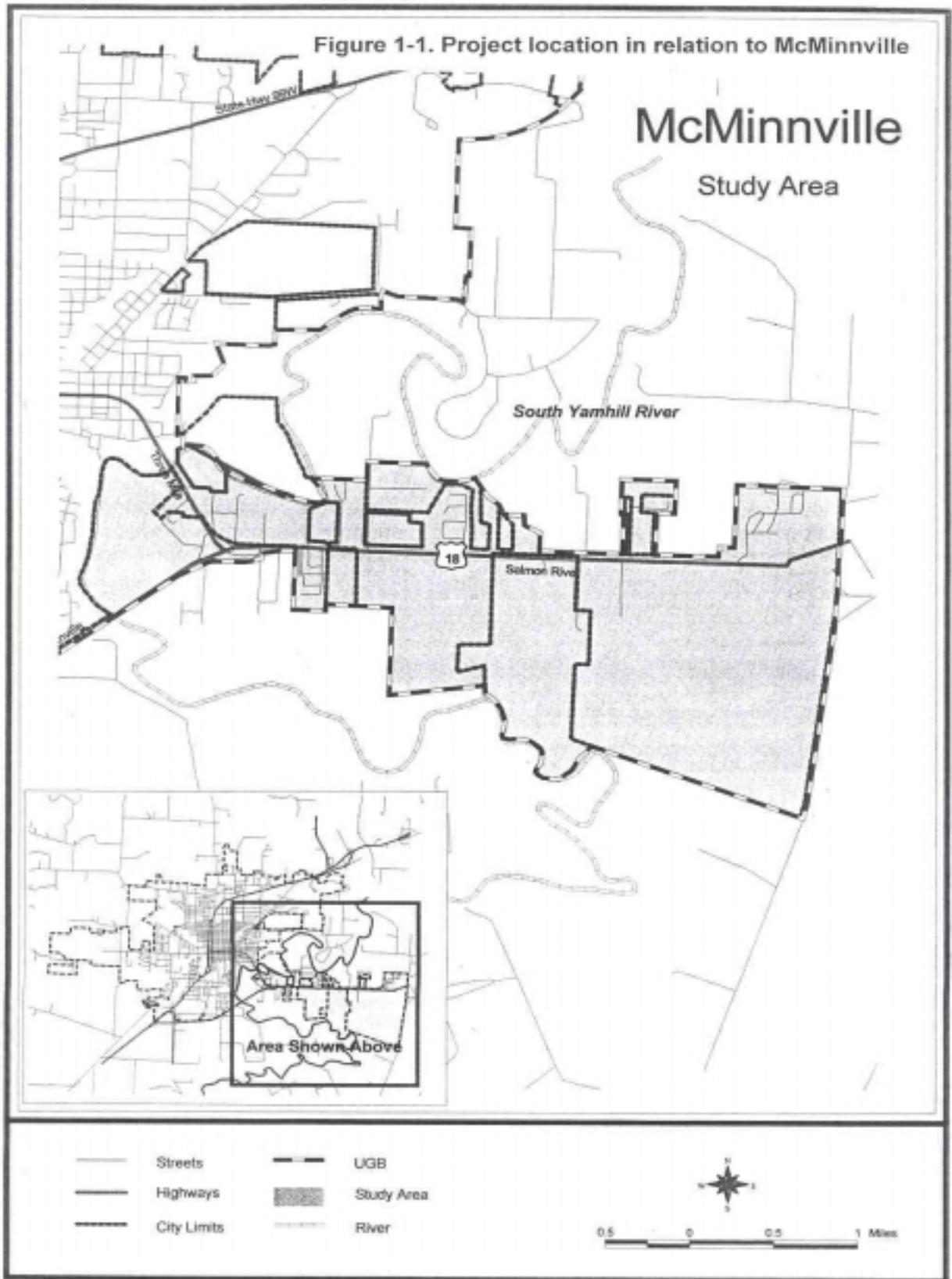


Figure 1.1: Project Location In Relation To McMinnville
(Source: PSU).

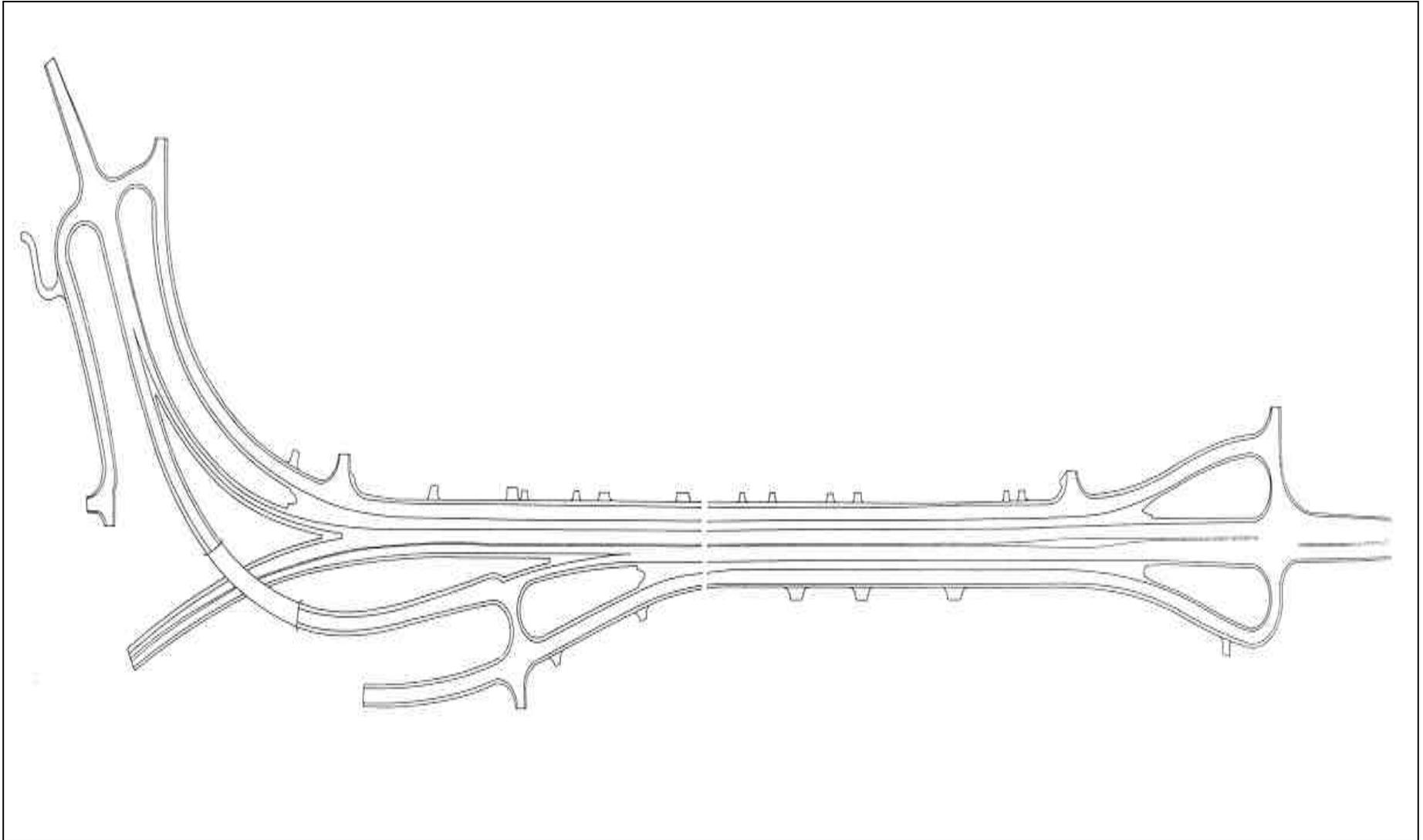


Figure 1.3: Project Frontage Road System

(Source: Final Environmental Impact Statement, E. McMinnville Interchange-Airport Rd,
Salmon River Highway, Yamhill County, Oregon, ODOT, 1985.)

1.3 METHODS

As with most policy research, the intent of this case study is to be able to isolate the impacts (the effects) that are uniquely attributable to a change in public policy. Figure 1.4 illustrates the concept. The shaded box represents a world that does not exist but one that an analyst must somehow describe. It is a world that *would have* existed but for the introduction of the new policy. As it relates to this case study, the improvement to Highway 18 is the policy. The case study can document, to the extent the data allow, what happened after that policy (box on bottom right). Describing what *would have happened* without the improvement (the shaded box) is more speculative. As applied to this case study, the method does not formally define a hypothetical world and compare it to an actual one. Rather, it relies on expert opinion about the contribution of the project to the changes observed between "Existing Conditions" (1985) and the "Actual World" (1999).

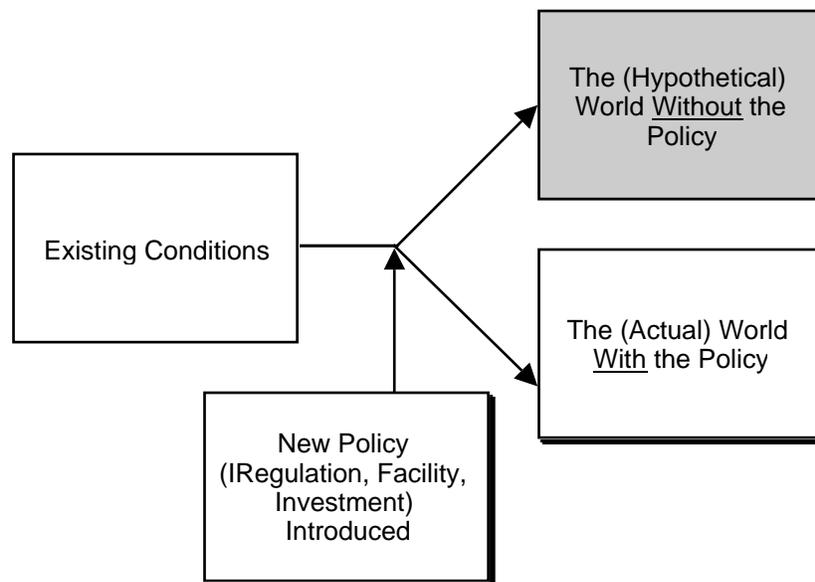


Figure 1.4: Case Study Method, in Concept

As originally scoped, this case study was about McMinnville. When the FEIS was issued in 1985, the bulk of the project corridor was inside the McMinnville UGB and approximately half was within the City limits. The improvement included a small section (near the western terminus) outside the McMinnville UGB in unincorporated Yamhill County. Thus, we had to consider whether to expand the analysis to include Yamhill County.

Our decision was to keep the focus on McMinnville. Data are available by jurisdiction, not by road segment; expanding to include Yamhill County would have meant data collection, coordination and analysis beyond the research budget for a single case study.

The study area boundaries were established based on the physical barrier provided by the South Yamhill River on the west and the UGB on the north, south and east (see Figure 1.1). While the focus of the case study is on the Highway 18 corridor, we also evaluated data citywide to provide a broader picture of where development occurred and when. Without that larger context, it would

be difficult to make judgements about whether the highway improvement caused changes in development patterns.

The analysis in this report is both quantitative and qualitative. To conduct the baseline analysis, we reviewed Environmental Impact Statement documents and the associated ODOT research reports and interviewed City of McMinnville staff. Those sources are the basis for our description of existing conditions before the case study highway improvements.

This report uses the following sources to describe changes in land use:

- Aerial photographs from 1970, 1980 and 1990.
- County property tax assessment data to identify the location, timing and value of residential development.
- City residential development project approval data to identify the timing and size of existing and planned residential development.
- Capital improvement programs and GIS maps to identify the location and timing of transportation, water and sewer infrastructure projects.
- City planning documents that show changes in land use and identifies public policy.

We describe the alternative future through a focus group. The group consisted of McMinnville staff, ODOT staff and others with knowledge of development patterns in the McMinnville area. The purpose of the focus group session was to get comments on the preliminary conclusions made from review of secondary data sources and to gain insights into the public policy decisions and market factors that contributed to the observed development patterns.

1.4 ORGANIZATION

This report is organized as follows:

- **Chapter 2: Conditions prior to 1985** describes socioeconomic, land uses, infrastructure and transportation patterns in McMinnville at the time the project's FEIS was issued.
- **Chapter 3: Changes between 1985 and 1999** describes socioeconomic, land use, infrastructure and transportation changes in the study area and throughout McMinnville.
- **Chapter 4: Conclusions** presents conclusions about the impact of the highway project on land use based on the data reviewed in Chapters 2 and 3.

2.0 CONDITIONS BEFORE THE PROJECT

This chapter describes existing conditions in the case study area and McMinnville when the project's Final Environmental Impact Statement (FEIS) was issued in 1985. The description of existing conditions primarily relies on data in the FEIS and Draft Environmental Impact Statement (DEIS) documents. Secondary sources include the associated ODOT research reports and interviews with City staff.

2.1 SOCIOECONOMIC CONDITIONS

Table 2.1 shows historic and forecast population in McMinnville between 1960 and 2000 as forecasted by the DEIS. The DEIS described the population growth of McMinnville as continuous since its incorporation in 1876. McMinnville was the largest city in Yamhill County and the county seat. According to the ODOT Research Reports, McMinnville's history as a small agricultural center and its governmental and institutional roles had led McMinnville to become the dominant economic center in Yamhill County and function as a regional service center. McMinnville was the home of Linfield College, a small liberal arts college enrolling approximately 11,000 students annually.

Table 2.1: Historic and Forecast Population in McMinnville and Yamhill County

Year	City of McMinnville	Yamhill County
Historic		
1960	7,656	32,478
1970	10,125	40,213
1980	14,080	55,332
Change 1960-80	83.9%	70.4%
AAGR* 1960-80	3.1%	2.7%
Forecasted		
2000	31,500	80,176
Change 1980-2000	124%	45%
AARG* 1980-2000	4.1%	1.9%

Source: DEIS, E. McMinnville Interchange-Airport Rd, Salmon River Highway, Yamhill County, Oregon, ODOT, 1984.

*AAGR is average annual growth rate.

Yamhill County was the tenth highest county growth (in terms of percent increase) in Oregon in the 1970s. The City of McMinnville accounted for 44% of the county's population increase during this time. The ODOT Research Reports indicated that, by the late 1970s, the high rate of in-migration to Oregon had decreased and out-migration was increasing because of the state's failing timber-based economy.

The historical high rate of population growth in McMinnville was reflected in the population forecasts presented in the DEIS. The DEIS expected that a change in the City's economy from agriculture to diversified manufacturing would provide new employment opportunities that

would lead to a population influx. The forecasts, estimated by the City planning staff and adopted in 1979, placed McMinnville's population at more than 31,000 persons by the year 2000, a 124% increase. The ODOT research reports stated that McMinnville was considered the one incorporated city in the county able to handle substantial growth.

With the nationwide trend toward decreasing average household size and the projected population increase, the number of housing units in McMinnville was expected to increase 148% from 6,000 housing units in 1982 to 13,700 in 2000. The DEIS indicated that, since 1970, McMinnville was experiencing a change in the housing mix with large increases in mobile homes, duplexes and multi-family units and a trend toward more renter-occupied units.

In addition to developing population and housing forecasts, the DEIS discussed other socioeconomic impacts including right-of-way and fiscal impacts, accessibility and economic development.

Table 2.2 shows right-of-way and fiscal impacts. As is typical of highway improvement projects, the DEIS stated that right-of-way acquisition would impact some residences and businesses. According to the DEIS, the project would require the removal of one residence, the old Eagles Lodge, the front of a business (a logging supply company) and eight trailer pads. The project required 20 acres of right-of-way acquisition on the south side of the roadway at an estimated cost of \$957,000. Costs in this section are in 1985 dollars. The improvement involved 37 tax lots with fee acquisition and 9 tax lots with easement requirements. The total project cost was estimated at \$5.6 million. The ODOT Research Reports estimated the assessed value of land removed from the property tax rolls at \$603,000 which would result in an estimated annual loss in property taxes of \$19,000.

Table 2.2: Right-of-Way Structure Requirements and Total Costs

Year	Impact
Acres to be acquired	20
Number of affected structures	12
Entire structure	
Residential	9
Commercial or industrial	1
Portion of structure	
Residential	1
Commercial or industrial	1
Estimated right-of-way cost	\$957,000
Total project cost	\$5,600,000

Source: Draft Environmental Impact Statement, E. McMinnville Interchange-Airport Rd, Salmon River Highway, Yamhill County, Oregon, ODOT, 1984.

Note: Costs are in 1985 dollars.

The DEIS estimated that approximately 23 persons would be displaced by the project. The DEIS predicted that there would be no immediate impact on residential housing in the McMinnville area since the number of residences taken would be small and there was adequate replacement housing available elsewhere in McMinnville. The DEIS stated that the project would increase traffic noise for a number of residences along the highway.

The DEIS concluded that the project would improve accessibility to businesses and residences along the project corridor. The DEIS indicated that the frontage roads may cause some out-of-directional travel and increased travel time, but that this would be offset by the increased safety produced by separating local traffic from highway through-traffic.

Other project impacts described by the DEIS include less traffic congestion, greater ease of movement for goods and labor, and the stimulation of business growth and sales along the corridor. The ODOT research reports stated that better levels of service along Three Mile Lane could improve access to Portland, thus inviting greater development pressures upon both the urban and rural areas of the county.

The DEIS also anticipated minor, indirect economic effects from the project. The DEIS stated that, since both Highways 18 (a bypass around McMinnville) and 99W (through downtown) provided routes from Portland to the coast, the improvement could shift some traffic away from downtown, thereby reducing downtown business volume.

2.2 LAND USE PATTERNS AND PLANS

2.2.1 Land Use Patterns

The DEIS explained that, geographically and economically, McMinnville had developed on two axes: (1) the central business district (the primary downtown arterial) along 3rd Street and (2) Highway 99W intersecting the west end of 3rd Street. McMinnville designated about 340 acres for commercial use along these two corridors. In 1979, there were 279 commercial establishments and other institutions operating in areas zoned for commercial use, yet only about 40% of the designated 340 acres were being used commercially. The remainder of the commercial land was primarily taken up by residences or was undeveloped. Adjacent to the central business district and south along Highway 99 were medium density housing neighborhoods. Lands within city limits but outside the commercial, industrial and medium-density housing neighborhoods were designated for low density housing.

Industry was also a key economic activity in McMinnville and had developed in three primary areas: the northeast industrial area, the south industrial area and the Three Mile Lane industrial area adjacent to the McMinnville Airport. The Three Mile Lane industrial area was the least intensively developed industrial area in the city.

In 1985, land use in the study area was a mixture of agricultural, residential, institutional, industrial and commercial uses. Farming was common along much of the corridor. Most of the development that had occurred in the study area was clustered residential or industrial with a large percentage of the land still undeveloped. Besides scattered residences, there were three new subdivisions, two mobile home parks and two older residential areas in the project vicinity. According to the DEIS, residential development in the area was a mixture of housing types, ages and conditions with most of the dwellings being moderately priced. Residential subdivisions along the project corridor at the time of the DEIS are shown in Figure 2.1.

The industrial businesses along the project corridor included three aviation-related services, two truck and automobile maintenance and repair operations, a logging supply company, a concrete and supply company, and a greenhouse construction company. The commercial establishments included a recreational vehicle sales lot, a trading post, a convenience store and a service station. Evergreen Helicopter was the largest employer in the study area, employing between 150 and 300 people. The location of businesses along Three Mile Lane at the time of the DEIS is shown in Figure 2.2.

According to the DEIS, the McMinnville Airport and the Oregon National Guard Armory were the only public service/institutional uses in the study area. The McMinnville Airport was located on the south side of the highway at the eastern terminus of the project. It was constructed in 1942-43 on 710 acres and was under ownership and jurisdiction of the City of McMinnville.

The only park or recreational facility in the study area was Airport Park, a 21-acre city park that was retained in a mostly natural state. Some land in the study area was designated for future open space because it was within the South Yamhill River floodplain. The South Yamhill 100-year floodplain is shown in Figure 2.3.

2.2.2 Land Use Designations

About half of the study area was within the McMinnville city limits and all but a very small portion (a short segment near the project's western terminus) was within the McMinnville UGB.

Figures 2.4 and 2.5 show city and county zoning designations, respectively, for the study area in 1984. The portion of the study area within the UGB contained single family residential, commercial, light and general industrial, and agricultural holding zones. In addition, there was one Exclusive Farm Use zone that had been annexed to the City. The City's Comprehensive Plan contained an amendment that changed the title of the agricultural holding designations to a mixed use designation. Development of these parcels would be judged individually against the criteria set out in the Three Mile Lane Planned Unit Development overlay. The Three Mile Lane Planned Development overlay is described in more detail later in this section. The mixed use designation allowed approval for residential, commercial or industrial land uses or mixed use development. These properties were to be left in agricultural zones until acceptable development plans were approved. The unincorporated land within the study area was mostly zoned Exclusive Farm Use. Several county properties were zoned Agriculture-Forest Large Holding as well as other designations.

Figure 2.6 shows the city land use designations for the study area in 1984. Immediately adjacent to the project corridor were the following use designations: residential, commercial, industrial and mixed use to the north; residential and industrial to the south.

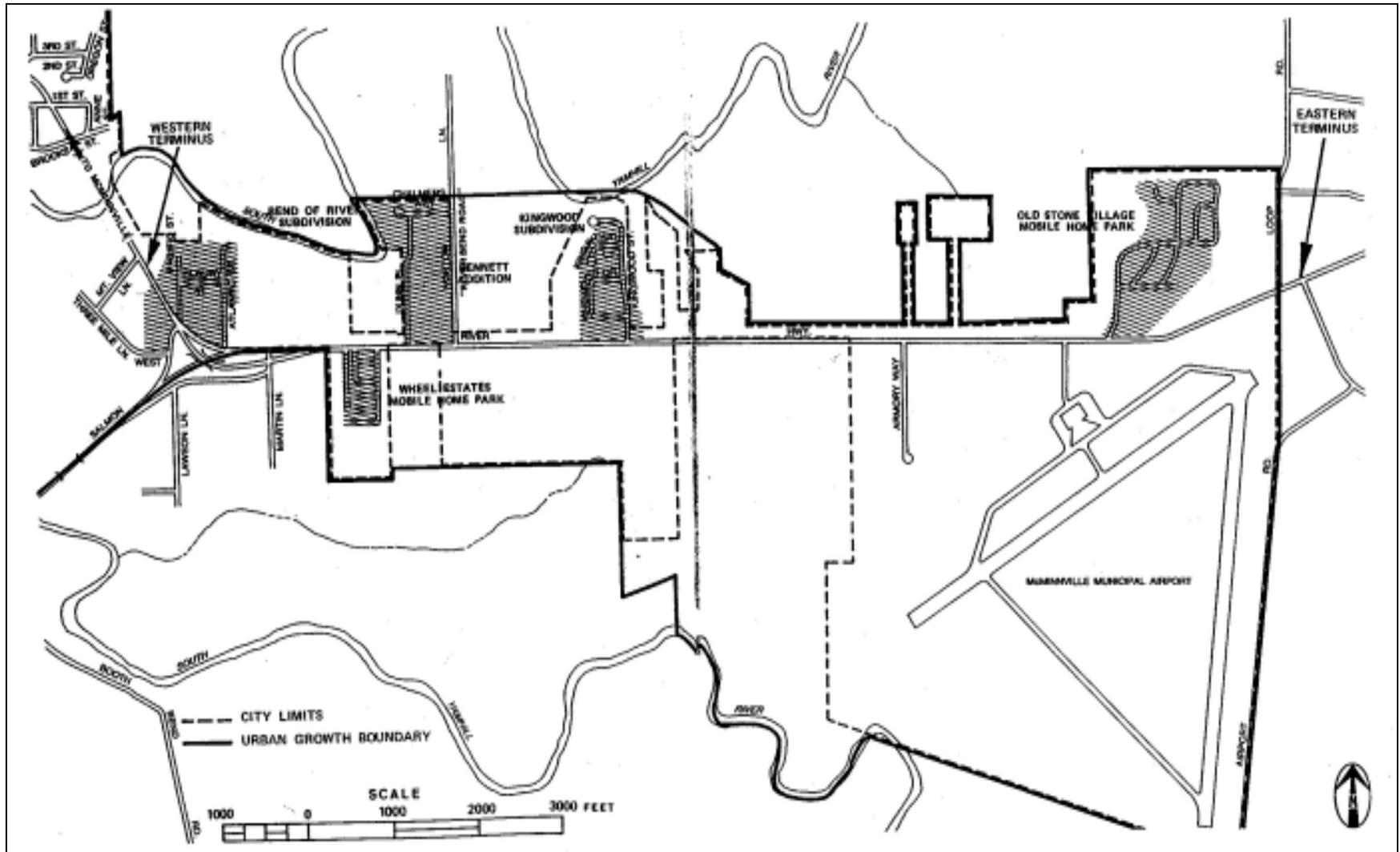


Figure 2.1: Residential Subdivisions, Three Mile Lane, 1984

(Source: Draft Environmental Impact Statement, E. McMinnville Interchange-Airport Rd, Salmon River Highway, Yamhill County, Oregon, ODOT, 1984.)

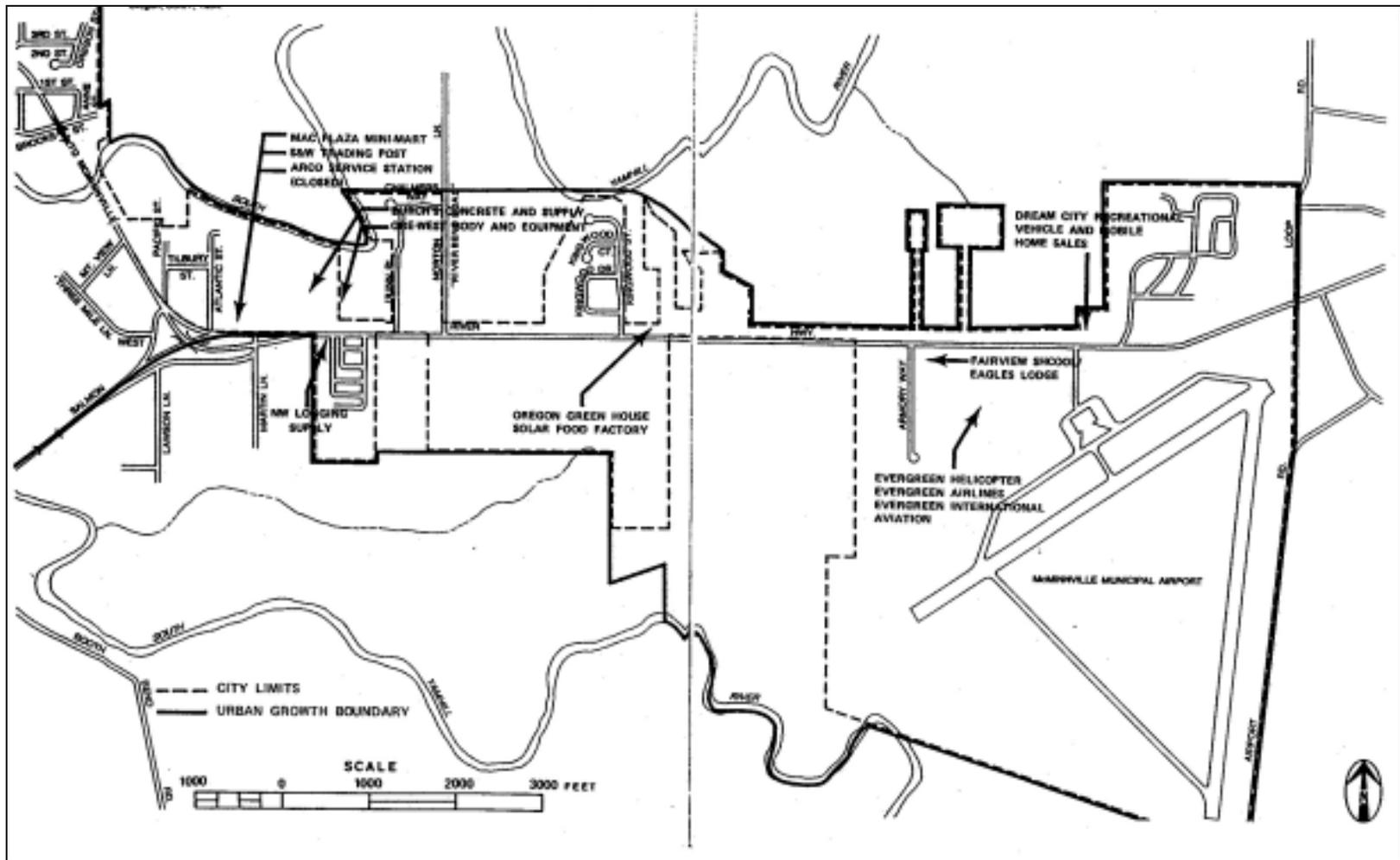


Figure 2.2: Commercial and Industrial Development, Three Mile Lane, 1984
 (Source: Draft Environmental Impact Statement, E. McMinnville Interchange-Airport Rd,
 Salmon River Highway, Yamhill County, Oregon, ODOT, 1984.)

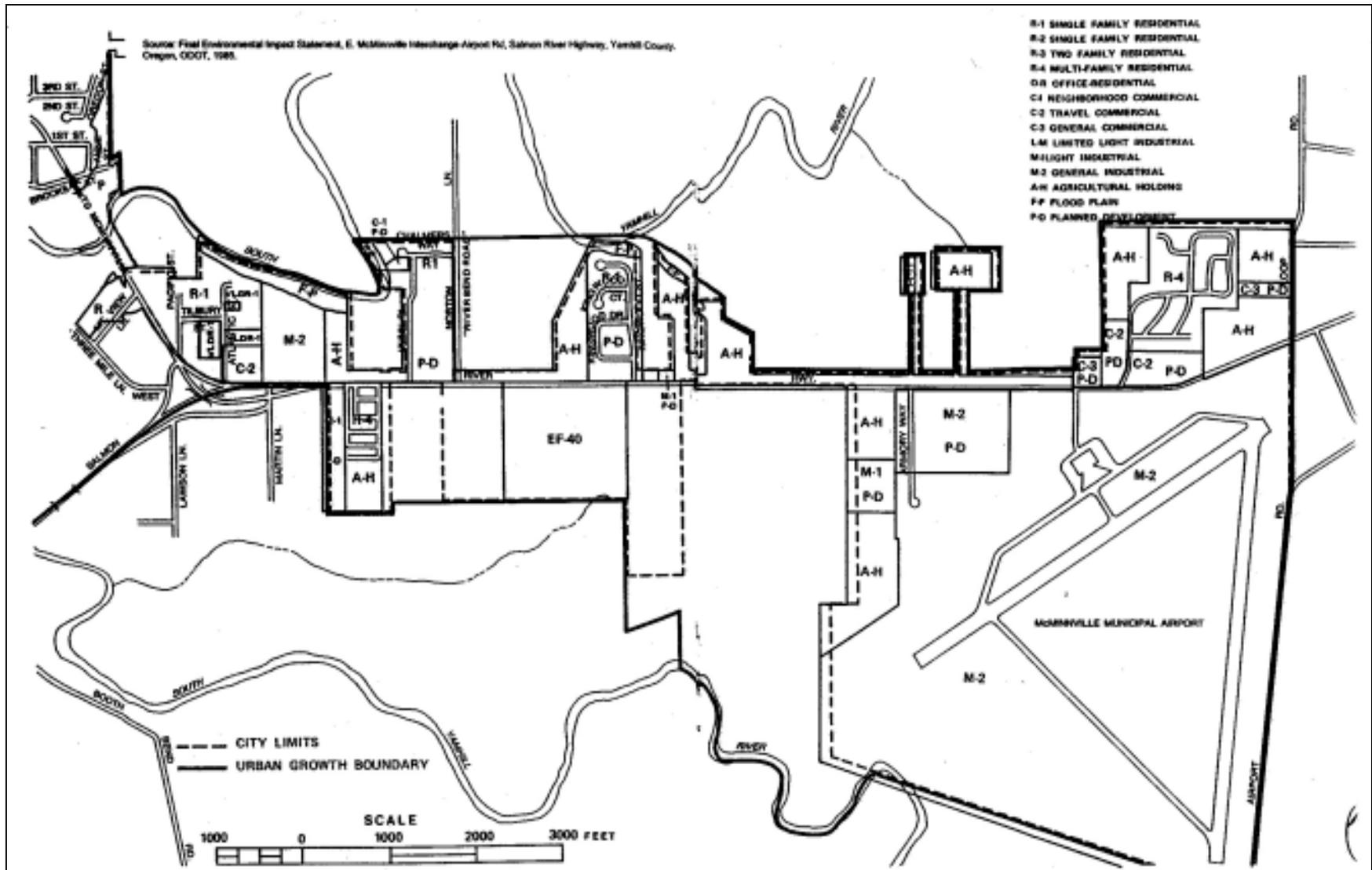


Figure 2.4: City of McMinnville Zoning, Three Mile Lane, 1984
 (Source: DEIS, ODOT, 1984)

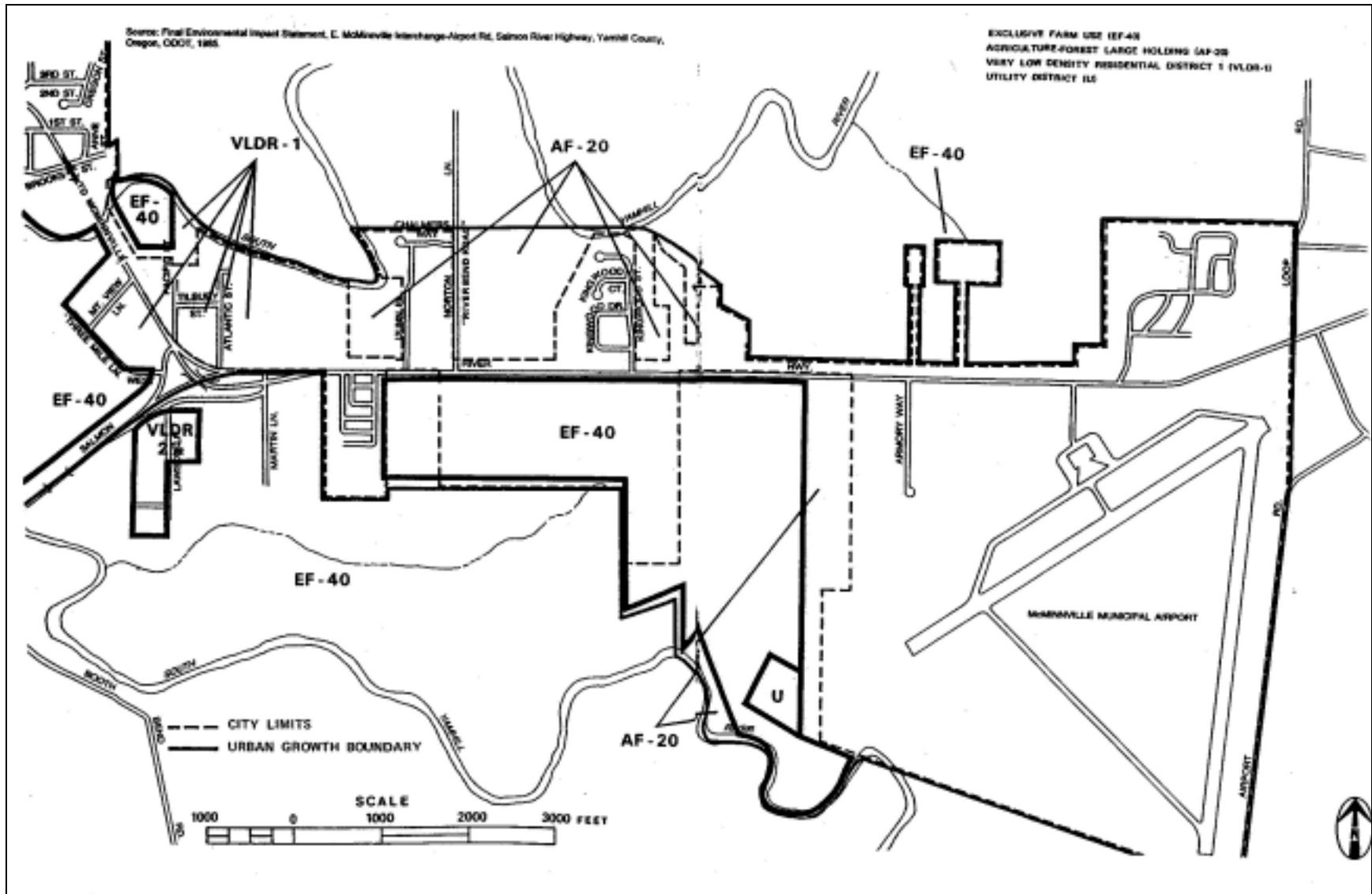


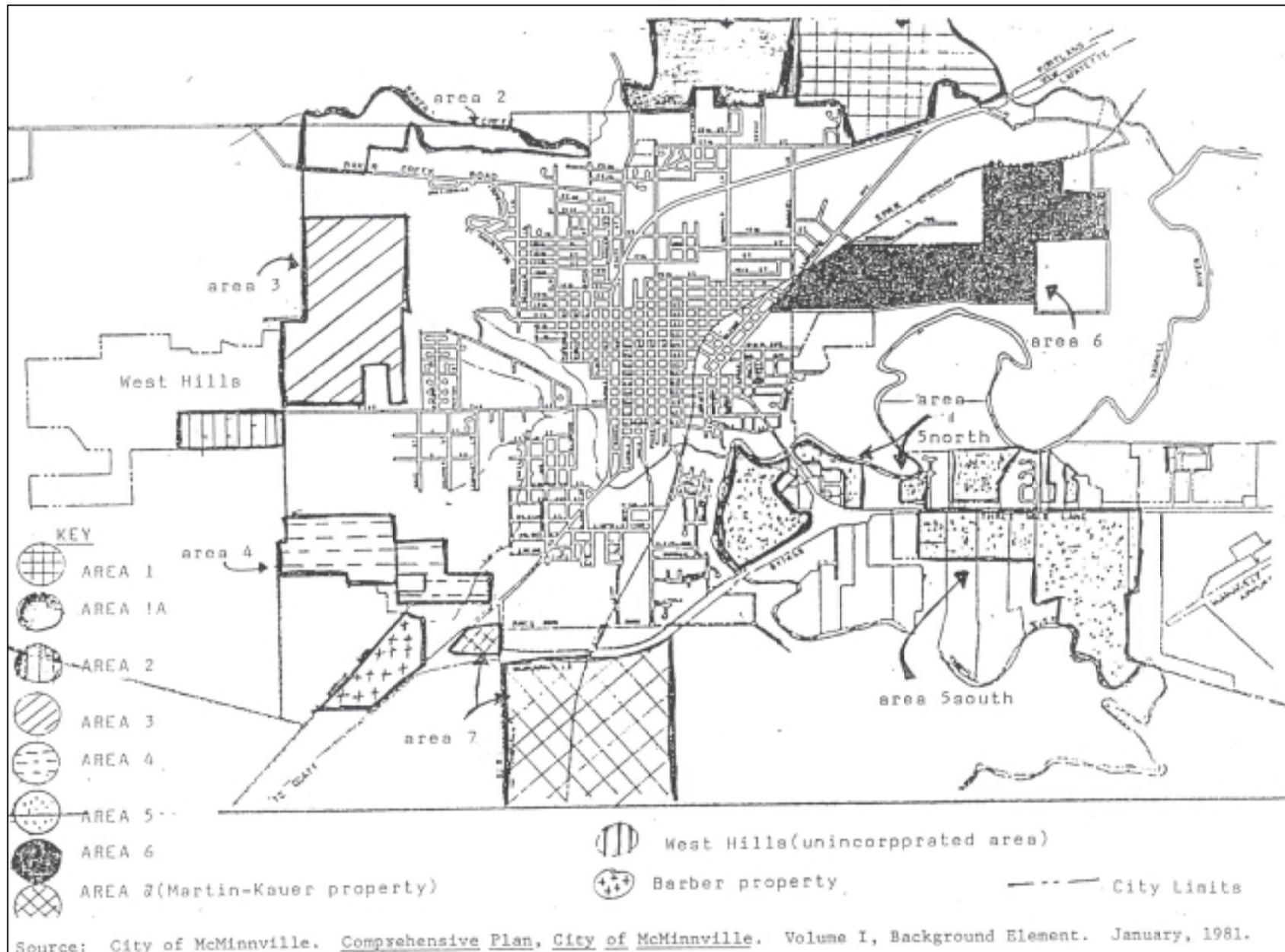
Figure 2.5: Yamhill County Zoning, Three Mile Lane, 1984
 (Source: DEIS, ODOT, 1984.)

Figure 2.7 shows the major areas where development was expected to occur within the McMinnville UGB. According to the DEIS, the McMinnville Planning Department described the growth of McMinnville as primarily occurring toward the west, but that major industrial development was being planned near the airport south of the project corridor and that a new residential development was being planned north of the corridor. The DEIS stated that development pressures were being felt along Three Mile Lane, although it did not specify for what type of development.

Area 5 (designated in Figure 2.7) to the north of the project corridor contained 33 parcels totaling 345 acres, of which 280 acres were considered developable. Most of this land was in agricultural use, although 4 acres were in residential use and 58 acres were undevelopable floodplain. Area 5 to the south of the highway contained 19 parcels totaling 238 acres, of which 232 acres were developable. All of this property was in agricultural use.

According to the DEIS, a 600-acre Planned Unit Development (PUD) overlay had been designated along the study area and consisted of residential, commercial, industrial and institutional uses. With the PUD, the urbanizable land north of the highway was proposed primarily for residential use, with smaller areas of mixed use urban, commercial and industrial. South of the highway, the plan called for a large amount of industrial and institutional uses. The Three Mile Lane PUD was expected to largely follow the land use designations in the comprehensive plan. The City expected that the PUD area would provide adequate vacant land for development well beyond the year 2000.

In a city ordinance supporting the PUD, a finding stated that the development of lands along the project corridor was acceptable if provisions were made to integrate the dual functions of the highway as a bypass around the City and a land service arterial for adjacent properties. The City also indicated that development along Three Mile Lane was acceptable if the living and working environments were compatible, if the environment included open spaces and parks, and if residential uses were buffered from the highway. To these ends, the ordinance required a 120-foot setback and promoted limited access and frontage roads.



Source: City of McMinnville. Comprehensive Plan, City of McMinnville. Volume I, Background Element. January, 1981.

Figure 2.7: Major Developing Areas in McMinnville, 1984

2.3 TRANSPORTATION SYSTEM CHARACTERISTICS

According to the DEIS, Highway 18 was a major east-west route. To the west, it provided access to the Oregon coast. To the east, it led to the towns of Dayton and Newberg and the Portland metropolitan area. The Three Mile Lane section of Highway 18 also served adjacent properties within the McMinnville Urban Growth Boundary.

The DEIS stated that with the land uses at the time of the report, the capacity of the highway was adequate given the 1982 traffic volumes of 10,400 vehicles per day. According to the DEIS, traffic from the planned increases in residential development on the north side of the highway would pose capacity problems on the highway without improvements. The DEIS stated that as the study area develops, traffic volume was expected to increase 60% to 16,650 vehicles per day by the year 2000. With this anticipated volume of traffic in 2000, the No-Build Alternative would be operating at a “D” level of service, meaning congested conditions with slow-moving traffic. With the improvements, the DEIS expected traffic to be operating at a “B” level of service, a free-flowing condition.

The DEIS stated that the highway posed a safety hazard to motorists because it served the dual purpose of a through-highway and a land-service arterial for adjacent development. The lack of shoulders, turn refuges and additional lanes aggravated hazards associated with turning movements for the development. According to the DEIS, unrestricted access along the section had resulted in a high accident rate, mostly in turning and rear-end accidents. With traffic increases and planned development, it was expected that accident hazards would increase. The project was intended to improve traffic safety by providing four travel lanes and a left-turn median. The DEIS stated that existing and projected traffic for the highway did not warrant frontage roads for the length of the project.

According to the DEIS, the project termini were determined by the need to improve the interchange at the west end of the project for safer and more orderly flow and by the need to serve the McMinnville Municipal Airport to the east of the urban growth boundary. East of the airport, planned development would end, traffic volumes would diminish and fewer turning movements would occur.

The DEIS identified plans for two other ODOT transportation improvement projects in the McMinnville area, but indicated that they would not affect the Three Mile Lane project. The other planned ODOT projects were: (1) expansion of the Edmonston to Old Sheridan Road section of Highway 99W in McMinnville from four lanes to five; and (2) a two phase extension of a north-south minor collector, Michelbook Lane, within the City.

2.4 PUBLIC SERVICES

According to the DEIS and City staff, the City provided electrical, water and sewer service along the entire length of the project alignment in 1969. The water and sewer lines were oversized in anticipation of heavy development and were located on the north side of the highway in anticipation of the eventual widening of the alignment on the south side. Local and long distance telephone service were also available. Natural gas service was not available to the study area (service did not cross the Yamhill River).

2.5 PUBLIC POLICY

The City of McMinnville Comprehensive Plan was adopted by the City and County and acknowledged by the Oregon Land Conservation and Development Commission (LCDC) in 1981. The Yamhill County Comprehensive Plan was adopted in 1974 and was acknowledged by LCDC in 1980.

The DEIS stated that the project was necessary to fulfill the development intentions of the City as specified in its Comprehensive Plan. The widening and resurfacing of Three Mile Lane was included in the City's Six-Year Highway Improvement Program. City policies spelled out the minimization of the number of entrances onto Three Mile Lane, development of on-site circulation systems, deep setbacks for future improvements to the highway, acceleration-deceleration lanes, left-turn refuges and internal circulation roads where necessary and practicable.

According to the DEIS, the City's Comprehensive Plan stated that the City would develop an access and traffic-circulation plan for Highway 18 to be included with the development provisions of the Planned Unit Development overlay in the area. The City intended to limit access and encourage frontage roads wherever possible along the project corridor. The City's Comprehensive Plan stated that land development would be controlled by phased growth and through the orderly extension of public facilities; special controls enforced through the planned development ordinance would minimize impacts of industrial development.

According to the DEIS, the McMinnville Airport Master Plan expressed concern about traffic congestion and future development that could conflict with airport activities, such as residential subdivisions. The airport plan suggested that areas within at least one mile of the airport be maintained in either airport-compatible or low intensity uses. At the time of the DEIS, the City of McMinnville had plans to add one thousand feet to the runway of the McMinnville Municipal Airport.

Yamhill County's comprehensive plan recognized Three Mile Lane as a regional facility and identified the corridor improvement as a priority. The Yamhill County plan also had provisions for limiting access to and requiring frontage setbacks for arterial highways.

With respect to statewide planning goals, specifically state policy intended to preserve agricultural lands (Goal 3), the project required only 1.2 acres of agricultural land under county jurisdiction outside the McMinnville UGB. An exception to state policy was not required because the widened facility required only the adjacent strip of land, an amount which upon review by LCDC was considered to be minimal.

3.0 CHANGES AFTER THE EIS WAS COMPLETED

This chapter discusses changes in land use, and in the variables that influence those changes, in the period following issuance of the Final Environmental Impact Statement (FEIS) in 1985. The improvements to Three Mile Lane began in 1990 and were completed in 1993. Organization of this chapter is identical to that of Chapter 2: it begins with a discussion of socioeconomic conditions, then discusses land use patterns, transportation systems, capital improvements, and changes in public policy.

3.1 SOCIOECONOMIC CONDITIONS

Actual changes in socioeconomic conditions in the City of McMinnville were somewhat different than those described by the DEIS. Based on a forecast adopted by the City of McMinnville in 1979, the DEIS expected the population of McMinnville to increase by 124% between 1980 and 2000 to 31,500; as of 1997, the McMinnville population had only increased 67% to 23,485 as shown in Table 3.1. The statewide recession of the early 1980s contributed to the slowed growth. On the other hand, the anticipated increase in Yamhill County population of 45% to 80,176 by year 2000 more closely matches the actual increase of 43% to 79,200 by 1997. With the annexation of several residential neighborhoods in 1997, the McMinnville city limits contained the vast majority of the built-up land within the UGB. It is not apparent whether the population estimate for 1997 contained the population added to the city as a result of these annexations. If it did, then the 1997 city population was approximately equal to the population within the UGB in 1997.

Table 3.1: Population Trends in McMinnville and Yamhill County

Year	Population	
	McMinnville	Yamhill County
1980	14,080	55,332
1990	17,894	65,551
1997	23,485	79,200
% Change	67%	43%
Average Annual Growth Rate	3.1%	2.1%

Source: U.S. Census and Center for Population Research and Census, Portland State University,

3.2 LAND USE PATTERNS AND PLANS

3.2.1 Land Use Patterns

One of the key objectives of this analysis is to document land use changes in the study area (and more broadly, the City of McMinnville) during two periods: between issuance of the FEIS and completion of the project (1985-1993), and after the project was completed (1993-present). To

determine changes in land use, we looked at a number of indicators including (1) UGB expansions and annexations, (2) zone and plan designation changes, (3) residential development project approvals and recorded improvements, and (4) location of new development. An inventory of vacant lands within the city limits and the UGB over time would be a useful indicator of the location and timing of development, but the only vacant land data available was for 1998. Key conclusions are:

- *UGB expansions and annexations.* When the FEIS was issued in 1985, the McMinnville UGB encompassed all but a very small section of the project corridor. Since the McMinnville UGB was designated in the early 1980s, it has undergone two minor expansions, both of which occurred in the study area as shown in Figure 3.1. The first UGB expansion occurred prior to 1996 and designated additional industrial land to the west of the airport; the second expansion occurred after 1996 and involved land in the South Yamhill River floodplain north of the project's western terminus. This land is designated as a park. The UGB also underwent a contraction involving several hundred acres to the south of the Salmon River Highway Bypass. This land was in single ownership.
- As shown in Figure 3.2, the City annexed many tracts prior to the institution in 1997 of a voter-approval process for annexations. The City annexed 15 sites from 1984 to 1992 of which six were in the study area, and 15 sites from 1993 to 1999, of which four were in the study area. According to City staff, most of the tracts annexed since 1993 were already developed or had received City approval for the construction of residential subdivisions. Within the study area, the annexations since the DEIS extended the city limits to the UGB with the exception of about 25 acres of residential land north of the improvement and about 30 acres of commercial land south of the improvement (both excluded tracts are near Norton Lane).
- *Zone and plan designation changes.* According to City staff, McMinnville has not made any major changes in zoning or plan designations in the study area since 1985. The Planned Unit Development (PUD) Overlay encompassing much of the study area was designed to allow a variety of uses within the PUD as long as the development met the PUD criteria. To accommodate the needs of the Willamette Valley Medical Center (opened in 1996), the City added hospital activities as an allowed use in its limited light industrial zone ordinance
- *Residential development.* From 1990 to 1997, the City approved 61 residential development projects creating a total of 3,337 new units on approximately 600 acres. In 1996, there were four subdivisions and two mobile home parks in the study area. The Quail Ridge Subdivision consisting of six homes was completed in 1995 and borders the Salmon River Highway Spur. During the mid 1990's, 35 houses were added to the Bend-O-River Subdivision. According to the focus group, the Bend-O-River development may have waited until turn lane access had been established before deciding to expand. By 1996, the Olde Stone Village mobile home park had expanded west into another 11-acre parcel.

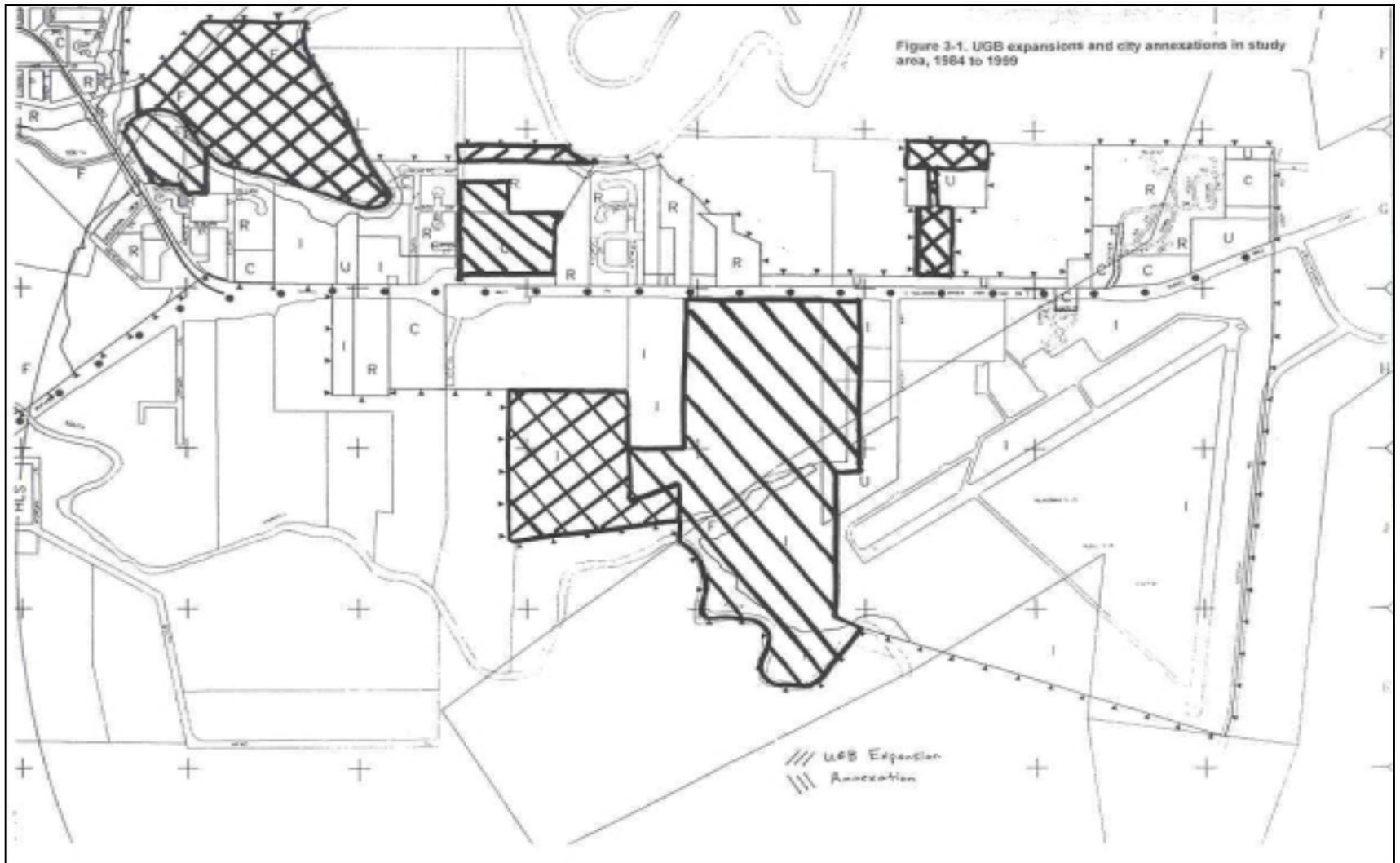
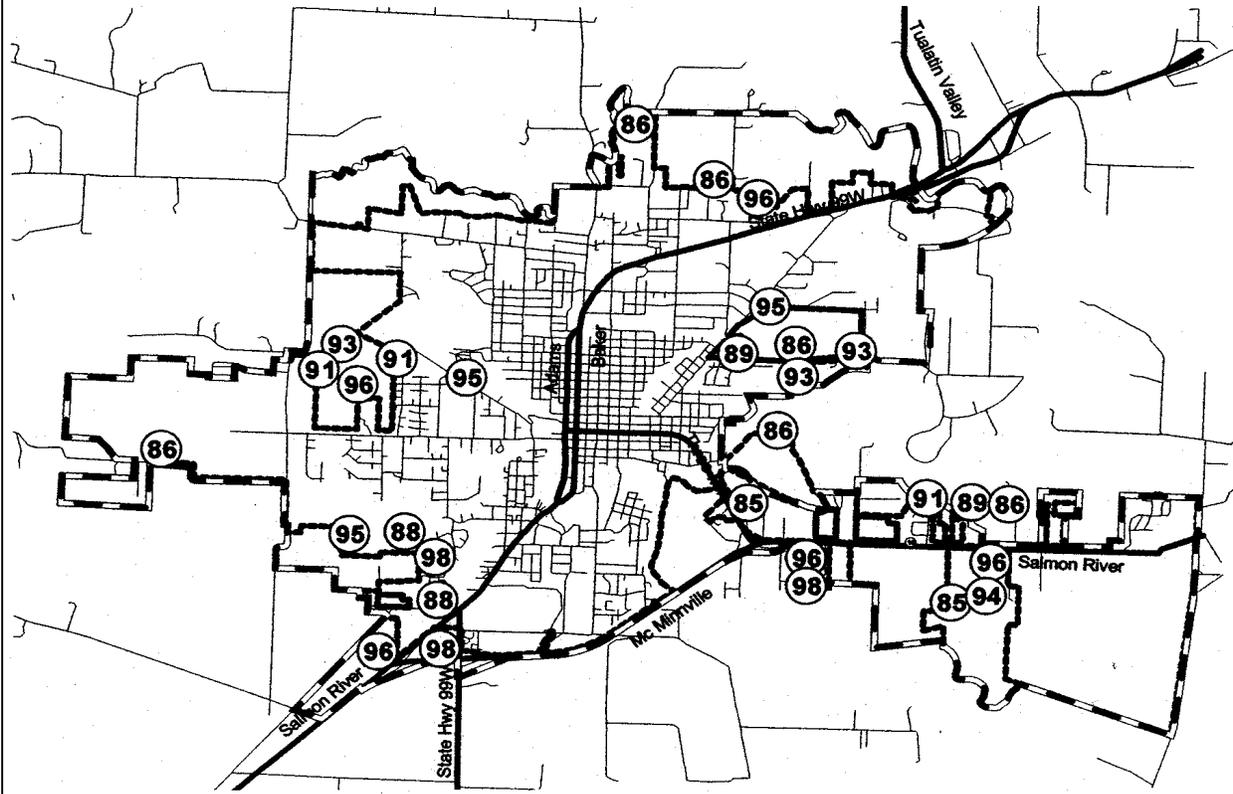


Figure 3.1: UGB Expansions and City Annexations in Study Area, 1984 To 1999
 (Source: DEIS, ODOT, 1984 and City of McMinnville, 1999)

McMinnville

Year and Approximate Location of Annexation

1984 to 1999



— UGB — Streets
••••• City Limits (00) Annexation/Year

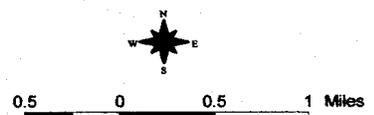


Figure 3.2: Year and Approximate Location of Annexations in McMinnville, 1984 To 1999
(Source: City of McMinnville, 1999)

- *Year-built from assessment records.* The Yamhill County Assessor keeps records on the year improvements are recorded on tax lots. This data is not entirely reliable, but provides one indicator of the timing and location of residential uses. Year-built data combined with building permits provides a relatively accurate assessment of development trends.
- Table 3.2 shows the number of single family residences by year built in McMinnville and the study area. Figure 3.3 shows the number of single-family dwelling units built in McMinnville and the study area by decade. The data indicate that the study area accounted for approximately 3.4% of all single-family residences in McMinnville in 1985, 3.3% in 1993 and 3.5% in 1997. From 1994 to 1997, single family residential development increased by 19% throughout the City and by 24% in the study area. According to City staff, there are no apartments located in the study area, although there is one assisted living complex, Sun Retirement Assisted Living Home.

Table 3.2: Number of Single Family Residences by Year Built, McMinnville and Three Mile Lane Study Area

Year	Residential		% in Study Area
	Citywide	Study Area	
Before 1985	3,532	119	3.4%
EIS Completed (1985)			
1985	48	1	2.1%
1986	51		0.0%
1987	57		0.0%
1988	64	3	4.7%
1989	57		0.0%
1990	123		0.0%
1991	91		0.0%
1992	157	7	4.5%
1993	161	15	9.3%
Subtotal	809	26	3.2%
Project Completed (1993)			
1994	225	21	9.3%
1995	152	4	2.6%
1996	262	5	1.9%
1997	168	5	3.0%
Subtotal	807	35	4.3%
Total	5,148	180	3.5%

Source: Yamhill County Assessment Data, 1998

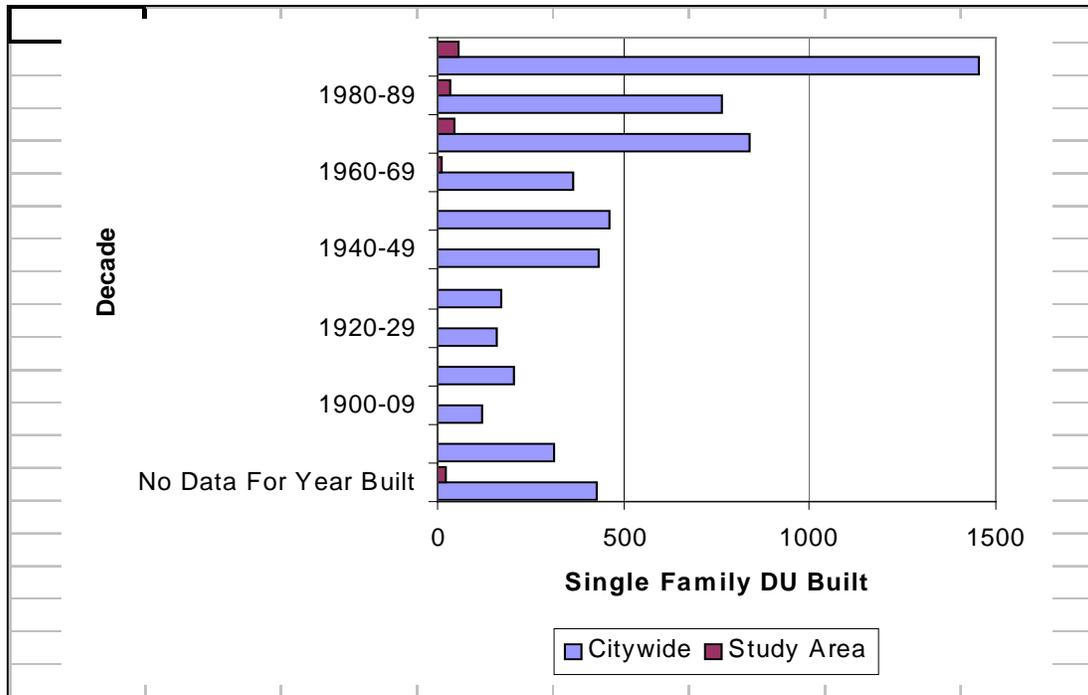


Figure 3.3: Single Family Dwelling Units by Year Built, McMinnville and Three Mile Lane Study Area (Source: Yamhill County Assessor, 1999)

- Value of land and improvements.* Table 3.3 shows the value of residential sales for McMinnville and the study area between 1985 and 1998. Since 1993, the number of residential sales in the study area has been constant at around 14 sales per year, while the number of citywide sales has been steadily climbing (except for a drop in 1998). The average value of residential sales in the study area has generally followed the citywide averages which have been rising since 1990.

Table 3-3: Value of Developed Residential Lots, McMinnville, 1985-1998

Year	City Totals		Study Area	
	Number of Sales	Avg. Sales Price	Number of Sales	Avg. Sales Price
Before 1985	312	\$50,651	15	\$53,766
1985	66	\$48,977	2	\$42,250
1986	83	\$47,076	4	\$37,750
1987	87	\$48,073	1	\$53,000
1988	106	\$54,007	1	\$52,000
1989	96	\$47,418	1	\$29,000
1990	173	\$54,568	10	\$77,130
1991	164	\$62,343	5	\$80,850
1992	212	\$73,129	9	\$65,626
1993	265	\$80,448	13	\$66,553
1994	309	\$94,404	13	\$90,535
1995	352	\$110,698	13	\$118,767
1996	455	\$118,871	15	\$128,703
1997	459	\$129,929	14	\$127,771
1998	330	\$133,182	14	\$117,686

Source: Yamhill County Assessment Data, 1998

- *Aerial photo analysis of development patterns.* Figure 3.4 shows development patterns in McMinnville for various periods based on photo interpretation. The aerial photos show that city-wide development between 1970 and 1980 occurred primarily to the City's west and north; development from 1980 to 1990 occurred primarily to the City's southwest and west. Most of the city-wide development was residential. The aerial photo analysis confirms that no new major developments occurred in the study area from 1985 (when the FEIS was issued) to 1990.
- *Specific commercial, industrial and institutional development along Three Mile Lane.* Figure 3.5 shows the present location of development in the study area. Table 3.4 summarizes the information on specific developments as provided by the focus group. The focus group did not identify any non-residential development occurring in the study area between when the DEIS was issued in 1984 and when the Tanger Outlet Center opened in 1994.

According to the focus group participants representing businesses located in the study area, the availability of large lots within the UGB that were zoned to allow a variety of land uses was the primary reason they chose to locate in the study area. The business representative stated that the widening of Three Mile Lane was not a significant factor in their businesses' decision to locate there, although the access, visibility and capacity associated with the highway were generally seen as beneficial to the businesses.



Figure 3.4: Development patterns in McMinnville
 (Source: Yamhill County Assessor, 1999)

Table 3.4: Recent Commercial, Industrial and Institutional Development Along Three Mile Lane

Development	Year Opened	Reasons for locating along Three Mile Lane
Tanger Outlet Center (shopping mall)	1994	<ul style="list-style-type: none"> • Access to tourist traffic going to Oregon Coast and aviation museum. • Large property was available with potential for future growth.
McDonald's	approx. 1995	<ul style="list-style-type: none"> • May have desired to be close to the outlet center.
Willamette Valley Medial Center (hospital)	1996	<ul style="list-style-type: none"> • Wanted to be a regional facility, serving Dayton, Williams, Sheridan, and Newberg. • Good access (but did not matter how many lanes on Three Mile Lane). • Large property was available with potential for future growth. • City revised zoning to accommodate medical uses.
Sun Retirement Assisted Living Home	1997	<ul style="list-style-type: none"> • Large property was available with potential for future growth. • Zoning allowing this use.
Vineyard Inn Suites (hotel)	1998	<ul style="list-style-type: none"> • May have desired to be close to hospital.
Evergreen Aviation Museum	planned for late 2000	<ul style="list-style-type: none"> • Land was already owned by Evergreen. • Property had access to airport. • Large property was available with potential for future growth.

Source: Case Study Focus Group.

*Note: Other non-residential development includes a veterans club, a fueling station, a concrete company, and a logging supply store.

According to the Oregon Economic Development Department, Evergreen International/Helicopters is the second largest local employer with 415 employees. The largest employer in the McMinnville area is Cascade Steel Rolling Mills with 560 employees. The Willamette Valley Medical Center is also a major employer with approximately 400 employees.

The Highway 18 Corridor Refinement Plan: McMinnville Three Mile Lane Section (the Corridor Refinement Plan area is discussed in more detail in the next section, Transportation Systems Characteristics) issued in 1996 stated that McMinnville needed additional commercial land and that there was increased interest in establishing more commercial enterprises along the corridor.

The South Yamhill River delineates the study area to the north, west, and south, and the only roadway access to the study area is along Highway 18 and the Salmon River Highway Spur. The focus group stated that there is a disassociation between Three Mile Lane and the rest of McMinnville, with the dividing line being the bridge across the South Yamhill River. They indicated that because local residents do not naturally think of going to Three Mile Lane, the Tanger Outlet Center has not pulled much local business away from establishments in other McMinnville commercial districts (including downtown). In fact, City staff stated that they suspect that the Tanger Outlet Center's customer volume has not been what Tanger had originally hoped it would be.

According to the focus group, there is not much pressure for residential development along Three Mile Lane because of the geographic disconnect and potential incompatibility with highway and airport activities. Many citizens and developers are not

interested in building subdivisions along Three Mile Lane for the reasons described. Although the area may not be attractive to single-family residential development, the focus group noted that the Sun Assisted Living Home has broken ground for expansion on their property and another residential retirement center plans to move to the study area.

3.2.1 Land Use Designations

The City made several minor changes in land use designations in the study area since 1985. The City replaced the small agricultural holding designation with a mixed use designation. Several tracts with residential and industrial designations totaling approximately seventy acres were converted to commercial use, especially near Norton Lane.

3.3 TRANSPORTATION SYSTEM CHARACTERISTICS

Planned improvements to the local transportation system can affect land use patterns. Statewide planning goal 12 requires all communities with populations over 2,500 to complete a transportation systems plan (TSP). A TSP identifies key transportation issues and transportation improvements to address those issues. The Public Facility Plan for the City of McMinnville (the City's TSP) was completed in 1995 (the city council adopted the City's Transportation Master Plan in 1992, a document in continued use to provide more detailed transportation system information). The Public Facility Plan stated that the main impetus for the conceptual and scheduled improvements was the City's projected population growth (40,000 people by the year 2015).

Major local road improvements. Prior to 1996, Norton Road was extended to the south about 1,000 feet to serve the hospital. The Public Facility Plan did not list any short-term (1995 to 1999) transportation system improvements in the study area, although the planned improvements to the Highway 18 Spur from Johnson Street to the South Yamhill River Bridge (near the project's western terminus) may affect future use of Three Mile Lane. Although the project was planned for 1999 and construction has not started, a contract for the improvement has been awarded. . The Public Facility Plan listed five long-term (2000 to 2011) transportation system improvement projects, one of which is the northward extension of Norton Lane to Highway 99W. The Public Facility Plan stated that the extension of Norton Lane would reduce the need for widening the Highway 18 Spur to First Street. The extension of Norton Lane and the other four long-term projects will create a perimeter road system along the City's eastern, northern and western outskirts. This perimeter road system will improve access to the study area, thus possibly affecting the type and rate of future development in the study area.

The projected growth within the region and the study area in particular led ODOT to commission the Oregon Highway 18 Corridor Refinement Plan: McMinnville Three Mile Lane Section. The Corridor Refinement Plan was completed in 1996 and recommended the following improvements to be phased in over twenty years: (1) access-collector (frontage) roads east of Norton Lane to provide property access. (2) an interchange at the Norton Lane intersection with Three Mile Lane to allow access to the highway from collector-access roads and north-south arterial traffic, (3) an interchange to replace the existing East McMinnville Interchange at Highway 18 Spur, and (4) an interchange at the intersection of Highway 18 and Lafayette Highway (Highway 233). The DEIS stated that the citizen advisory committee participating in the planning of the widening of Three

Mile Lane proposed frontage roads along the length of the project, but this option was rejected based upon cost and anticipated need.

Table 3.5 shows average daily traffic volumes on Three Mile Lane in 1982, 1990, 1993 and 1997. The data show a change in traffic volume of 28% from 1982 to 1997. The DEIS forecasted a 60% increase from 1982 to 2000. Two casinos, the Spirit Mountain gaming facility near Valley Junction and the Chinook Winds Gaming and Convention Center near Lincoln City opened on the Oregon Coast in 1995 and 1996, and thus added to the level of tourist thru-traffic along Three Mile Lane.

According to the Corridor Refinement Plan, the level of service on Three Mile Lane ranged from A to B in 1996, although roads connecting to the highway operated at poor level of service (LOS less than C). The Corridor Refinement Plan also stated that the state's 1994 Safety Priority Index System did not place any site on the corridor in the state's top ten percent.

Table 3.5: Average Daily Traffic, Three Mile Lane (Highway 18)

Location	1982	1990	1993	1997	% change 1982 to 1997	2000 forecasted by DEIS
Three Mile Lane (mile post 46.46)	10,400	11,500	12,000	13,300	28%	16,650

Sources: DEIS, ODOT, 1984; Oregon Highway 18 Corridor Refinement Plan, McMinnville Three Mile Lane Section, 1996; and Traffic Volume Tables, Transportation Data Section, ODOT.

The Eastern and Western project termini were at mile posts 46.3 and 48.5, respectively. The FEIS did not specify the mile post for the 1982 traffic volume count.

City staff stated that the widening of Three Mile Lane had no effect on traffic routes since there is no short route around Three Mile Lane and Three Mile Lane is the only four-lane section on a long stretch of Highway 18. According to the focus group, Lafayette Highway (connecting downtown McMinnville to Highway 99W to the north) was seen as more of a connector than Three Mile Lane.

The Corridor Refinement Plan stated that some McMinnville residents expressed dissatisfaction with aspects of the Three Mile Lane frontage road system as shown in Figure 1.3. Residents reported difficulty in making left turns from the Spur onto the North Frontage Road, and residents using the western part of the southern frontage road expressed displeasure in having to drive a half mile east along the frontage road to Norton Lane in order to travel to the City's downtown. One focus group participant expressed concern that through-traffic may be deterred from stopping at her business because direct property access is limited.

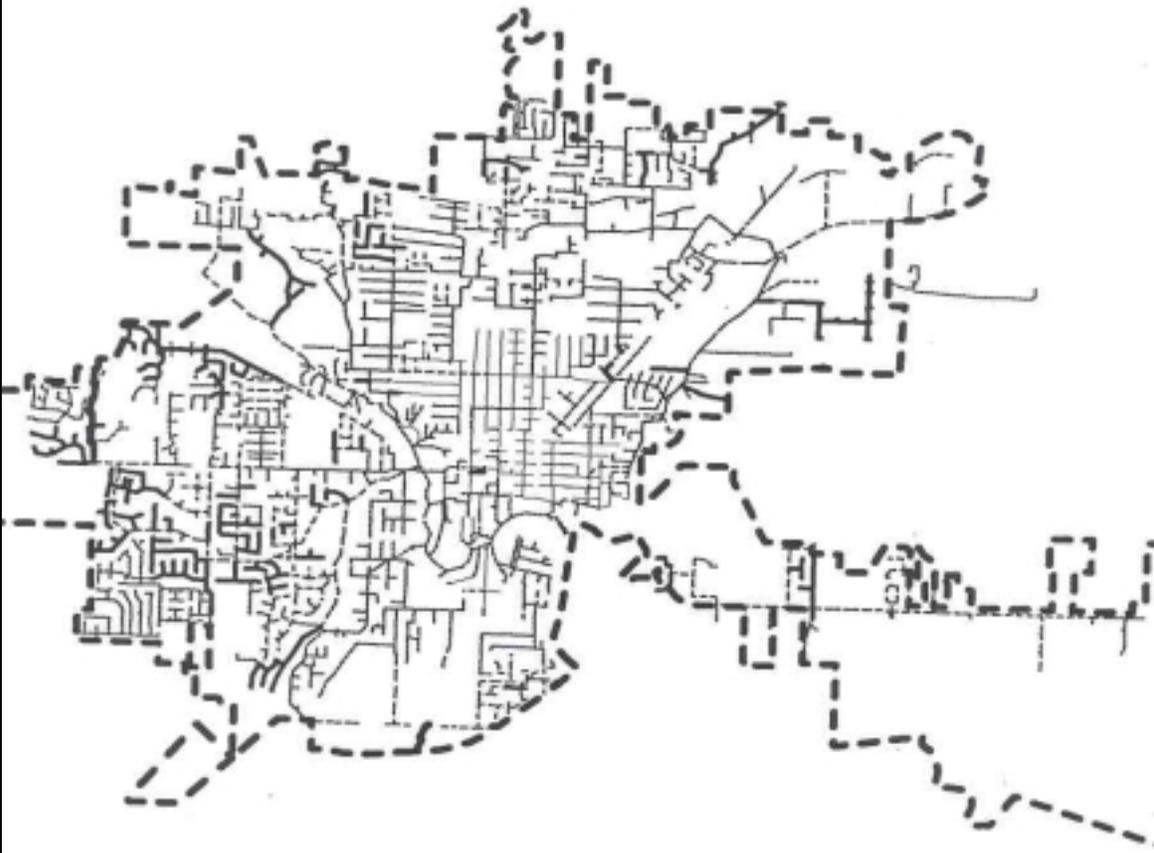
According to the DEIS, the purpose of the frontage roads was to maintain mobility on the highway. As discussed earlier in this section, traffic along Three Mile Lane in 1996 was free-flowing (LOS A to B), an indication that the frontage roads may be effective in this respect. The Corridor Refinement Plan recommended that the frontage roads be extended east of Norton Lane.

3.4 PUBLIC SERVICES

The City of McMinnville Public Facility Plan (1995) indicated that the condition of the sewage collection system throughout the City is generally poor because of its age and will require sewer main rehabilitation among other improvements. Figure 3.6 shows the sanitary sewer lines in McMinnville and the study area in 1999 (Water and storm sewer systems are managed by McMinnville Water and Light). The water facilities were considered in very good condition, however growth issues were beginning to affect the overall efficiency of the system. The Public Facility Plan's short-term water system improvements included a loop feed project for Three Mile Lane, scheduled for 1996. This involved a main line extension in order to increase flow rate. This project did not occur because the water demand has not warranted it. The Public Facility Plan stated that no storm drain improvements were needed for the study area.

McMinnville

Sanitary Sewers



Sanitary Sewer - Year Installed

Light Blue Line	Dark Blue Line	Red Line
Date Unknown	1904 - 1935	1965 - 1982
Green Line	1935 - 1965	Yellow Line
		1982 - 1994
	Dashed Line	
	City Limits	



Figure 3.6: Sanitary Sewer Lines in McMinnville Source: City of McMinnville, 1999.

3.5 PUBLIC POLICY

Changes in public policy can have a significant impact on the timing and location of development. The following are some key changes in local policy that occurred between 1985 and 1998.

- *Commercial, industrial, and institutional development policies.* The City of McMinnville Comprehensive Plan presents policies to encourage the continued growth of McMinnville as the commercial center of Yamhill County, to ensure commercial development that maximizes efficient land use, and to promote the downtown as a cultural, administrative, service and retail center of McMinnville. The City developed policies to encourage a planned commercial development on the City's west side (at intersection of Hill Road and West Second Street) and the development of a commercial planned development center in the southwestern portion of the City (at intersection of Old Sheridan Road, Highway 99W, and Highway 18).

The McMinnville Comprehensive Plan also presents policies to continue the growth and diversification of McMinnville's industrial base through the provision of an adequate amount of properly designated lands, and to ensure that industrial development maximizes efficient of land use, is appropriately located in relation to surrounding land uses, and meets necessary environmental standards. The City's Public Facilities Plan describes a development program for the McMinnville Municipal Airport to provide basic facilities to encourage both aviation-related and industrial leasing of property.

According to the City staff, the City has developed much of the residential land within the City limits and is now considering expansion of the UGB, especially to the north and northwest of downtown. The City is also considering designating a large, mixed-use residential neighborhood north of Norton Lane along the South Yamhill River (As discussed in the Transportation System Characteristics section in this chapter, the City plans to extend Norton Lane northward to Highway 99W. This would involve land currently outside the UGB.

According to City staff, McMinnville's planning style is flexibility in design and types of land use. A Planned Unit Development Overlay (such as along Three Mile Lane) can serve as a holding place for subsequent zone changes. The City expected and intended for development along Three Mile Lane (as demonstrated by UGB location, Comprehensive Plan designations, and the PUD overlay). According to City staff, "industrial promotions" were done thirty years ago and the City is now in "maintenance mode," i.e., The City does not market the Three Mile Lane corridor, instead development occurs in response to market demands subject to zoning ordinances and other land use regulations. City staff stated that much of the development along Three Mile Lane since 1985 was planned prior to the improvement and that the expansion of Three Mile Lane has not been a "magnet for development."

- *Open space policies.* According to the McMinnville Comprehensive Plan, the City plans to continue to acquire floodplain lands through the provisions of the land division ordinance and other available means for future use as natural areas, open spaces and/or parks. The Comprehensive Plan also encourages the retention of open space and scenic areas throughout the community, especially at the entrances to the City such as Three Mile Lane. As part of

the Three Mile Lane PUD overlay, the City requires the provision of lands for parks from all subdivisions, except when an existing park is available.

- *Land outside the city limits but inside the UGB.* The City of McMinnville Public Facility Plan (1995) identified Ordinance 4146, McMinnville Urban Growth Boundary Management Agreement, which specified that development of urban uses on lands within the UGB but outside the City limits shall be preceded by annexation of the land to the City. The ordinance stated that county land adjacent to Three Mile Lane must remain in a resource zone and that the area must be developed in accordance with the following principles: (1) minimization of entrances onto Three Mile Lane; (2) the development of on-site circulation systems; (3) the provision of deep setbacks, landscaping, buffer strips, sign controls, and the setting of an adequate setback line from the existing right-of-way line; and (4) the provision of acceleration and deceleration lanes and left-turn refuges when and where necessary and practicable in accordance with the ODOT improvement project for Three Mile Lane.

4.0 CONCLUSIONS

Chapter 2 describes the land use, transportation, other public facilities and public policy at and before the time the Final Environmental Impact Statement (FEIS) was issued in 1985. Chapter 3 describes the changes that occurred since the FEIS was issued. Chapter 1 notes, however, that the fact that changes occurred in the project corridor does not mean that the improvement of Three Mile Lane caused or even contributed much to those changes. This chapter addresses that question: what role did expansion of Three Mile Lane play in the land use changes that occurred in the project's corridor?

4.1 CONDITIONS: PRIOR TO 1985

- The City of McMinnville had an average annual growth rate of 3.1% from 1960 to 1980. Yamhill County's rate was 2.7% for the same time period. The City and County populations in 1980 were 14,080 and 55,332 persons, respectively. The City forecasted its population in the year 2000 at 31,500, a 124% increase from 1980, or average annual growth rate of 4.1%. The County forecast was more modest at 80,176 persons in 2000, a 45% increase from 1980, or average annual growth rate of 1.9%.
- The City of McMinnville had developed along two major axes: 3rd Avenue through downtown and Highway 99W. Highway 18 primarily served as a bypass for through-traffic.
- In 1985, McMinnville had the largest concentration of commercial, industrial and residential land use in the county. Housing was increasing primarily in the western part of the City, but new residential developments were being planned for other areas of the City, including the north side of Three Mile Lane. Commercial development was focused in the central business district and along Highway 99W, although only 40% of the land designated for commercial use in these areas was being used in this manner; the remainder was mostly residential or undeveloped. Industrial development was concentrated in three areas: the northeast industrial area, the south industrial area and the Three Mile Lane industrial area adjacent to the McMinnville Airport. The Three Mile Lane industrial area was the least intensively developed industrial area in the City.
- According to the Draft Environmental Impact Statement (DEIS), the highway project was intended to: (1) improve traffic safety, (2) accommodate anticipated increases in traffic volume, and (3) facilitate economic development along Three Mile Lane. The impacts predicted by the DEIS included: 20 acres acquired for right-of-way, displacement of 23 persons, the removal of several structures, fiscal impacts, increases in traffic noise, some out-of-directional travel and increased travel time for some residents, greater development pressures along Three Mile Lane, and a possible shift of some business activity away from downtown.
- In 1985, all but a small portion of the project alignment (near the project's western terminus) was within the McMinnville UGB, and approximately half of the project was inside the

McMinnville city limits. Within the study area, the city limits generally excluded large tracts of land that were in agricultural use; two of these tracts included sections of the highway and extended to the south.

- Developed land in the study area in 1985 was primarily clustered residential, industrial and institutional. The McMinnville Airport occupied a large tract of land to the south of the project's eastern terminus. The Evergreen Company (Helicopter, Airlines and International Aviation Divisions), located adjacent to the airport, was the largest employer in the study area, employing between 150 and 300 people. There were also several commercial establishments along the alignment. Much of the surrounding property was in agricultural use, and some land was located in an undevelopable floodplain.
- In 1985, the study area contained 3.4% of single-family residential development within the City.
- The City of McMinnville Comprehensive Plan was adopted by the city and county and acknowledged by LCDC in 1981. The Yamhill County Comprehensive Plan had been acknowledged by LCDC in 1980.
- A 600-acre Planned Unit Development (PUD) overlay had been designated along the study area and allowed residential, commercial, industrial and institutional uses. With the PUD, the urbanizable land north of the highway was proposed primarily for residential use with smaller areas of mixed, commercial and industrial uses. South of the highway, the PUD called for a large amount of industrial and institutional uses. The PUD allowed variation in these land use designations provided the development met the PUD criteria. The City expected that the Three Mile Lane PUD area would provide adequate vacant land for development well beyond the year 2000. The City ordinance supporting the PUD stated that future development must be compatible with the dual function of Highway 18 as a bypass around the city and as a service for adjacent properties.
- The City had provided electrical, water and sewer service along the entire length of the project alignment well before the DEIS was issued. The water and sewer lines were oversized in anticipation of heavy development and were located on the north side of the highway in anticipation of the eventual widening of the alignment on the south side.

4.2 CHANGES: 1985 TO 1993

- Construction of the project began in 1990 and was completed in 1993. The project acquired 20 acres for public right-of-way, directly impacted approximately 37 properties, and displaced one residence, one business and eight trailer pads.
- Since the McMinnville UGB was designated in the early 1980s, it has undergone two minor expansions, both of which occurred in the study area. One of the UGB expansions involved land in the South Yamhill River floodplain north of the project's western terminus, and the other designated additional industrial land to the west of the airport. The City annexed 15 sites from 1984 to 1992 of which six were in the study area

- The City made several minor changes in land use designations in the study area since 1985. The City replaced the small agricultural holding designation with a mixed use designation. Several tracts with residential and industrial designations totaling approximately seventy acres were converted to commercial use, especially near Norton Lane.
- Only 11 houses were built in the study area from 1985 to 1992; 15 houses were built in the study area in 1993. In 1993, the study area contained 3.3% of the single-family residential development.
- No major developments occurred during this time.
- From 1985 to 1993, traffic volume along Three Mile Lane increased by 15% to 12,000 average daily trips.

4.3 CHANGES: 1993 TO PRESENT

- The City did not expand its UGB during this time. The City annexed many tracts prior to the institution in 1997 of a voter-approval process for annexations. The City annexed 15 sites from 1993 to 1999, of which four were in the study area. Since 1984, within the study area, the annexations extended the city limits to the UGB with the exception of about 25 acres of residential land north of the improvement and about 30 acres of commercial land south of the improvement (both excluded tracts are near Norton Lane).
- From 1994 to 1997, the number of single family residences increased by 19% throughout the City and by 24% in the study area. In 1997, the study area contained 3.5% of all single-family residential development in McMinnville. Only one new subdivision occurred in the study area since the FEIS was issued in 1985. This subdivision was constructed in 1995 and contained six houses. The mid 1990s also saw the construction of 35 houses in the Bend-O-River Subdivision and the expansion of the Olde Stone Village mobile home park to include an additional 11 acres. The value of developed residential lots in the study area has generally kept up with citywide values. There are no apartments in the study area, although there is one assisted living complex (opened in 1997).
- Several commercial and light industrial developments have occurred in the study area since 1993 including the Tanger Outlet Center (1994), McDonald's (approx. 1995), the Willamette Valley Medical Center (1996), Sun Retirement Assisted Living Home (1997) and Vineyard Inn Suites (1998). Currently, there are plans to build the Evergreen Aviation Museum (late 2000) and another assisted living home. According to the focus group participants representing businesses in the study area, the characteristics of the land in the study area (large lot size, location within the UGB, and zoning allowing a wide range of activities) were unique in the region and were their primary reasons for choosing to locate in the study area. The businesses stated that the widening of Three Mile Lane was not a significant factor in their businesses' decision to locate there, although the access, visibility and capacity associated with the highway were generally seen as beneficial to the businesses.
- To accommodate the needs of the Willamette Valley Medical Center (opened in 1996), the City added hospital activities as an allowed use in its limited light industrial zone ordinance.

- The focus group stated that there is a disassociation between Three Mile Lane and the rest of McMinnville, with the dividing line being the bridge across the South Yamhill River. They suggested that this could account for the low interest in residential development in the study area and the limited success of the Tanger Outlet Center in attracting McMinnville residents.
- From 1993 to 1997, traffic volume along Three Mile Lane increased by 11% to 13,300 average daily trips but had not yet reached the level predicted by the DEIS for 2000 (16,600 average daily trips). Two casinos opened on the Oregon Coast in 1995 and 1996, and thus added to the level of tourist thru-traffic along Three Mile Lane. In 1996, the level of service on Three Mile Lane ranged from A to B, although roads connecting to the highway operated at level of service less than C.
- In 1996, the Oregon Highway 18 Corridor Refinement Plan was developed in response to the rapid rate of growth and the potential for continued development in the McMinnville area. The Refinement Plan recommended the construction of several interchanges and collector-access roads along Three Mile Lane. The Corridor Refinement Plan stated that the collector-access road system could be phased in over a twenty-year period. The City is also planning to extend Norton Lane to the north to be part of a future perimeter road system that will serve the eastern, northern and western parts of the City. Norton Lane currently extends a short distance north of the study area outside the UGB. This perimeter road system will improve access to the study area, thus possibly affecting the type and rate of future development in the study area. According to the Corridor Refinement Plan, vehicle accident rate along Three Mile Lane was not a major concern in 1994.

4.4 SUMMARY OF EVENTS

Table 4.1 provides a timeline of important events in the history of the project and related changes in land use and public policy.

Table 4.1: Summary of Events

Event	Year
City of McMinnville Comprehensive Plan adopted by City and County and acknowledged by LCDC.	1981
Draft Environmental Impact Statement, Three Mile Lane, issued	1984
Final Environmental Impact Statement, Three Mile Lane, issued	1985
Widening of Three-Mile Lane began	1990
City of McMinnville Master Transportation Plan adopted	1992
Widening of Three Mile Lane completed	1993
Tanger Outlet Center opened	1994
Quail Ridge Subdivision constructed (for 6 houses)	1995
City of McMinnville Public Facilities Plan adopted	1995
McDonald's opened	approx. 1995
Bend-O-River Subdivision added 35 houses	mid 1990s
Willamette Valley Medical Center opened	1996
Oregon Highway 18 Corridor Refinement Plan issued	1996
Sun Retirement Assisted Living Home opened	1997
Vineyard Inn Suites opened	1998
Evergreen Aviation Museum planned to open	2000

Table 4.1 contains all major developments along Three Mile Lane since the DEIS was issued in 1984.

4.5 INTERPRETATION

The McMinnville case study is an analysis of one project and its impacts. The narrow focus of the analysis, and the methods used to conduct the analysis, imply inherent limitations in the conclusions. The conclusions that we draw from this analysis are unique to McMinnville and the Three-Mile Lane project and should not be construed as universal – analysis of other highway projects in other communities would probably lead to a different set of conclusions.

ODOT's expansion of Three-Mile Lane has not significantly affected the type or rate of development in the study area or in McMinnville, although the improvement did succeed in accommodating the traffic increases associated with the planned development. Prior to the highway widening, the study area was located within the City's UGB and contained a mix of residential, commercial, industrial, institutional and agricultural activities and designations. One of the most significant developments in the study area was the McMinnville Airport at the areas southwest corner. At the time the DEIS was issued (1984), much of the study area was within the City's Planned Unit Development (PUD) overlay and had been designated for a variety of uses but targeted primarily for industrial development. Three Mile Lane had also been serviced (water and electricity) with the future development in mind. The purpose of the Three Mile Lane improvement was to improve safety and accommodate future industrial development planned for the study area. Project construction began in 1990 and finished in 1993.

Single-family home construction in the study area was slow after the DEIS was issued but increased in the mid-1990s. Non-residential development in the study area began to pick up in 1994 with the construction of the Tanger Outlet Center. Several business establishments settled in the study area within several years of Tanger: McDonalds, the Willamette Valley Medical Center, Sun Retirement Assisted Living Home and Vineyard Inn Suites. The City modified its zoning ordinance to allow hospital activities so that the Medical Center would be able to locate in the study area. With the exception of the hospital, the level of industrial development that was planned by the City for the study area has not occurred.

Although the PUD overlay was designed to deter strip development through the 120-foot setback and limited access requirements, the Tanger Outlet Center, and the McDonalds can be considered to be this style; and the Tanger Outlet Center and the Vineyard Inn Suites appear to have setbacks less than the 120 feet prescribed in the original PUD. In 1996, the Three Mile Lane improvement was operating at a level of service of A or B.

Since 1985, residential development in McMinnville has been strong and has primarily occurred to the City's southwest, west and north. Although Three Mile Lane may indirectly serve traffic originating from these areas and traveling to Salem or Portland, the information gathered for this report does not show a clear connection between the improvement and the pace or location of development outside the study area.

Our research found several reasons for the development patterns we observed:

- Since 1981, planning and public policy have consistently supported the development patterns and type of development that occurred in the study area. The City designated a Planned Unit Development overlay affecting much of the study area. This PUD created conditions that were attractive to a number of businesses that have located along Three Mile Lane since

1994, primarily large lot sizes and zoning allowing a variety of uses on a state highway. In the case of the Willamette Valley Medical Center, the City modified its zoning laws to allow the hospital in a limited light industrial zone. Some recent development may have been influenced by other development in the study area.

- The City of McMinnville does not heavily promote development of any type. Instead, the City laid the land use designation and utilities groundwork decades ago and lets the developers or businesses choose their locations based on these established conditions (rather than offer additional incentives, etc.). The statewide recession of the 1980s and the nationwide trend of decreasing manufacturing presence may account for the lack of development in the study area (and elsewhere) prior to 1994. In the mid-1990s, the City also began to see a need for additional commercial and residential land and to some degree looked toward the study area to accommodate some of these needs. The mid-1990s also saw the opening of two casinos on the Oregon Coast, a factor which increased thru-traffic along Highway 18 and thus improved Three Mile Lane's attractiveness to businesses which cater to travelers.
- The expansion of Three Mile Lane did not significantly impact travel routes for local or thru-traffic, although some residents and business owners feel that they or their customers are inconvenienced by the frontage roads.
- McMinnville residents and developers are not particularly attracted to Three Mile Lane for residential or commercial use. Residents continue to see Three Mile Lane as geographically and culturally separate from the City. The Three Mile Lane area juts out from the southeastern edge of the City and lies on the eastern side of the South Yamhill River, a river with high banks north of Three Mile Lane. The land is flat and still has an agricultural character with the exception of the airport to the east and commercial/industrial development near the western end of Three Mile Lane. This may change in the future if Norton Lane is extended to Highway 99W as planned by the City and ODOT. If this extension occurs, the increased access to the study area may affect the type and rate of development along Three Mile Lane and Norton Lane.