

**City of Newberg  
City Council Minutes  
March 20, 2023  
Hybrid meeting format**

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**WORK SESSION** – Meeting called to order at 6:00 p.m.

Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, Derek Carmon, and Peggy Kilburg.

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Administrative Assistant Zaira Robles Muniz, Police Chief Jeff Kosmicki, Finance Director Kady Strode, Community Development Director Doug Rux, Library Director Korie Buerkle, City Engineer Kaaren Hofmann, Assistant City Engineer Sarah Wilson.

**COUNCIL BUSINESS ITEMS:**

There were no Council Business Items.

**PRESENTATIONS:**

Housing Production Strategy:  
[2023 FORM A - INFORMATION RCA.docx](#)  
[Attachment 1 - Newberg HPS v10.pdf](#)

The Council discussed Housing Production Strategy (HPS) items as follows:

**A: Support development of market-rate affordable housing as led by the Newberg Workforce Housing consortium.**

- \$3 million grant was given to Strategic Economic Development Corporation (SEDCOR) for the benefit of Newberg to provide workforce housing
- Consortium was led by businesses such as Austin Dental Equipment Company (ADEC), Friendsview, Providence Newberg Hospital, Newberg Public Schools, and George Fox University
- Q&A event on April 5<sup>th</sup> for developers

**B: Develop a land bank strategy and partnerships to support affordable housing development.**

Mayor Rosacker asked to amend the title to “*Potentially* develop a land bank strategy and partnerships to support affordable development” to avoid creating a mandate.

**C: Support preservation of manufactured home parks.**

- Fund with Construction Excise Tax (CET) if available
- Possibly discontinue the CET
- Look for other possible funding sources

**D: Provide density bonuses to support development of affordable housing**

- Riverfront Citizen Advisory Committee (CAC) recommended density bonuses
- Dense housing could cause crowding and congestion
- Discussed the process to make Comprehensive Plan and rezoning changes
- There would be an eight-year window to work on these items
- Document could be amended in the future
- After four years, a report would be sent to the state
- More changes were coming under future legislation
- This was in addition to changes allowing high-density housing in zones R-2 and R-3
- Tied to efficiency measures for urban growth boundary expansion

**E: Reduce Systems Development Charges (SDCs) for affordable housing**

- Consider freezing rather than reducing SDCs until additional information was reviewed by the committee and SDCs were better understood
- Reducing SDCs for all developments rather than only affordable housing to encourage development
- Reducing SDCs for homeowners with 60% or less of median income
- Not for rentals

**F: Reduce permit fees for affordable housing**

The Council was not in favor of reducing General Fund revenue.

**G: Implement Multiple Unit property tax exemption**

The Council was not in favor of reducing property tax revenue, which was deposited into the General Fund.

**H: Support application of fair housing laws.**

No discussion

**I: Produce informational resources for low-income housing of people experiencing homelessness.**

No discussion

**J: Consider restrictions and conduct inspections of STRs (Short Term Rentals)**

- Consider how to reduce burden on staff
- Planning Commission working on concepts and recommendations
- Possibly contact Lincoln City to get advise on best practices, as it had been regulating STRs for 20 years

**K: Expand the land available for housing through rezoning, Urban Growth Boundary expansion, and other options.**

No discussion

**L: Implement Middle income zoning to allow “child lots” to reduce the cost of land for housing.**

To come before the Council at a future date.

**M. Leverage Urban Renewal funds to build affordable housing infrastructure (not housing) in UR Zone.**

Money was for building residential infrastructure, not for the housing

**N. Rationally evaluate and find ways to lower SDCs without imperiling city infrastructure.**

The Council discussed relevant topics during item E.

Capital Improvement Projects:

[2023 FORM A - INFORMATION RCA CIP.pdf](#)

[02242023\\_2023-28 CAPITAL IMPROVEMENT PROGRAM.pdf](#)

[Capital Improvement Plan 2023-2024.pdf](#)

[Capital Improvements Projects MAP FY23-24.pdf](#)

Assistant City Engineer Sarah Wilson presented on the Capital Improvement Projects. She explained how Staff prioritized projects and went over the projects completed for last year including roofing replacement at the Wastewater Treatment Plant (WWTP), fixed base radio reads, Safe Routes to Schools, the River Street waterline, the WWTP Solar Farm, and North Libra Street stormwater.

Projects currently underway included Maintenance Yard improvements, North Elliott Road, North College Street sidewalks, bike lanes, Butler property improvements, Americans with Disabilities Act (ADA) ramps, Pavement projects for Brutscher and Sherman streets and other pavement preservation projects, North Main/Illinois/Highway 240, Haworth/Springbrook study, reduction of flow of stormwater at WWTP, Hess Creek pipe lining, Program Logic Controller (PLC) Installation at WWTP, Lift Station short-term improvements, WWTP hydraulic improvements, dehydration unit burner rebuild, Redundant Water Supply, storm drain repair, annual pipe replacement, West Franklin storm drain pipe, South Blaine Street from East Hancock to East Eleventh Street, 800 block of South Wyooski Street, North Springbrook storm pipes, North Hoskins pipe extension, routine water main replacement, Emergency connections and controls at WWTP, Otis Springs non potable design, redundant water supply, HB 2001 improvements, and a new Groundwater Treatment Plant.

There was discussion on:

- Traffic backup north of Haworth/Springbrook intersection and an evaluation to determine how to improve traffic flow
- Pipe replacement or pipe lining for the Hess Creek pipeline
- Road maintenance and how projects were prioritized while coordinating the funding for upcoming utility projects and ADA improvements

**BUSINESS SESSION** – Meeting called to order at 7:00 p.m.

Councilors Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, Derek Carmon, and Peggy Kilburg.

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Sue Ryan, Administrative Assistant Zaira Robles Muniz, Police Chief Jeff Kosmicki, Finance Director Kady Strode, Community Development Director Doug Rux, City Engineer Kaaren Hofmann, Library Director Korie Buerkle, Senior Accountant Dan Keuler.

## **EXECUTIVE SESSION pursuant to ORS 192.660 (2) (h) Legal Counsel**

Start: 7:15 p.m.

Stop: 8:10 p.m.

Topic: Pending litigation

Present: Mayor Bill Rosacker, Councilors Elise Yarnell Hollamon, Mike McBride, Molly Olson, Robyn Wheatley, Derek Carmon, and Peggy Kilburg.

Staff: City Manager Will Worthey, City Attorney James Walker, CIS Attorney Tracy McGovern.

## **COUNCIL APPOINTMENTS**

Affordable Housing Committee Appointment Randy Rickert

[RCA Appointment 2023-0320 Affordable Housing Commission.docx](#)

Action: To consent to the Mayor's appointment of Randy Rickert to the Affordable Housing Commission for a term beginning March 20, 2023 to December 31, 2024.

Motion: Councilor McBride

Second: Councilor Wheatley

Vote: 7 Yes 0 No 0 Abstain 0 Absent

## **CITY MANAGER'S REPORT**

[Monthly CM statistics - up to January 2023.pptx](#)

CM Worthey reported on the last year's statistics regarding numbers of planning decisions made, permits issued, social media engagements, social followers, accounts payable, Human Resources (HR) activity, Information Technology (IT) tickets and on-call events resolved, numbers of Public Safety calls, traffic stops, citations and warnings, Drivers Under Influence of Intoxicants (DUII), 9-1-1 and non-emergency calls, amount of water produced and treated, work orders completed, and MWh energy generated.

Police Chief Jeff Kosmicki confirmed an officer who had been exposed to Fentanyl was in the hospital and was recovering. CM Worthey added that as a result, Staff was considering putting Narcan in public works vehicles.

## **PUBLIC COMMENTS**

Jim Talt commented on an upcoming Resolution regarding multi-family housing standards which proposed relaxation of land use review. Type 2 review was required by current Code for multifamily uses, in which public notice was given, and there was a path for appeal in

the case of error, omission, or oversight. The resolution relaxed review standards to Type 1 which would not require public notice and provided no opportunity for appeal. He asked Councilors to reject the resolution, and consider adding specific language requiring Type 2 review, and Type 3 review in some cases to keep the public informed and allow opportunity for appeals.

Drew Ackerlund commented on the effects of Resolution 2017-3375 on their request for action to waive the transportations SDCs and issue the permit for the addition to the Veritas campus. The purpose of SDCs was to impose a portion of costs of capital improvements on developments that increase demands on capital improvements in the city. The City previously found in the Veritas Type 2 design review that the classroom they want to build would not increase demand on road capacity. Veritas requested the waiver as they add no new demand to the road system, the classroom did not increase facility capacity, and Veritas was accessed by Northeast Bell Road, classified as a major collector under the jurisdiction Yamhill County and not under City jurisdiction. He quoted language from ORS 223.297 - 223.314 which allowed local governments to calculate and impose SDCs on new developments to recover costs of capital improvements and there was a nexus between the amount charged and demand for or impact on services provided. He reiterated Veritas would not increase demand on road capacity and asked Councilors to waive the SDCs.

The Council discussed the proper process to address issues by asking the City Manager team to prepare information to present to the Council and noted that written public comments must be requested to be read.

### **CONSENT CALENDAR**

The Council discussed the additional funds, which were being requested due to poor location, unseen conditions, needed design changes such as additional Americans with Disabilities Act (ADA) sidewalk ramps, and repairing a broken sewer line, and addition of a landscaping wall to install valve boxes behind the sidewalk.

Action: To approve Resolution 2023-3892, A Resolution to authorize the City Manager to execute a change order for the Elliott Road Improvement Project in the amount of \$183,178.

Motion: Councilor Olson

Second: Councilor Kilburg

Vote: 7 Yes 0 No 0 Abstain 0 Absent

### **PUBLIC HEARINGS: Supplemental Budget #1**

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

Finance Director Strobe presented the Staff Report on the Supplemental Budget #1 with total adjustments of \$17,352,295 and noted the audit would be completed in a week. She explained the differences between expected and actual funding which included:

- Changes in Beginning Fund Balances

- Vacancies in Staffing or changes such as Code Compliance Officer salary increase
- Unexpected costs such as building repairs and rising insurance premiums
- Capital projects carried over from previous years
- Services increased for Newberg-Dundee Bypass Phase 2A Waterline design
- Elliot Road project
- Unexpected seizure settlements received
- Wastewater, water, and stormwater previous year projects not completed
- Increased cost of supplies and equipment
- Early completion of street capital projects
- Transient Lodging Tax revenue increase
- CAD upgrade payment remaining
- Undisbursed American Rescue Plan Act (ARPA) funds

Public Testimony: None

Mayor Rosacker closed the public hearing.

Staff recommended passing the Resolution as presented.

Action: To approve Resolution 2023-3877, A Resolution to approve the Supplemental Budget # 1 for Fiscal Year 2022-23, as described in Exhibit A

Motion: Councilor McBride

Second: Councilor Yarnell Hollamon

Vote: 7 Yes 0 No 0 Abstain 0 Absent

#### Master Fee Schedule:

Mayor Rosacker opened the public hearing. He called for abstentions or declarations of conflicts of interest. There was none.

Senior Accountant Keuler presented the Staff Report on the updated Master Fee Schedule and explained various fee and process changes which have been proposed including:

- City Recorder Department fees
- City Attorney research rates
- Municipal services statement fees
- Library fees to include expansion to rural areas
- Building, Engineering, and Planning fees
- Vertical housing development zone fees
- Cottage cluster fees
- Charging fees based on date of permit issuance rather than date of submittal
- Requiring permits for optional items exempted by the State such as reviewing cell towers, pole signs, and retaining walls
- Hydrant meter application rate no longer based on volume
- Water usage fees based on volume
- Monthly stormwater service charge

- Refundable meter and valve deposit of \$1,500

Public Testimony: None

Mayor Rosacker closed the public hearing.

Staff recommended adoption of Resolution 2023-3887 as presented to update the Master Fee Schedule as noted in Exhibit A which included adding vertical housing development zone fees and hydrant meter fee structure.

There was discussion on:

- Changes in the fee schedule would not affect the current budget
- Concern that cottage cluster fees and SDCs would negatively affect affordable housing and the need to charge fees to offset the effects of inflation on building and development costs, to fund construction projects and to fund City departments
- Concern that SDCs were already too high and it was not necessary to raise them at this time
- Consideration should be given that the cost of materials, cost of living and cost to retain Staff have increased
- Whether to charge fees based on date of submission or issuance of permit
- Indexing of SDC fee rates is required by Municipal Code, so the Code would need to be amended if the Council chose not to increase the rates. Code amendments would have to be coordinated with annual fee schedule changes, which take effect April 1.
  - Debated about whether to approve the resolution to comply with Municipal Code and make Code changes later or approve the resolution, then temporarily reduce SDCs through an ordinance
- The need for more time to evaluate the best path forward

Action: To approve Resolution 2023-3887, A Resolution to update the Master Fee Schedule including the addition of vertical housing development zone fees and update of hydrant meter fee structure.

Motion: Councilor Carmon  
 Second: Councilor Yarnell Hollamon  
 Vote: 7 Yes 0 No 0 Abstain 0 Absent

## **NEW BUSINESS**

### Resolution 2023-3894: Library Courtesy Policy

Library Director Buerkle asked the Council to approve the updated Library Courtesy Policy as there have been issues regarding what can and cannot be done at the Library.

Action: To approve Resolution 2023-3894, A Resolution to update and expand the Library Courtesy Policy.

Motion: Councilor McBride  
 Second: Councilor Olson

Vote: 7 Yes 0 No

Housing Production Strategy potential actions:

Staff reviewed the items in the Housing Production Strategy that were to be amended as discussed in the Work Session.

Jim Talt spoke about multi-family housing, and noted the building land inventory did not include commercial properties. Several new apartment complexes were being built which he said more than filled the need for new housing. The developments have significantly changed Newberg housing dynamics since the analysis was completed. He said the HPS was obsolete and hoped the HPS would be revised to attract high-paying businesses and jobs as a pathway toward housing affordability, and asked Council to consider creating a low-income lending information resource center, review SDCs further, and make sure the reporting metrics were meaningful and easy to maintain.

Staff recommended approving the HPS with the recommended modifications, knowing that it could be modified again later to take account of any new data.

CDD Rux explained the motion would be to make the HPS wording changes identified to then be brought before the Planning Commission for their review and recommendation, and then the HPS would return to the City Council on May 1<sup>st</sup>. He acknowledged recent commercial housing developments that were not taken into account when the analysis was done. He clarified the timeline for the expiration of the housing needs analysis and grant funds.

The Council discussed:

- Approving the HPS wording now and amending it in the future
- Adding a subsection to address residential housing built on commercial land
- A bill going through legislation that may force multi-family housing to be allowed on all commercial properties
- If the apartments created the needed housing, did they need to follow an HPS?

CDD Rux noted some of the apartment complexes mentioned had been included in the housing needs analysis, and others were still in various planning stages and were not guaranteed, which made the numbers uncertain.

Discussion arose around having a yearly review of multi-family housing projects completed in the last year to determine need.

Action: To make changes to Housing Production Strategy (Exhibit A) and return it to the Planning Commission for their review and recommendation, and back to the City Council on May 1<sup>st</sup> with the added clause “to be reviewed annually or as needed by Council”.

Motion: Mayor Rosacker  
Second: Councilor Olson  
Vote: 7 Yes 0 No

Resolution 2023-3886, EDRLF Fund 14 loan:

CDD Rux presented the resolution for a Fund 14-Economic Development Revolving Loan Fund (EDRLF) loan agreement with Fairfield Inn Hotel in the amount of \$393,714.19 with a five-year payback period using Transient Lodging Tax (TLT) to replenish the fund.

The Mayor stated for the public record that they would be allowing payback with money that the City was entitled to anyway, so this was a discount and not a loan.

Action: To approve Resolution 2023-3886, A Resolution approving a loan agreement for a loan from Fund 14-Economic Development Revolving Loan Fund (EDRLF) towards System Development Charges (SDCs) for the Newberg Lodging LLC Fairfield Inn Hotel.

Motion: Councilor McBride  
Second: Councilor Yarnell Hollamon  
Vote: 7 Yes 0 No

**COUNCIL BUSINESS:**


There was discussion on the Veritas request. City Attorney Walker noted his office had received correspondence from Veritas School. This matter would be coming before the Council in a quasi-judicial hearing in April, and he advised Council Members not to comment or deliberate extensively on the matter at that time.

City Attorney Walker defined the process and definitions relevant to a quasi-judicial hearing, including declarations of ex parte contact, conflict of interest, and bias. He noted anything said further by Veritas would need to be disclosed at the upcoming quasi-judicial hearing and advised waiting until the hearing to discuss the matter.

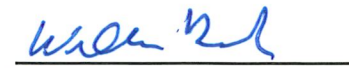
There was discussion about reviewing the previously proposed Council goals again in the future, and the possibility of freezing the CETs. Staff advised the CETs would be discussed after the decisions were made about the HPS.

The Council was in favor of waiting to discuss Council goals until the item was on the agenda and more people were in attendance for the purpose of transparency.

Meeting adjourned at 10:29 p.m.

  
Emily Salsbury, Graphic Design Specialist

**ATTEST:**

  
Bill Rosacker, Mayor