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**City of Newberg  
City Council  
August 5, 2019**

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**WORK SESSION**

Meeting called to order at 6:00 p.m.

Councilors Present: Mayor Rick Rogers, Councilors: Patrick Johnson, Stephanie Findley, Denise Bacon, Mike Corey, Elizabeth Curtis Gemeroy, and Elise Yarnell Hollamon,

Staff Present: City Manager Pro Tem David Clyne, City Attorney Truman Stone, City Recorder Sue Ryan, Community Development Director Doug Rux, Public Works Director Jay Harris, Library Director Will Worthey.

Council Updates: Councilor Bacon shared about the Police Department's new Suicide Prevention Car that was donated by a local family. Mayor Rogers discussed the Asago City Sister City youth exchange and West Rock issue.

Topic: City Recorder Ryan presented an overview of the various Council Committees. She had put funds in the budget for volunteer recognition and asked for direction on what to do.

Discussion: The Council discussed ideas for a volunteer recognition event.

**PRESENTATIONS:** Mayor Rogers presented Pastor Chuck Sabin of the Zion Lutheran Church with a proclamation recognizing their 125<sup>th</sup> anniversary.

City Manager Recruitment Subcommittee discussion: Proposals for the recruitment company would be reviewed on August 13<sup>th</sup> at 6 p.m. at the City hall first floor conference room.

Councilor Johnson reported on the Parkway Committee. There was discussion on the next phase of the Bypass.

Mayor Rogers explained that WestRock (former paper mill property) was being sold.

**CITY MANAGER'S REPORT:** City Manager Pro Tem Clyne reported meeting with staff and the community, City Manager recruitment, and how he would be working for the City through December. He also discussed current and upcoming projects in the City.

Mayor Rogers announced the date for the Poysdorf delegation which was the first week of September 2020. People would pay for themselves to go, and he asked the Council to let him know if they wanted to go. Councilor Johnson reported on the Water Redundancy Subcommittee.

## **BUSINESS SESSION**

### **CALL TO ORDER - ROLL CALL - PLEDGE OF ALLEGIANCE – CITY MANAGER’S REPORT- PRESENTATIONS:**

Meeting called to order at 7:00 p.m.

Councilors Present: Mayor Rick Rogers, Councilors: Patrick Johnson, Stephanie Findley, Denise Bacon, Elizabeth Curtis Gerneroy, Mike Corey, and Elise Yarnell Hollamon.

Staff Present: City Manager Pro Tem David Clyne, City Attorney Truman Stone, City Recorder Sue Ryan, Community Development Director Doug Rux, Police Chief Brian Casey, Planner Keshia Owen, RARE intern Bayo Ware,

**PUBLIC COMMENTS:** Westley Crockett, Newberg resident, was concerned about the widening of Elliott Road. He wanted to know why it was designated a major collector road since it ended at the High School. To widen the road, the City would have to take some of the front yards of many nearby homes. He also questioned if there had been a traffic study to show the need for bike lanes in this area.

### **ACTION ITEMS- Consent Calendar**

1. a) Resolution 2019-3587, A Resolution to appoint recommended candidate (Austin Garcia – Operator I PWO) to position

Action: Approved consent calendar items as presented.  
Motion: Councilor Corey  
Second: Councilor Curtis Gerneroy  
Vote: 7 Yes, 0 Absent

### **PUBLIC HEARING:** Ordinance 2019-2847

Mayor Rogers opened the public hearing. No declarations of ex parte contacts, conflicts of interest, bias, or abstentions by the Council.

Staff Report: Planner Owens presented. This was a request to amend the Municipal Code to allow original art murals on public buildings in residential zones. She gave a background on the item and discussed how if approved it would allow murals on 25 public buildings. The Planning Commission and staff recommended approval.

Proponents: None  
Opponents: None

Mayor Rogers closed the public hearing. CA Stone recommended carrying over the second reading of the ordinance to August 19<sup>th</sup>.

**NEW BUSINESS:**

1. Community Visioning Project Update

Staff Report: Community Visioning Coordinator Ware stated there was a Newberg Community Conference on June 18 to kick off the third survey phase. He explained the results of the survey. The Action Plan for the vision was being finalized and there would be a Big Bash event on August 15.

Discussion: The Council discussed:

- Implementing the Action Plan and community involvement
- Big Bash event

2. Resolution 2019-3582, Housing Needs Analysis & Strategy

Staff Report: Planner Owens presented. She gave a background on the Housing Needs Analysis, Buildable Lands Inventory, and needed land supply and housing mix. The Housing Strategy would provide steps to address the unmet housing needs in Newberg. Staff recommended approval of the resolution to accept the Housing Needs Analysis and Housing Strategy.

Discussion: The Council discussed:

- High cost of living in the City and need for affordable housing.
- Options for funding affordable housing projects, such as reducing SDCs, General Obligation Bond, Construction Excise Tax.
- Items in the strategy and balancing staff's workload and their capacity to accomplish the strategy.
- Changing the priority order and moving tiny homes up. Staff did not have the capacity to do this in the 2019-20 year, but could possibly work on it in 2020-21.
- Adding a Managed Manufactured Home Park to the list.
- Finding temporary shelter as soon as possible for those who were displaced in the community.
- Hiring a contractor to do some of the work.
- How growth was changing the feel of Newberg's neighborhoods.

Action: Approved Resolution 2019-3582  
Motion: Councilor Curtis Gemeroy  
Second: Councilor Johnson  
Vote: 7 Yes, 0 Absent

3. Resolution 2019-3589, McCann SDC request

Staff Report: City Attorney Stone said the Council was being asked to interpret the Code on whether to allow subordination of an SDC payment lien for apartments that were being built on 2<sup>nd</sup> Street. The City's lien was currently in first position, and they were being asked by the bank to step behind the bank's lien. This would help protect the bank's interest in lending on the construction loan. He explained what this would mean for the City as well as SDC financing and Code interpretation. The applicants had signed an agreement with the City to make payments over 10 years and were current on their obligation and the City had a first position lien to secure that debt. The decision by Council would set a precedent.

City Manager Pro Tem Clyne thought the Council had the ability to approve this request. It would also further the Council's economic development and housing strategies.

Discussion: The Council discussed:

- First or second position in liens.
- Frequency of these requests in other cities.
- If this was affordable housing or just downtown housing.
- Risk involved with making this interpretation.
- Setting up a policy for this type of request in the future.

Public Comment: Elizabeth McCann, applicant, said the project was to build 19 apartments and one live/work unit. The bank was requiring to hold first position for financing. She asked that the City's lien for SDC financing be subordinate to the construction financing provided by Bank of the Pacific.

Mayor Rogers asked about permanent financing. Andrew McCann, applicant, said once they were 90% filled they could seek permanent financing and at that time they could receive a 60% loan to value. The current appraisal was \$4.8 million and they were investing \$5.3 million. They had been working with City staff on this project, and last minute the bank had required this. Their hands were tied as they needed the bank loan to complete the project.

Deliberation:

Councilor Bacon was in support. If there were more requests, they should be looked at case by case. Mayor Rogers said the loan was substantially below the value of the property.


Councilor Johnson said for future requests, he thought the project should meet a plan including the City's housing goals. This project met the Downtown Master Plan and affordable housing and high density residential needs. Councilor Findley said there was a lack of housing in the City and was in support.

Councilor Corey said after hearing about the loan to value ratio, he was in favor of it. He thought that should be taken into consideration for future requests. It also met the housing need in Newberg.


Action: Approved Resolution 2019-3589  
Motion: Councilor Curtis Gemeroy  
Second: Councilor Yarnell Hollamon  
Vote: 7 Yes, 0 Absent

Public Comment: Patty Macintyre, Newberg resident, discussed a couple who were living in their car in her neighborhood. She thought they were drug users and homeless and would like to know who to contact. Councilor Yarnell Hollamon listed resources she could contact.

Meeting adjourned at 8:20 p.m.

  
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Sue Ryan, City Recorder

**ATTEST:**

  
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Rick Rogers, Mayor

