

AD HOC ECONOMIC OPPORTUNITIES ANALYSIS CITIZENS ADVISORY COMMITTEE

Meeting Minutes

December 1, 2020 6:00 PM

NEWBERG CITY HALL

Meeting held electronically due to COVID-19 pandemic

(This is for historical purposes as meetings are permanent retention documents and this will mark this period in our collective history)

Chair Curt Walker the called meeting to order at 6:08pm

ROLL CALL

Members Present: Curt Walker, Chair
Carr Biggerstaff, Vice Chair
Alvin Elbert
Bob Woodruff
Philip Higgins
Rob Hallyburton
Jim Bush

Members Absent: Rick Rogers, excused
Keith Hansen, excused
Isa Pena
Allen Routt, excused

Staff Present: Doug Rux, Community Development Director
Brett Musick, Senior Engineer

Consultants: Beth Goodman, ECO Northwest
Margaret Raimann, ECO Northwest

PUBLIC COMMENTS:

None

CONSENT CALENDAR:

Approval of October 6, 2020 EOA CAC meeting minutes

MOTION: Member Higgins and Member Bush moved to approve the October 6, 2020 EOA CAC Meeting Minutes,
Motion carried 7/0

ECONOMIC OPPORTUNITIES ANALYSIS

Introduction:

Introductions were done at previous meetings.

Beth Goodman noted we are going to start with some findings from the virtual open house, which will be described in the presentation. We will walk through the comments received and will be asking for additional comments that you can send onto City Staff by December 17th. Our next meeting will be on January 26th to discuss any changes. Beth noted they have made some substantial changes to the EOA based on the comments we've received to date.

Virtual Open House Findings:

Margaret Raimann noted we had a virtual open house which was available to the public to view from October 21st through November 16th. This was a visual presentation and embedded in the presentation we had four sections of survey questions, over 100 viewed and between 26 and 45 people responded. We asked questions relating to generally how people feel about living and working in Newberg. We asked specific questions related to the EOA competitive advantage. We asked about Newberg's strengths and weaknesses. The point of the open house was to make sure we weren't missing any concerns that the Community might have.

Margaret noted the following are some of the questions asked:

We asked people how they feel about living or working in Newberg and if it feels like a better place than it was 10 years ago and about 42% of the people said yes, 22% of the people said no, 24% said about the same and 11% had no opinion.

The next question was how you would describe the rate of growth in the City of Newberg. Over half noted it was about right, where 24% said too fast and 20% said too slow.

We asked about services for residents and workers, the highest importance was medical services, then followed by restaurants, childcare and grocery stores. We also asked what other services there are, and they could include a short answer response, which were recreational facilities or more retail related to tourism.

Next we asked what the City of Newberg can do to support businesses and economic development. Response was having a variety of jobs with a focus on those that provide higher wage and opportunities for redevelopment and Urban Renewal to support redevelopment.

Margaret noted these are the high level points and that there's a more detailed summary in the meeting packet.

Key changes to the EOA in response to comments:

Consideration of Redevelopment:

Margaret noted the first set of changes relate to the Buildable Land Inventory. We received comments asking for more clarity about the definition of partially vacant land and re-developable land to better align with what's in the Administrative Rule for partially vacant land we changed this area to potential infill which is more to align with the definition. Redevelopment potential has better implications for the total supply of land. We talked with City Staff about areas that are considered developed in the BLI that could potentially be available for redevelopment. The big one is the Mill Site, some areas were already considered vacant and some smaller parcels on the northern edge of the site, but the majority of it was considered developable. There are other types of sites available for redevelopment including vacant lots in commercial areas. The west end of the Mill District is identified as potentially developable.

Beth noted on the question how we got to redevelopment and that it was an assessment on a parcel by parcel basis.

Margaret noted they added a table to the BLI chapter of the EOA to summarize of all the land they are considering suitable buildable unconstrained land shown by lot size category. The potential vacant/infill category remains unchanged. We added the potential redevelopable acres on the Sportsman's Airpark.

Beth noted the items added around the Sportsman Airpark we divided, because suitable land is land that was for sale rather than land that was for lease, realizing that there's a lot more restrictions on land for lease.

Member Higgins asked aren't there more height restrictions around Sportsman Airpark.

Beth noted those won't necessarily prevent development. There are some of those types of restrictions, we have only considered a portion, of that vacant land is potentially for sale with the idea that the land is needed for aviation development as one of the target industries. Developing land at an airport is difficult for a variety of reasons. I would not identify the Sportsman Airpark as a major opportunity but is a minor opportunity.

Member Biggerstaff noted that Sportsman Airpark owners would agree that it is not a major opportunity.

Member Hallyburton noted in the new description for the Airpark, was whether the site was available for sale, but he noticed on page 49 under land ownership there was a new paragraph added that also talked about ownership. It says it should be available for private market sale or be in the ownership of the developer and he wasn't sure what that is saying. He asked if there was unconstrained vacant land that's not included in the buildable land inventory because it's not for sale.

Beth replied only within the Airpark, we didn't define that as suitable, we added a paragraph to address land that is in the Airpark which is for lease only.

Member Hallyburton noted it says sites in public ownership is suitable, but the Airpark is not publically owned.

Beth replied they could strike that sentence.

CDD Rux noted there is an area at the northeast portion of Sportsmen Airpark that is for lease only, which is for hangers. There is not industrial development that would occur there. There are other portions in the Master Plan for the Airpark which is S Industrial Parkway and E Ninth Street. Then off S Commerce Parkway is land that is for sale and available for industrial development but has limitations on the types of uses, they need to be aviation related for some parcels, others are open to general industrial.

Consideration of Employment in existing sites:

Margaret noted the next comment we addressed was relating to the employment forecast. We received a comment from DLCD that the forecast is meant for COVID unemployment and isn't necessarily for a long term forecast. We then removed the 10% reduction of employment for 2021 as a response. Previously in 2021 we had a base employment of 12,000 employees and now we have a base employment of about 14,000 employees. The change is about 4,450 employees, using the same growth rate of 1.39, but took out the initial 10%, because it is a long term forecast. The DLCD confirmed this was a more appropriate approach.

Member Elbert asked what the current unemployment rate is at now.

CDD Rux responded when we started this project we were above 10% unemployment rate and it has now dropped to 6% unemployment.

Beth noted on the comments received from 1000 Friends of Yamhill County, they noted we weren't showing enough growth in office and commercial services and showed too much growth in industrial. We adjusted these percentages to address their comment.

Margaret noted we had 35% of industrial which we adjusted to 32% and increased the office commercial up to 53%.

Member Elbert asked when you made adjustments did you use employment projections from other cities or regions or where did the new numbers come from.

Beth noted the numbers reflected the City's aspiration for increased industrial growth or higher wage jobs as well as recognition that some of the commercial services such as medical are among the fastest growing commercial industries with higher wage jobs, and is what the adjustment was based on.

Margaret noted they responded to comments about the commercial land demand analysis that included comments about consideration of employment on existing commercial sites and site characteristics for all land types. We also added some site characteristics for commercial sites. We added 10% adjustment for employment in existing built space, in addition to what we're doing for employment in residential designations to result in a new number for employment on vacant land.

Beth noted on employment in existing built space, you're making more efficient use of your existing space employment in residential plan designations. That includes employees at jobs that are physically located in the residential plan designations, not accounting for general employees who work from home. This data that is reported by the State, work from home isn't shown in these analysis. We expect a larger share of people working from home in the future. The expectation is it's not going to be half of the people but the COVID Pandemic has accelerated the ongoing process of some people working from home a few days a week but still going into the office.

Site Characteristics for Commercial Land:

Margaret noted on the land demand after adjustments were made. For retail compared to the previous draft it didn't change much, we made the adjustment of 10% for COVID and 10% for built space. For office/commercial services land demand went up because we did increase the future mix of employment from 52 gross acres needed to 76 acres for a total of 83 acres of commercial land. We have a summary narrative in the document explaining each of the site characteristics.

Refinement of Regional Industrial Site Analysis:

Beth continued with the comments received on the industrial land in other cities. One of the comments was from DLCD to consider taking the metro cities out of the analysis because the ties in the Portland economy make them fundamentally different than other cities in the Mid Willamette Valley, so we did take them out of the analysis. We are now looking at Albany, Corvallis, McMinnville, Newberg, Salem and Woodburn. These are all the cities above 20,000 people with the exception of Keiser. The reason we didn't include Keiser is because they converted all of its industrial and commercial uses so they have little to no industrial land base, which is the opposite of what Newberg is trying to do. Newberg is trying to get in industrial land base that is comparable to other cities in the Willamette Valley, so it can have opportunities for industrial development. We have added in the EOA exhibits 16 to 19 to show the stats in the Regional Analysis, and we changed the Regional Analysis to exclude the Metro Cities. The key assumptions that we used in the analysis is 61% of employment on the site, in all the Cities we are looking at and in the prior analysis it has been 51%. The assumptions that we use about percent of employed by site size, number of industrial employees per site and the average site size. These assumptions haven't changed majorly, because we're talking about a development pattern that is very common in cities across the Willamette Valley and in the largest cities in Oregon. I cannot include the smaller cities, especially on the east side. Sites 5 acres and some key industrial sites that are larger than 25 acres is what we're seeing in Newberg.

Beth noted when we look at commercial land sufficiency, what we find is a small surplus of about 21 acres of commercial land. Part of that change is we had a little bit of land that we considered potentially developable that was included. The industrial land sufficiency is a result that was similar to what we had before, now it is in the 50 acres and more category because we have the Mill Site that is a developable site. There is a deficit of 96 sites or 152 acres all on sites smaller than 50 acres.

Findings for Public/Semi-public Land need:

Beth noted when we look at land for public and semi-public land need in commercial, we have nearly a 3 acre need. Churches located in residential area is where we are projecting most the need. There is a small amount of church need in commercial. When looking at the 12.3 acres of land for industrial use, the majority of land

comes from City Facilities, and the expansion of the water treatment plant for the majority of that land. There is some land for the County Transit Bus parking project and Phase II of the Bypass. Some of that land is for semi-public uses like churches and animal shelters assuming there will be a need in the future. In looking at the land efficiency we see that there is an 18 acre surplus of commercial land and 152 acre industrial plus 12 acre deficit of land for public and semi-public uses. We didn't try to fit the public and semi-public uses into the same category that we have industrial need in, part because some of the public uses are going to be used for the expansion of the water treatment plant, and the UGB expansion which will include a small amount of land needed for the water treatment plant expansion.

Member Bush noted on the land need and looking at the water treatment plant expansion and asked if it was related to the Mill Site.

CDD Rux noted discussions with the Public Works Department about the need for additional land for public infrastructure for wastewater, water maintenance facilities, lift stations for water and wastewater systems, and reservoirs. There is no need for land within the UGB for reservoirs in the future, we have a site off Bell Road that is outside of the UGB. There is no need for land for expansion of our maintenance facility, but we do need land for our water booster pump stations in the area north of Mountainview Drive. We need land for our water treatment plant. In the downtown area for commercial and with our growing Community we are going to be running out of office space in our City Hall where there will be a land need. In the Downtown Plan, additional parking lots are needed to help accommodate the additional infill development that will occur. Semi-public uses, which are mostly churches, some in commercial and a couple in industrial, but predominantly go into residential areas.

Member Elbert asked about the Mill Site which is currently zoned industrial and what is the possibility of getting the site rezoned into other uses.

CDD Rux noted we did the Riverfront Master Plan that was accepted by the City Council which is going to be our guiding document. We finished all the land use regulation changes for the Riverfront Plan, we went through and did Comp Plan changes to match the Riverfront Plan for properties within the City limits. There were zone changes to match the Riverfront Plan and also Comp Plan text changes that were applicable. We developed all of the development standards within the Riverfront District. Our land use system is in place, we have coordinated with Yamhill County. The new owners of the Mill Site are fully aware that in order to redevelop their site they are going to need to annex it into the City limits in order to get sewer and water service because we don't provide sewer and water outside our City boundaries. He noted the Riverfront is more than just the Mill Site which everyone focuses on, there is residential land to the west of S College Street, residential land between S College Street and S River Street with some mix commercial, to the east of S River Street 21.5 acres is mixed employment which is the base use of industrial which allows some commercial use and has a cap on the building square footage. He noted all the pieces are in place so that when CDC wants to redevelop it will be in accordance with the Riverfront Plan and the land use regulations City Council just adopted on November 16th.

Member Elbert asked about the newspaper recycling building and what was the plan.

CDD Rux noted the wastepaper building which is 5 acres under one roof will be removed. The de-inking building which is just to the northeast of the wastepaper building also proposed to be removed and there is a paper machine building also to be removed. CDC is looking at other ancillary buildings to remove or to repurpose, but have not made that determination yet.

Member Bush asked how inquires for the Mill Site would be addressed or approved.

CDD Rux noted he has been tracking recruitment activities occurring. We are seeing an increase of sites in the 2 acre to 30 acre range that are domestic inquires and foreign direct investment inquires. The pool of businesses

both domestically and internationally who are looking at larger sites is a handful, they are looking very specifically at multiple States for those investment opportunities and it always comes down to who's got the best incentive package. We have shared this information with the new property owner so they have a better understanding what the market conditions are.

Beth noted currently the Mill Site owners are talking about the redevelopment as one big opportunity and that could possibly change because we have to work with the best available data we have at the time.

Member Bush asked if there were any special credits for foreign direct investment opposed to domestic.

CDD Rux responded it depends, foreign direct investment is looking for certain parcels that are certain sizes. They're looking for partnerships with local government and what's the infrastructure need for sewer, water, storm and transportation. They are looking at educational levels and what State incentives might be available. Foreign direct investment is looking at market access for their product, they might look on the West coast in the Pacific Rim, others in the European marketplace which is a different foreign direct investment, and might look towards the East coast because there's a higher population base.

Comments on EOA:

Member Biggerstaff noted he has read the report and has no additional comments, he noted it is an excellent set of changes based on feedback.

Member Higgins noted there are market obstacles that the data itself presents, but that is not what we are doing here.

Member Bush noted there were comments made on the memo from 1000 Friends of Yamhill County related to the approach of looking at acres as opposed to businesses or actual employment needs. He asked if the updated document addresses this.

Beth replied it does, the City Attorney says it meets the requirements of Division 9. We talked both about businesses, the employment growth and about land in terms of number of sites, acres and types of sites.

Member Hallyburton noted he agrees with what he has heard already. Additional comments would be around the margins and noted this draft is better than the earlier one and is what the City is likely to see in the next 20 years. He noted he has no additional comments at this time.

Member Woodruff noted he is in alignment with what everyone is saying.

Member Elbert noted the changes are reasonable. It still shows a deficit in land and believes that there is a need for industrial land to get the higher wage jobs into the City of Newberg. It is a struggle for our homegrown businesses to stay in town because there is such a lack of industrial land.

Chair Walker noted he agrees with Member Elbert. He feels this is a really good plan but there is a deficit in industrial land and the businesses want to expand and locate here, but there isn't available land. People who live in Newberg want the opportunity to work in Newberg. He noted that it is very important to be working towards solving this deficit in industrial land.

Member Higgins noted we have businesses that want to be in Newberg because they love Newberg and want to be a part of what's happening in Yamhill County and the quality of life in Newberg. It is disappointing when we turn business away, we want to be welcoming with open arms, but not being able to accommodate is disappointing.

Beth noted she will keep that in mind and will make sure that they are portraying that accurately in the analysis.

Next Steps:

Beth noted the next steps are if you have any comments, get them to CDD Rux by December 17th and we will address them. Our next EOA CAC meeting is for January 26th to present the final document and to go over any changes.

CDD Rux noted at the next meeting on January 26th we will be looking for a recommendation from this committee. We have scheduled the document to go in front of the Planning Commission on March 12th for their review and recommendation. It will go to City Council in April for their review and acceptance of the document.

CDD Rux updated on the Housing Needs Analysis (HNA) Committee. They have been updating the buildable lands inventory and working with the new population forecast that came out of PSU. There is also the public/semi-public land analysis and these three documents will be wrapped up by the end of April 2021. The next step would be to have a conversation with the City Council about what direction they want us to go. That could range from doing nothing to identifying deficiencies in employment land, residential, land or work with the LCD to initiate an Urban Growth Boundary expansion.

CDD Rux noted he appreciates everyone's input and feedback. We shared this with the TAC earlier and received positive feedback from them.

CDD Rux noted to have all comments to him no later than December 17th. He will send out the link to the Housing Needs Analysis (HNA) for review and a draft copy of the Public/Semi-public land Needs Analysis.

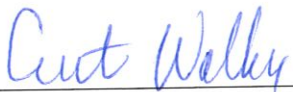
VI. ITEMS FROM COMMITTEE MEMBERS

None

VII. ADJOURNMENT

Chair Walker adjourned meeting at 7:34 pm

APPROVED BY THE ECONOMIC OPPORTUNITIES ANALYSIS CITIZENS ADVISORY COMMITTEE this January 26, 2021



Curt Walker, EOA CAC Chair



Doug Rux, Recording Secretary