

**NEWBERG 2030 URBAN GROWTH BOUNDARY  
CITIZEN ADVISORY COMMITTEE MEETING MINUTES\*  
May 13, 2019, 3:00 PM  
NEWBERG CITY HALL (414 E FIRST STREET)**

**ROLL CALL**

**Members Attending:** Sid Friedman, Brian Doyle, Todd Engle, Curt Walker, Lisa Rogers, and Larry Hampton

**Members Not in Attendance:** Fred Gregory and Ryan Howard

**Staff, Consultant Team, and Project Management Team:** Cheryl Caines, Doug Rux, Brett Musick, Angela Carnahan (Department of Land Conservation and Development - DLCD) and Bob Parker (EcoNorthwest)

**WELCOME/INTRODUCTIONS**

Larry Hampton, Vice Chair opened the meeting at 3:02 p.m.

Meeting minutes could not be approved at this time as there were not enough members present for a quorum.

Introductions were made.

**Overview of Meeting Goals and Work Completed**

Cheryl Caines outlined the work completed to date (some work on serviceability/study area and completed Buildable Land Inventory (BLI)/land need calculations) and turned the meeting over to Bob Parker. Bob explained the goals of the meeting are to review the BLI and land needs and talk about next steps. He updated the group that the Buildable Land Inventory (BLI) could now be completed because Oregon Land Conservation and Development Commission (LCDC) adopted some of the needed Division 38 rule technical fixes in January 2019.

**Buildable Lands Inventory**

Bob Parker reviewed the BLI results for both residential and employment lands. The total vacant residential land is 705 acres. He noted that most of the vacant residential land is in the low density residential category. Bob Parker explained that in addition to the Division 38 BLI, EcoNorthwest is completing a Housing Needs Assessment (HNA) based on the traditional Urban Growth Boundary (UGB) methodology in Division 24. The traditional methodology shows 675 acres of vacant residential land. This 30 acre difference is much less than the estimated 300 acre difference that was found before the technical fixes were adopted by LCDC.

Doug Rux pointed out that updated assessor data from November 2018 could also be attributing to the closer estimates because the first draft BLI was using 2017 assessor data. This is one of the issues with the Division 38 methodology. Doug explained that Newberg had several subdivisions with homes either constructed or under construction that did not show up in the assessor data, but Division 38 rules

require the land be classified as vacant. He noted that Division 38 rules do not allow cities to account for building permits and construction on the ground. Bob Parker added that the technical fixes clarified that properties with public uses such as schools, churches, and universities could be excluded because they are developed but do not show up with value on the assessor data. These are lands that would be excluded from a typical BLI.

Bob Parker then reviewed the employment land findings. He explained that unlike residential lands, there is no current study for employment lands to which we could compare the findings. Effectively the BLI finds there are 73 acres of vacant commercial land and 47 acres of vacant industrial land. This is reflected in the BLI maps in the CAC packet. Sid Friedman noted that the map shows the entire (Westrock) paper mill site as developed. Bob Parker confirmed this and stated that this reflects an appropriate interpretation of the Division 38 rules for this sites status.

### **Land Need Estimates**

Bob Parker explained that the BLI information was the last piece of information needed to calculate Newberg's land needs and gave an overview of how the Division 38 calculator works. The calculators use a 14 year planning period. He reviewed the residential assumptions that Newberg used including expected change to housing mix, density and redevelopment. There is also some data built into the calculator that is dependent upon existing housing mix. Lisa Rogers asked if there is already a deficit of certain lands (e.g. high density), then would this compound the issue for future assumptions? Bob noted that it is possible, and that cities could counterbalance this through their assumptions. For example, the City of Newberg assumed an increase in the high density percentage. Doug Rux added that these assumptions were reviewed with the CAC & TAC, Planning Commission, and City Council prior to being used in the calculator. Bob Parker pointed out that a change of the assumption numbers within the allowed range would not change the bottom line for Newberg. There is a surplus of residential land, and the city cannot support a boundary change for residential land. There were no questions on this portion of the analysis.

Bob Parker gave an overview of the data that went into the employment land calculator and the assumptions used. There are two scenarios for calculating land need. One is based on the State of Oregon employment forecast for the area and the other is based on a population forecast. The employment forecast is much more conservative. The rules allow the City to choose one scenario's findings over another. Using the population forecast the calculator shows a deficit of 40 acre deficit of industrial land. Therefore the City could justify an expansion for industrial lands.

### **Study Area and Serviceability & Next Steps**

Bob Parker explained how typically the process would be to complete the BLI and land needs analysis first because it would determine if there was a need for additional land. The City of Newberg was waiting for technical fixes to complete the BLI but also needed to begin working on the study area and serviceability analysis due to the limited time allowed by the grant contract to complete the work. The study area and serviceability analysis are needed to help determine where to expand. Bob reminded the group that the preliminary study area is 1 and 1.5 miles beyond the current UGB, excluding lands in other counties, across rivers, or within UGBs of other cities. The minimum study area must be at least twice as large as the land area needed, and the city must consider Urban Reserves and exception lands

first. He noted that Newberg had decided to not pursue a UGB expansion based on the findings from the BLI and land need estimates.

Doug Rux explained that even with a 40 acre industrial land deficit, someone could argue that since there was a surplus of residential, just rezone some of that land to industrial. He also said the Division 38 rules could be interpreted to not allow an expansion unless a need was shown for both employment and residential land. This uncertainty combined with the amount of time and expense to analyze at least 80 acres for a 40 acre expansion led to staff's decision to not move forward with the Division 38 method. Staff discussed these findings and decision with DLCD and briefed City Council. This information will be packaged up and given to DLCD for consideration on future rule changes.

Larry Hampton asked if this means we're saying there is not a need to expand the UGB. Doug Rux explained the information is saying over a 14 year period we have a surplus of residential and commercial land and a deficit of industrial land. The Division 38 methodology does not work for Newberg, but the question is where does it work?

Lisa Rogers asked if the Division 38 model takes into consideration the parcel size or other factors that make land attractive for industrial development. Bob Parker answered that the model does not and explained that in the traditional method the City can outline the types of industries expected and the types of land typical for those uses. The priority scheme in the Division 38 requires the City to look at urban reserves first, and Bob is not sure how to make a finding to go past the first priority.

Sid Friedman said this is essentially the argument that was coming up when Newberg tried the SE UGB expansion into agricultural areas for industrial land. The City was saying the reserve area was not suitable for industrial but there were arguments against those findings. Eliminating these types of arguments is the purpose of the formulaic approach of Division 38. He followed up with a question for Doug Rux as to whether the simplified method would work for Newberg if there were a need for residential land. He also asked where this method would work.

Doug Rux explained that the findings are saying that Newberg has an adequate supply over a 14 year period but a deficit over a 20 year period based on the HNA. We don't know about industrial since we have not completed an Economic Opportunities Analysis (EOA). Bob Parker noted that we anticipate there will be a bigger deficit using the traditional method. Doug added that he can't speculate if the method would work for another city. Bob stated that it doesn't work for Newberg since overall there is a surplus of land regardless of the plan designation due to the argument that land could be rezoned.

Bob Parker mentioned there were several factors that led to the City's decision to not move forward with the simplified method. These included uncertainty, risk and cost. There was a draft serviceability analysis of the preliminary study area, and it was not clear how to begin to go from 10,000 acres down to approximately 100 acres without the reasoning appearing arbitrary. Doug Rux reminded the group of the approach the consultant was using to analyze serviceability and the high level determinations they started to make about the difficulty and cost of serving areas. Bob added that some areas were less expensive to serve with transportation but more costly for sewer or water, and the Division 38 rule doesn't consider the amount of analysis needed. This method is not cheaper, and there is still a lot of uncertainty on how to apply the rules.

Brian Doyle asked if there may be a need over 20 years, how soon we have to start this process over again. Doug Rux answered that an EOA is in the proposed budget for next year. Assuming this gets adopted, then we will complete the EOA. We may also do an update to the HNA at the same time. Both are needed to pursue an UGB expansion through the traditional (Division 24) method. Staff will update City Council at the June 17, 2019 meeting about next steps.

Sid Friedman said that considering the time and uncertainty with a traditional method UGB and the current need for high density residential land, is there an appetite to up zone low density zones to high density? Doug Rux cautioned about this based on the HNA because if the year 19-20 is added to the analysis, there will be a deficit in all residential land types and not just high density residential. Sid Friedman rephrased the question to be based on the current acute need rather than the long term need. Doug said that if the committee would like make a recommendation to City Council to up zone properties, now would be the time to do that. The recommendation could be included in the staff memo to Council on next steps.

Brian Doyle stated he needed to leave the meeting but knew he was needed for a quorum. Cheryl Caines asked if there were any changes to the September 20, 2018 meeting minutes. Hearing none, Larry Hampton asked if there was a motion to approve the minutes. Curt Walker made a motion, which was seconded by Todd Engle. The motion passed.

Sid Friedman asked if there was any support to up zone properties. Larry Hampton asked if there was discussion. Todd Engle asked if there were any repercussions to doing this. Angela Carnahan cautioned against trying to address one piece of a long term project. Sid Friedman said that regardless of the UGB study there may be low density land that is better suited for high density since most of the zoning was assigned some time ago. Lisa Rogers asked Brian Doyle how he would vote on the recommendation. He answered in the affirmative.

Angela Carnahan and Doug Rux pointed to the fact that this committee was tasked with advising on the Division 38, 14 year land need study. The recommendation would need to be based on that and therefore would point to the deficit of high density residential and industrial lands in the study and recommend rezoning lands to address those deficits. Lisa Rogers said we need to consider current needs and supply and how to address growth by using what we have now and going up and not out. Angela Carnahan said the City must show they are using land in the UGB efficiently before expanding, so that would be part of the UGB process. Larry Hampton said he could support the rezoning if City Council does not support the UGB study since expansion would no longer be an option.

Sid Friedman rephrased his motion that in the interim the City takes whatever measures it can to increase the amount of land available for medium and high density housing including but not limited to the up zoning of low density land. Angela Carnahan said it's not just about making land available. Willing property owners and infrastructure are also needed. Larry Hampton asked if the group could make a recommendation since Brian Doyle left and there is no longer a quorum. Doug Rux said the group could come to a consensus but not a vote.

Cheryl Caines asked if the list of 30+ items related to addressing housing needs based on input from several committees, citizens, and other groups, included anything related to efficiency measures that would cover this recommendation. Doug Rux answered there are efficiency measures, but up zoning is not part of that list. Curt Walker commented that this seems like a wise thing for Council to consider but

may not be the best timing considering all the other issues. He questions if it is a critical issue. Todd Engle noted that this is the last time the group will meet, so if high density housing is needed, then now is the time to make a recommendation. Larry Hampton said it is a concern but he is more concerned about industrial land. He noted that at least there is development and other actions happening to address the need. Todd Engle noted that there is a shortage of housing for lower wage employees. This impacts the number of people available to fill the jobs. Larry Hampton said he can support the motion. There was consensus among the five remaining committee members to make the recommendation to City Council that the City takes whatever measures it can to increase the amount of land available for high density housing including the up zoning of low density land.

### **Adjournment**

Larry Hampton adjourned the meeting at 4:17 pm.

\*These minutes were not approved by the CAC since it was the last advisory committee meeting.