



MEETING MINUTES

**CITY OF NEWBERG / YAMHILL COUNTY
NEWBERG URBAN AREA MANAGEMENT COMMISSION
Newberg Public Safety Bldg. - 401 E. Third Street, Newberg, OR
Wednesday, June 1, 2010, 7:00 PM**

- I. APPOINTMENT OF NUAMC CHAIR:** Michael Sherwood, Vice Chair entertained a motion for Chair.

MOTION #1: Halstead/Lewis to nominate Michael Sherwood as Chair. (7 Yes/ 0 No/ 1 Absent [McKinney]) Motion carried.

II. ROLL CALL:

Members

Present: Michael Sherwood Warren Parrish
Sally Dallas Leslie Lewis
Alan Halstead Lon Wall
Stephen McKinney (arrived at 7:05 p.m.)

Staff

Present: Barton Brierley, City of Newberg Planning and Building Director
Jessica Nunley, Assistant Planner
Ken Friday, Yamhill County Planning
Dawn Karen Bevill, Recording Secretary

Others

Present: Michael & Cathy Stuhr Scott Simmons
Jeff Roberts Curt Walker
Connie Gray Julie Fugate
Goldie Floch Sam Farmer
Charles Cox Alan Steiger
Mike Gougler Dennis Gaibler
Mia Nelson Grace Schaad
Rob & Dorothy Roholt Lee Does
Vicki Shepherd Sid Friedman
Cheryl McCaffrey Craig Markham
Dennis Pierce Shirley Cooper

III. OPEN MEETING:

Chair Michael Sherwood opened the meeting at 7:03 p.m.

IV. CONSENT CALENDAR:

1. Minutes of the September 30, 2009 meeting.

MOTION #2: Halstead/Dallas to approve the NUAMC minutes from September 30, 2009. (7Yes/ 0 No/ 1 Absent [McKinney]) Motion carried.

V. COMMUNICATIONS FROM THE FLOOR

No additional items were brought forth.

VI. LEGISLATIVE PUBLIC HEARING

1. APPLICANT: City of Newberg
REQUEST:

- ♦ Include 260 total acres into the Newberg Urban Growth Boundary (approximately 132 gross buildable acres). Of the approximately 132 buildable acres, 125 acres would be designated industrial (IND) and 7 acres would be designated Public/Quasi-Public (PQ) in the Comprehensive Plan.
- ♦ Redesignate 7 acres (1 gross buildable acre) of land already in the Newberg UGB from Medium Density Residential (MDR) to Industrial (IND).
- ♦ Amend the Transportation System Plan to include the future transportation plan for the South Industrial Area (from the South Industrial Area Master Plan).

LOCATION: Area south of Wynooski Road and Wilsonville Road, on either side of Highway 219

NEWBERG FILE: UGB-09-001 / YAMHILL COUNTY FILE: PA-01-10

Chair Michael Sherwood introduced the hearing and called for any abstentions, biases, conflicts of interest, or ex parte contact.

Alan Halstead indicated two of his brothers own a piece of property; a parcel within the study area.

Lon Wall stated through various Planning Commission hearings he is on record and does not want that misconstrued as bias since he has stated his opinions.

Stephen McKinney stated he is on record in City Council meetings having shared definite opinions regarding these issues.

Leslie Lewis stated she has sat on this body while going through the Urban Reserve at which time she shared her opinions, as well.

Chair Sherwood read ORS 197.763 for the record.

Barton Brierley, City of Newberg Building and Planning Director, stated all the rules read in ORS 197.763 are not applicable to this hearing this evening due to this being a legislative hearing. Mr. Brierley proposed focusing tonight on hearing the testimony from the audience who has taken the time to attend. In order to do that, Mr. Brierley will present his report and will be thorough, but brief, as well as having Ken Friday give the County report. He asked for any

detailed questions of staff to be held until later in the hearing and then recommended at the conclusion of the meeting to leave the record open to allow for any written testimony; and then schedule an additional meeting for deliberation.

Mr. Brierley presented the staff report by giving the background for this proposal; why it is being presented now, and the Urban Growth Boundary amendment and criteria (see official meeting packet for full report).

Ken Friday, Yamhill County Planning, stated the Urban Growth Boundary amendment is also subject to the Yamhill County Comprehensive Plan Goals and Policies that require showing the higher priority lands that have been considered, and the reasons provided for not selecting those. It is obvious the City has put a considerable amount of time and effort into selecting the appropriate areas and commended the City for their work on this issue. Mr. Friday pointed out one of the keys for selecting the correct site for the Urban Growth Boundary expansion is to identify the site characteristics for sifting through the options. Mr. Friday does have some concerns regarding the site characteristics used in identifying those areas that are outlined in his staff report (see official meeting packet for full report). For example, he has a real concern in eliminating Hwy 99 as a truck route when it has been identified as being a freight route. During this last week, from May 25, 2010 – June 1, 2010 the County has received eleven letters, all of which have concerns on the proposal and those were received after the City of Newberg identified the May 25 cut-off timeline. The County does not have a cut-off deadline on the receipt of testimony. He supports Mr. Brierley's suggestion for allowing the record to remain open. Mr. Friday passed out the copies of the letters he received to the Commissioners.

Commissioner Parrish asked if Mr. Brierley could expand on the Economic Opportunities Analysis. Barton Brierley explained in 2006 the Economic Opportunities Analysis was adopted and then in 2010 it was updated. That update was adopted in February 2010. That has been appealed to the State Land Use Board of Appeals. At this point, the City has not received the appellants brief so they are unsure as to what issues the State may be appealing. According to the State's Statutes, the applicable criteria for a decision are what is adopted in the Comprehensive Plans, but if it is an unacknowledged one, the requirement is to submit findings which show the applicable Statewide Planning Goals.

Public testimony was opened at 7:53 PM.

Proponents:

Scott Simmons, Vice President of Operations at Climax Portable Machine Tools, is representing Climax who is in support of the Urban Growth Boundary expansion. Climax is in need of land and infrastructure for growth. This is a great time to support manufacturing.

Commissioner Lewis asked how many jobs were added in the recent expansion of Climax. Mr. Simmons replied 14,500 square feet was added which maxed out their available land with an increase of 30 – 40 jobs.

Commissioner McKinney asked how many acres Climax would be hoping to acquire for future expansion. Mr. Simmons replied 10 – 15 acres.

Commissioner Parrish asked if the Second Street improvement will help access to the company. Mr. Simmons stated it will make it safer.

Jeff Roberts lives in Sherwood and is a Real Estate Agent. Mr. Roberts stressed the importance of working where you live. He would love to live and work in Sherwood but there are no opportunities, and Newberg has the ability to do so.

Curt Walker lives in Newberg and is in favor of this amendment. Now is the time to prepare ahead of other communities. This will attract business, offer opportunities for expansion, and/or grow new businesses. People want to be able to work and live in the community. Industry will be attracted if land is zoned for it.

Connie Gray lives in the area being considered for the Urban Growth Boundary area and urged support. She wants to see her children and grandchildren being able to work and live in the area and earn a good wage.

Julie Fugate is representing herself, her husband, and two families that could not attend; one of which is Rick and Terry Beaudry. Mr. Beaudry asked Julie to relay his story regarding his construction business in Newberg, of which he has been trying to relocate in the City for the past 24 months. He has been unable to find a suitable piece of land and is now in the process of moving his business to Sherwood in Washington County. He owns a lot of equipment, has over a dozen employees, and is buying between 10 – 15 acres of flat land.

Goldie Floch urged support of the Urban Growth Boundary amendment.

Michael Stuhr is testifying in favor of the amendment. Several years ago, he attended the ad hoc meeting every two weeks and has been involved in public processes most of his life, and stated that was one of the best public processes he has ever seen. The folks on the committee did a fantastic job and came up with a modest growth rate, using the proper state data and hundreds of hours of testimony. This amendment supports that report. Newberg is not asking for an unreasonable request and urged support of the plan.

Cathy Stuhr stated while the decision may appear very complex and difficult, she does not believe that they are. These are decisions that need to be made. Successful planning starts with a long-term insightful vision and requires the need to make difficult decisions early on in the process. If we do not plan correctly and timely, we will end up in unfortunate situations. As others have mentioned, we want to work, live and play in Newberg. We need to plan for our growth here, and if we do not, it will grow elsewhere and the benefits that go with that will go somewhere else, as well. For yesterday, tomorrow, and today we need this plan now. In her opinion, the City has put together a reasonable plan that meets the statewide goals. Businesses will not develop on sloped land and Newberg needs available land in place in order to grow and survive. It is not too soon to plan for the future.

Stephen McKinney stated there have been proponents and opponents to this discussion. Newberg is a community that goes out of its way to involve the citizens in the process whether they have a Newberg address or not. This is one of the reasons why the LCDC went out of their way to recognize the City of Newberg as a stellar example of how cities plan within this State to try and develop a well-needed plan that addresses more than one specific area. He thanked Cathy Stuhr for what she has done and to others who have been involved and participated in the process and added their input.

Sam Farmer served as Chairman of the Ad Hoc Committee on Newberg's Future. During the 15 months the committee was active, a number of forums were held to gather citizen input. What they heard loud and clear was Newberg needed to add jobs for their citizens. It should not just be a bedroom community. Among the numerous concerns and opportunities that were discussed, was the need to maintain a supply of appropriately sized and located industrial parcels including large industrial sites to expand the industrial area along Hwy 219 south of Wynooski Street and the proposed Newberg-Dundee Bypass Interchange to accommodate and encourage large size industrial development. This was the conclusion for the best location they could find in Newberg. The current industrial land supply includes many parcels that are inappropriate for industrial development due to the proximity of residential neighborhoods, lack of adequate access, or impacts from the bypass. Also, Newberg lacks the types of large sites to attract large manufacturers, industrial parks, or corporate offices that desire a campus setting.

Charles Cox and his wife own Berrynoir Co-Packing, formerly Wilhelm Foods. Approximately two years ago, they outgrew their existing building in Newberg and spent a year desperately trying to find a piece of property in town. They were on their way to giving up and began looking in Salem. Fortunately, they found a piece of land just outside the City and were able to build there due to being a farm use. It would be nice to have warehousing and distribution in the area that would help his business immensely.

Alan Steiger is the General Manager of Austin Industries. He resides in Wilsonville but has worked and been active in the Newberg community since 1982 and worked as Chief Financial Officer for 26 years at A-Ded. He supports this amendment because it is the right thing to do for Newberg in order to remain a community and not a suburb. Mr. Steiger was in leadership with the Newberg Chamber of Commerce when they adopted, "A Great Place to Grow." Industry creates supporting jobs more than perhaps service-oriented industries. Additional opportunities from those businesses may attract other businesses without having to go outside the area to purchase goods and services. This is an opportunity to adopt a vision for Newberg to succeed. Newberg has many advantages such as being close to a large population center. The building of the bypass will enhance transportation. Providence Newberg Medical Center will be an attraction for citizens to come and live here and business to locate here due to the high quality of medical care. George Fox University and its educational program is constantly adding and offering new programs. According to statistics, Newberg has 60% more than the national average in the manufacturing employment area. Mr. Steiger supports the amendment as well as his employers.

Mike Gougler is a developer primarily for the Werth Family/Springbrook Property. The document that is before the Commission answers all the questions that could possibly be asked. The ad hoc committee spent much time along with staff to come up with this recommendation. Mr. Gougler is a member of the Citizen Rate Review Committee and had to address the fact that the City made no adjustments to the cost of the sewer processing or purifying its water. No capital reserves were set aside for over 10 years. Consequently, water/sewer rates will now go up 12% per year for the next 3 years, which is not popular in the community, but they had no choice. As a developer, he has had a number of people who have inquired regarding development sites in the last 15 years. One of them was Action Equipment. Unfortunately, it was hard to find compatibility between their plant and adjacent residential development due to the types and lengths of trucks required. This proposal has been thought through. The location selected is a prime location and will attract business.

Commissioner Parrish asked about the remaining Werth property that was designated for the bypass; if that does not happen, how many acres are there and what is it zoned now. Mr. Gougler replied there are 20 acres under the bypass corridor and 12 acres to the east of the corridor that would be potential development property. It is now zoned residential professional (RP) which allows the kind of development he has done so far. He has tried to make the property to the east of Brutcher a retirement industry that does not affect schools and generates a good amount of tax-free dollars.

Dennis Gaibler lives in Wilsonville and is speaking on behalf of his 94 year old father, Walter and his family who owns 60 acres in the heart of the flat property identified as the future growth area for Newberg. He was raised on the farm there and it means very much to him. His father feels what is best for the community is for the land to be used for the benefit of industry. The plan is the best that can be put together for this area.

Chair Sherwood recessed for a 10-minute break.

TIME: 9:07 PM

Dennis Pierce stated he is a proponent and runs a nursery with his brother on between Newberg and Dundee as well as several agricultural businesses. He has attended several meetings all the way back to the first ad hoc committee on Newberg's Future. He and his wife support the proposal. They are farmers and support farmland, but the City needs to have something available for businesses that are looking for land locally.

Opponents:

Mia Nelson, Willamette Valley Advocate for 1000 Friends of Oregon, located in Eugene. She submitted written testimony last week and urged the Commission to read it thoroughly. Ms. Nelson agrees it is good that Newberg is looking at growing the job base; keeping citizens working and living here and does agree this is a long process. The first step in the process was to establish the need for the expansion and her comments are focused on that first step. Her letter does detail some serious problems relating to how the employment forecasts are calculated. The first issue is there is an administrative rule that allows safe harbors to calculate the employment need. 1000 Friends does support the Oregon Employment Projections but Newberg used that method and another to show the need. That rule which she quoted, does not allow both methods and needs to be corrected. The second problem is safe harbor only allows a 20 year forecast and not a 30 year forecast. The rule does require use of current job numbers and those provided in the Economic Opportunity Analysis are 2009 figures, however the 2008 figures were used for calculation. Another problem which is quite complicated, Newberg does not have a coordinated countywide population forecast and has not been raised by previously by the LCDC. Lastly, because there is no coordinated forecast you cannot calculate land need based on population projections.

Commissioner McKinney attended the LCDC meetings and stated he heard no one talking about numbers for 20 year projections, but rather for 30 – 50 years. Newberg is already 20 years behind. There is not a big debate over projected population figures here. Mr. McKinney believes Ms. Nelson is talking about the methodology between the City and the County as a foundation to base Newberg's calculation. Ms. Nelson replied not really, because that would imply there are

options. There is no way for Newberg to use a population forecast in this process because it is not lawful and it could be done with employment figures.

Grace Schaad stated this is not non-productive land and contributes to the economic health of the City of Newberg. There is discounting of the contribution of farming business to the economy of Newberg. Farmers employ shoppers in Newberg and go to Les Schwab for tires on tractors. There is land that can be redeveloped within the City of Newberg such as the Mill and the Suntron Plant that will be redeveloped at some point could be considered. Why are we considering this expansion currently, when there is an appeal to LUBA of both the EOA and the adoption by the City Council of the proposed South Industrial Area? Also, farmers work where they live.

Dorothy Roholt looked up the City of Newberg website that describes the City's economic development as having grown upon a long history of agricultural diversity and agricultural development. Newberg itself was described as being the commercial center for agricultural development. In a previous meeting there was a proposal to expand and make Newberg ready for business and when she asked what companies were ready to build, no one could give her any. This is prime farmland and 95 of the 100 acres are in agricultural right now. It is ashame agriculture is not considered an industry and farm workers will lose their jobs when the farmland is lost. Another point that has not been brought up is McKay Road. So much is being considered as to this being an excellent location but are there plans for the traffic on Hwy 219 and McKay Road going toward I-5? McKay Road is already bumper to bumper and Yamhill County cannot plan on a road they have no control over. The traffic issue has been overlooked.

Rob Roholt stated he previously submitted a letter to the City of Newberg opposing this amendment. He believes the City has over estimated the need for new large parcel industrial land especially in the near future. All the other areas of Newberg need to be looked at how those can be best utilized. Mr. Roholt brought up the Mill and its viability.

Commissioner McKinney stated he has never seen an issue addressed by a City such as this and a staff that has looked at every square inch of the City. He addressed Mr. Roholt and his opinion on the immediacy of taking the land right now, but the State is looking and asking what will Newberg do for the next 20 – 50 years. So, we already know what it is like to live in patchwork development, but in trying to exercise forethought, how fast in your mind does this plan get developed? Overnight, or are you looking over a sign period of time? Mr. Roholt replied it takes a long time for this to develop and hopefully the industries we plan for will not take long, but how many industries do we need over what period of time? Commissioner McKinney stated many have testified of the missed opportunities and those who have gone outside the area to fulfill their needs. It is not a single huge plot of land, but small and large pieces, and this Commission is not anti-farm but is trying to make a way for many options to flourish in this town. The mill, as we understand is not viable or sustainable in its present state and millions of dollars to heal that land for use.

Lee Does stated he previously submitted a letter. He and his wife farm a small parcel, which would be across the street from EFU land the City is seeking to develop in the long run. Mr. Does is not opposed to growth but wants to make the best use of our resources. Suntron employed 124 people on 10 acres; thus large parcels are not needed. He does object to taking high value farm lands. State Economists have already stated this will be a slow recovery, rebuilding what has

been lost in this recession. Given that, there should not be a tremendous push to use farmland.

Vicki Shepherd understands the manufacturing industry will bring businesses to the area but this land is an industry and provides jobs and supports the communities. She is currently employed by a local farm and did not realize beforehand what is involved in the farming industry. Ms. Shepherd listed the many businesses that have been supported by one farm in the last year, which will lose financial support and farmland.

Commissioner Parrish asked about the exception lands on Benjamin Road and the acreage. Barton Brierley replied the McClure property is 55 acres and the Benjamin Road area has 2 – 3 times that. The Benjamin Road area is 160 total acres that is exception land. It was not included in the urban reserve process and there were no parcels in that area that met site suitability criteria for industrial.

Sid Friedman is testifying on behalf of 1000 Friends of Oregon, Friends of Yamhill County, and as a former member of the Newberg Urban Area Management Commission. He learned during his time serving on NUAMC that the City's primary concern is expanding onto land that is cheap and easy to develop. The County protects lands and farmland out in the County. A balance is needed. The vast majority of land being considered is prime farmland. Tens of thousands of indirect jobs are supported by farmland. Prime agricultural land should be the last choice. This burden has not been met in this case. The City has overestimated its land needs. The application wrongly discounts areas for expansion that can accommodate much of the City's need for land. Some targeted industries the City will provide land for are firms, wineries, etc. and most prefer a downtown location. The City has not looked at smaller sites under five acres. Newberg's largest industrial employers are not in an area with 100 acres in industrial land and are not located with direct access to I-5.

Commissioner Wall stated the unemployment rate in Newberg is 13% and asked what should we do? The site size was agreed upon with the recommendations by the ad hoc committee. Mr. Friedman replied Newberg has the capacity with the jobs lost since 2008, to accommodate a lot of industrial employment; at least 10 years worth just refilling existing vacancies. Regarding the ad hoc committee, the City and County should not be bound by the work a committee did in evaluating an amendment several years ago.

Cheryl McCaffrey is a retired Botanist who worked for the Federal Government. She state we all have something we view as precious and in Oregon the State Planning Laws have put that value on high value farmland. This plan has not gone far enough in looking at options in treating this as precious. She is concerned with the loss of high value farmland; good soil that is deep and rich and is a long-term process. In the geologic timeframe, what Newberg wants to do is short term. Newberg can look at breaking the businesses up in various areas and not all in one block. Another issue of concern is agricultural land is also needed for animals that do not have any other habitat. Ms. McCaffrey encouraged the City to reduce the amount of farmland and look at it as a precious commodity.

Craig Markham showed several images he took yesterday and today to refresh the memory of the Committee of several sites that he believes could be used for business, such as: the Suntron site, the Dollar Store, a parcel across from Providence, a large flat lot at the Benjamin Road intersection, a parcel south of A-Dec, an example of a residential/industrial interface; and a cul-de-sac on Adolph

Road. Goal 3 was developed because of the concern of vandalizing class 1 and 2 soils. He urged the Commission to consider that in this proposed expansion.

Undecided:

Shirley Cooper opposed the South Industrial Area at the City Council due to the cost. It will take away many things that in the future will cost more than what will be gained. When she looked at this proposal she found it does not address the issues with adequate up-to-date analysis projections and the targeted industries are broad. There will be much competition with adjoining counties that have vacancies. Ultimately, tax incentives will need to be offered to use these areas. Local businesses that are being targeted will not want to go into this high-end area due to the cost. Tax incremental financing will put a burden on those in the area. The projections are not realistic. To set goals and targets on this is beyond the scope of this district.

MOTION #3: McKinney/Lewis to close the public testimony and continue the hearing regarding Resolution No. 2010-022 to the June 15, 2010 Newberg Urban Area Management Commission meeting at the point of staff recommendation; the Record will remain open for written testimony until 5:00 p.m. on June 9, 2010. (7 Yes/ 0 No/ 0 Absent) Motion carried.

MOTION #4: Halstead/Lewis to nominate Sally Dallas as Vice-Chair. (7 Yes/ 0 No/ 0 Absent) Motion carried.

VII. ADJOURN:

The meeting adjourned at 11:05 p.m.

Adopted by the Newberg Urban Area Management Commission this 15th day of **June**, 2010.

AYES:

NO:

ABSTAIN:

ABSENT:

ATTEST:


Recording Secretary Signature


Chair