



**CITY COUNCIL AGENDA
DECEMBER 3, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

Mission Statement

The City of Newberg serves its citizens, promotes safety, and maintains a healthy community.

Vision Statement

Newberg will cultivate a healthy, safe environment where citizens can work, play and grow in a friendly, dynamic and diverse community valuing partnerships and opportunity.

I. CALL MEETING TO ORDER

II. ROLL CALL

III. PLEDGE OF ALLEGIANCE

IV. CITY MANAGER'S REPORT

V. PUBLIC COMMENTS

(30 minutes maximum, which may be extended at the Mayor's discretion, with an opportunity to speak for no more than 5 minutes per speaker allowed)

VI. COMMITTEE APPOINTMENTS

1. Consider appointing Deanna Moore, Patrick Johnson, and Salvatore Bianco to the Budget Committee serving terms expiring December 31, 2015. (Pg. 3)
2. Consider appointing Tony Rourke and Rick Rogers to the Citizens' Rate Review Committee serving terms expiring December 31, 2015. (Pg. 5)

VII. CONSENT CALENDAR

1. Consider a motion adopting **Resolution No. 2012-3023** supporting a grant application for Villa Road bike and pedestrian improvements. (Pgs. 7-11)
2. Consider a motion approving the October 15, 2012, City Council meeting minutes. (Pgs. 13-17)

The Mayor reserves the right to change the order of items to be considered by the Council at their meeting. No new items will be heard after 11:00 p.m., unless approved by the Council.

VII. PUBLIC HEARINGS

Consider a motion adopting **Resolution No. 2012-3024** approving Supplemental Budget #2 for fiscal year 2012-2013. (Pgs. 19-23)
(Administrative Hearing)

VIII. NEW BUSINESS

1. Consider the Chehalem Valley Chamber of Commerce's 1st Quarter Report. (Pgs. 25-28)
2. Consider a motion requesting a fee credit for the George Fox University football stadium design review application. (Pgs. 29-31)
3. Discussion of the city's role in economic development. (Pgs. 33-46)

IX. COUNCIL BUSINESS

X. ADJOURNMENT

ACCOMMODATION OF PHYSICAL IMPAIRMENTS: In order to accommodate persons with physical impairments, please notify the City Recorder's Office of any special physical or language accommodations you may need as far in advance of the meeting as possible and no later than 48 business hours prior to the meeting. To request these arrangements, please contact the City Recorder at (503) 537-1283. For TTY services please dial 711.

Council accepts comments on agenda items during the meeting. Fill out a form identifying the item you wish to speak on prior to the agenda item beginning and turn it into the City Recorder. The exception is land use hearings, which requires a specific public hearing process. The City Council asks written testimony be submitted to the City Recorder before 4:30 p.m. on the preceding Wednesday. Written testimony submitted after that will be brought before the Council on the night of the meeting for consideration and a vote to accept or not accept it into the record.

The Mayor reserves the right to change the order of items to be considered by the Council at their meeting. No new items will be heard after 11:00 p.m., unless approved by the Council.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Appoint Salvatore Bianco, Patrick Johnson and Deanna Moore to the City of Newberg Budget Committee.

Contact Person (Preparer) for this
Motion: Mayor Bob Andrews
Dept.: Administration

RECOMMENDATION:

To consent to the Mayor's appointment of Salvatore Bianco, Patrick Johnson, and Deanna Moore for three positions on the Newberg Budget Committee for new terms expiring December 31, 2015.

EXECUTIVE SUMMARY:

The Newberg Budget Committee is a seven member committee that has three positions with terms expiring December 31, 2012. Public notice of this vacancy was posted in City buildings, advertised in the local paper, and posted on the City's website. Four applications were received prior to the final deadline of 4:30 p.m., Monday, November 5, 2012. All applications were considered, and the Mayor has selected Salvatore Bianco, Patrick Johnson and Deanna Moore to fill the positions.

For privacy purposes, the original applications are retained in the City Recorder's Office. Please call (503) 537-1283 to request a copy.

FISCAL IMPACT:

None.

STRATEGIC ASSESSMENT:

The Budget Committee provides a valuable service to the City of Newberg by ensuring a balanced budget, which makes our City government viable.

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Appoint Tony Rourke and Rick Rogers to the City of Newberg Citizens' Rate Review Committee.

Contact Person (Preparer) for this Motion: Mayor Bob Andrews
Dept.: Administration

RECOMMENDATION:

To consent to the Mayor's appointment of Tony Rourke and Rick Rogers for two positions on the Newberg Citizens' Rate Review Committee for new terms expiring December 31, 2015.

EXECUTIVE SUMMARY:

The Newberg Citizens' Rate Review Committee is a seven member committee that has two positions with terms expiring December 31, 2012. Public notice of this vacancy was posted in City buildings, advertised in the local paper, and posted on the City's website. Two applications were received prior to the final deadline of 4:30 p.m., Monday, November 5, 2012. All applications were considered, and the Mayor has selected Tony Rourke and Rick Rogers to fill the positions. Rick Rogers will be filling the Springs Customer Class position.

For privacy purposes, the original applications are retained in the City Recorder's Office. Please call (503) 537-1283 to request a copy.

FISCAL IMPACT:

None.

STRATEGIC ASSESSMENT:

The Citizens' Rate Review Committee provides a valuable service to the City of Newberg by reviewing Newberg's utility rates and ensuring a balanced budget, which makes our City government viable.

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution XX Motion ___ Information ___
No. No. No. 2012-3023

SUBJECT: Support for grant application for Villa Road Bike/Pedestrian Improvements

Contact Person (Preparer) for this
Motion: David Beam, AICP
Dept.: Planning and Building
File No.: GR-12-01

RECOMMENDATION:

Adopt Resolution No. 2012-3023 supporting the City of Newberg's submission of a grant application to the TE-OBTAC Combined Grant Program for bike/pedestrian improvements along Villa Road.

EXECUTIVE SUMMARY:

In April, 2012, the Oregon Department of Transportation (ODOT) issued a solicitation for transportation projects that "strengthen the cultural, aesthetic, or environmental value of our transportation system." City staff discussed potential projects that would potentially satisfy the grant program's criteria. City staff decided the project with the best chance of success was construction of bike/pedestrian improvements along Villa Road from Haworth Avenue to Park Lane (please see Exhibit "A" for graphic of project area). In June, 2012, the city submitted a Notice of Intent to ODOT for this project. In August, 2012, ODOT sent a letter to the city inviting Newberg to submit a full grant application for the Villa Road project. The invitation to Newberg was one of 64 issued from the original pool of 155 Notices of Intent from other communities throughout the state. Grant applications are due December 13, 2012. Ultimately, ODOT expects to select around 25 to 30 for grant funding.

This area of Villa Road currently is very dangerous for pedestrians, bicyclists and motorists. There are no bike/pedestrian facilities along this stretch of Villa Road, and it has high traffic volumes. There are significant grade changes, tight curves, and many blind spots. Proposed improvements include the addition of bike lanes on both sides of the road, and a setback sidewalk on the east side separated from the road by a landscape strip. The road itself will be straightened, grade changes decreased, and blind spots mitigated. Finally, an area where Villa Road crosses Hess Creek will be enhanced with a rest area/environmental education point, which will include pavers, a small shelter, benches, and environmental education information. Invasive plant species will be replaced with native species.

FISCAL IMPACT:

Staff estimates the total project cost to be \$2.3 million. Staff recommends the city request \$900,000.00 in grant funds from ODOT for the bike/pedestrian elements of the project. All of the remaining \$1.4 million of the project cost would be matched with city funds: \$980,000.00 from System Development Charge funds (specific SDC funds and amount is to be determined) and \$420,000.00 from gas tax funds. The proposed match amount is significantly higher than the minimum match requirement by ODOT of 10.27% of the total project cost. This is proposed for two reasons: (1) a high match will strengthen our application, making it more likely to secure grant approval, and (2), the improvements necessary to make this project successful involve significant amounts of road work that cannot be paid for through grant funds.

Chehalem Park and Recreation District (CPRD) has indicated they would like to be a co-applicant to this grant request. CPRD staff committed to providing the installation, labor, and maintenance of the rest area/environmental education point enhancement, subject to approval by the CPRD Board at their meeting on December 6, 2012.

STRATEGIC ASSESSMENT:

Villa Road is one of Newberg's important north/south transportation routes. The transportation facilities in the project area are in serious need of improvement for the safety of its current users, and will become more critical as development north of the project area proceeds in the future. Securing this ODOT grant will significantly lower the city's needed investment for improvements to this area, and will promote Council's goal of cultivating a healthy, safe environment for Newberg residents.



RESOLUTION No. 2012-3023

A RESOLUTION SUPPORTING THE CITY'S SUBMISSION OF A GRANT APPLICATION TO THE TE-OBTAC COMBINED GRANT PROGRAM FOR BIKE/PEDESTRIAN IMPROVEMENTS ALONG VILLA ROAD

RECITALS:

1. In April 2012, the Oregon Department of Transportation (ODOT) issued a solicitation for transportation projects that "strengthen the cultural, aesthetic, or environmental value of our transportation system." In response to this solicitation, the city submitted a Notice of Intent to ODOT for grant funds for construction of bike/pedestrian improvements along Villa Road from Haworth Avenue to Park Lane (see Exhibit "A" for graphic of project area). In August, 2012, ODOT sent a letter to the city inviting Newberg to submit a full grant application for the proposed project.
2. The project area is currently very dangerous for pedestrians, bicyclists and motorists. There are no bike/pedestrian facilities along this stretch of Villa Road. There are significant grade changes, tight curves, and many blind spots. Proposed improvements include the addition of bike lanes on both sides of the road, and a setback sidewalk on the east side separated from the road by a landscape strip. The road will be straightened, grade changes decreased, and blind spots mitigated. Finally, an area where Villa Road crosses Hess Creek will be enhanced with a rest area/environmental education point, which will include pavers, a small shelter, benches, and environmental education information. Invasive plant species will be replaced with native species.
3. Staff estimates the total project cost to be \$2.3 million. Staff recommends the city request \$900,000.00 in grant funds from ODOT for the bike/pedestrian elements of the project. All of the remaining \$1.4 million of the project cost would be matched with city funds: \$980,000.00 from System Development Charge funds (specific SDC funds and amount is to be determined) and \$420,000.00 from gas tax funds. The proposed match amount is significantly higher than the minimum match requirement by ODOT of 10.27% of the total project cost, for two reasons: (1) a high match will strengthen our application, making it more likely to secure grant approval, and (2), the improvements necessary to make this project successful involve significant amounts of road work that cannot be paid for through grant funds. Staff anticipates Chehalem Park and Recreation District will be a co-applicant in this grant request.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

1. The proposed project area, as shown in Exhibit "A", should be improved as soon as feasible to enhance the safety of all users along this portion of Villa Road.
2. The City of Newberg shall submit an application to the State of Oregon's TE-OBTAC Combined Grant Program requesting funds to assist with the construction of the bike/pedestrian improvements along Villa Road from Haworth Avenue to Park Lane.

3. The City authorizes the City Manager to negotiate a contract between the State of Oregon and the City regarding any grant funds awarded to the City through this grant application process.

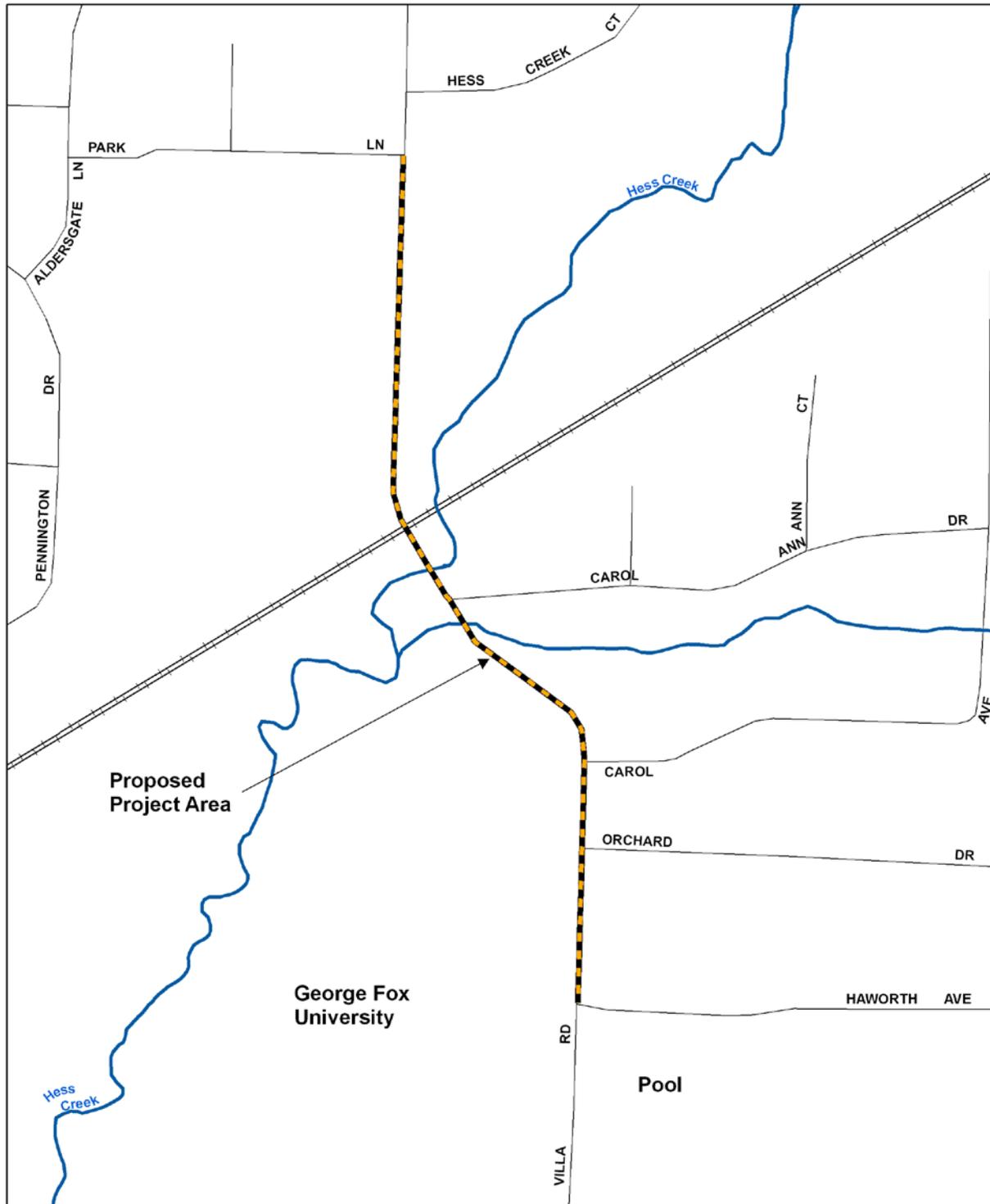
➤ **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: December 4, 2012.

ADOPTED by the City Council of the City of Newberg, Oregon, this 3rd day of December, 2012.

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 6th day of December, 2012.

Bob Andrews, Mayor



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Villa Road Pedestrian and Bicycle Improvements
TE & OBPA
Grant Program

200

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No.

SUBJECT: Approve the October 15, 2012, City Council Meeting minutes.

Contact Person (Preparer) for this Motion: Norma Alley, City Recorder
Dept.: Administration

RECOMMENDATION:

Approve City Council minutes for preservation and permanent retention in the City's historical records.

EXECUTIVE SUMMARY:

The City of Newberg City Council held a public meeting and minutes were recorded in text. In accordance to Oregon State Records Management law, the City of Newberg must preserve these minutes in hard copy form for permanent retention.

FISCAL IMPACT:

None.

STRATEGIC ASSESSMENT:

None.

**CITY OF NEWBERG CITY COUNCIL MINUTES
OCTOBER 15, 2012
7:00 P.M. MEETING
PUBLIC SAFETY BUILDING TRAINING ROOM (401 EAST THIRD STREET)**

An executive session was held during the work session prior to the meeting pursuant to [ORS 192.660\(2\)\(h\)](#) to consult with counsel concerning the legal rights and duties of a public body with regard to current litigation or litigation likely to be filed. All Councilors and the Mayor were present; no action was taken and no decisions were made.

I. CALL MEETING TO ORDER

Mayor Bob Andrews called the meeting to order at 7:03 PM.

II. ROLL CALL

Members

Present:	Mayor Bob Andrews	Denise Bacon	Ryan Howard	Stephen McKinney
	Bart Rierson	Marc Shelton	Wade Witherspoon	

Staff

Present:	Daniel Danicic, City Manager	Terrence Mahr, City Attorney
	Barton Brierley, Planning and Building Director	Norma I. Alley, City Recorder
	Janelle Nordyke, Finance Director	Nicole Tannler, Minutes Recorder

Others

Present: Dave Huber, Dean Kampfer

III. PLEDGE OF ALLEGIANCE

The Pledge of Allegiance was performed.

IV. CITY MANAGER'S REPORT

Mr. Daniel Danicic, City Manager, reported the big Halloween celebration put on by the Newberg Downtown Coalition is on October 31, 2012. On Thursday at 10:00 a.m. the County Commissioners will hear the city's South Industrial UGB application and will consider adopting countywide population numbers. The County has been going through a population study process. Mr. Danicic intends on being at the meeting and addressing commissioners.

V. PUBLIC COMMENTS

Leah Lockwood, local resident, recently sent a letter about system development charges on property she owns on Church Street. She claims the system development charges are too high in this market. They end up being over \$16,000.00 per unit, and do not pencil out for their apartment project. Ms. Lockwood is trying to figure out how to pay the difference and wants to make a deal with the city to provide affordable housing for a period of time. Ms. Lockwood stated the fees make it difficult to provide attractive apartment complexes.

Mayor Andrews stated he did receive a copy of the letter and has asked staff to answer some questions. He stated the Council will look into the issue and asked Ms. Lockwood if they would be willing to accept an interest accrual on the non paid deferral of property. She stated that would be fine. Councilor Rierson said he believes the suggestions seem reasonable and one of our council goals is for affordable housing. Councilor

Bacon asked what kind of time frame is needed. Ms. Lockwood replied sometime within a month would be helpful. Councilor McKinney asked what line in the sand the bank has drawn. Ms. Lockwood replied the first assessment was \$185,000.00 and the amount per unit to be about \$15-20,000.00 per unit. Mr. Danicic stated the SDC's are not based on valuation, but on impervious area, pipe size, and vehicular trip count.

VI. CONSENT CALENDAR

Consider a motion approving the September 4, 2012, City Council meeting minutes.

TIME – 7:14 PM

MOTION: Howard/Shelton approving the Consent Calendar including **Resolution No. 2011-2958** and City Council minutes from June 6, June 20, July 5, 2012 as amended. (Yes 7/ No 0) Motion carried.

VII. PUBLIC HEARINGS

1. Consider a motion tentatively approving the vacation of a portion of the Ninth Street right-of-way between Industrial Parkway and Highway 219.

TIME – 7: 15PM

MOTION: Bacon/Shelton to postpone public hearing on the vacation of a portion of the Ninth Street right-of-way between Industrial Parkway and Highway 219 until February 19, 2013. (Yes 7/ No 0) Motion carried.

2. Consider a motion approving **Ordinance 2012-2756** approving a non-exclusive solid waste and recycling franchise with Waste Management of Oregon, Inc.

TIME – 7: 18PM

Mayor Andrews introduced the legislative hearing and called for any conflicts of interest or abstentions; none appeared.

Mr. Terry Mahr, City Attorney, presented the staff report (see official meeting packet for full report). Mr. Mahr stated there is a new page 45 which shows the new rates. He recommends this franchise and believes it will benefit the city.

Dave Huber and Dean Kampfer, Waste Management, stated Waste Management purchased Newberg Garbage in 2010 with 26 employees. They provide commercial, residential, and industrial waste collection with weekly garbage service and every other week recycling service. In 2010, Waste Management increased recycling efforts by including plastic tubs and plastic bottles. Safety is a core value of the company. There are daily safety briefings with the drivers, and they are installing a new system of drive cams to improve driver behavior. Waste Management has high standard for routine maintenance and cleanliness. Waste Management uses the Newberg transfer station to mine and divert dry waste and transfer much of it to Tualatin for processing. Waste Management participates in community events such as Tunes on Tuesday, Special Olympics, and Old Fashioned Festival. They are happy to be a part of the community and to be working with Newberg.

Councilor Witherspoon asked for more details about the drive cams and what type of incidents are occurring. Mr. Huber replied the drive cams are on the front of the truck, which will capture problems and are proven to reduce incidents. Mr. Kampfer stated the drivers are much more attentive with the cameras installed.

Councilor Howard said he appreciates Waste Management's effort over the last few years and their support of the community. He brought up the topics of glass service and hazardous recycling, and asked if there is anything in this franchise agreement that will prohibit them. Mr. Kampfer replied the facilities today are not able to sort out glass and when processing is available they will be more than happy to do that. They could

potentially put another man and truck on the service for this and they are open to consideration. Councilor McKinney asked about the extra truck and driver, and wanted to know the cost for a glass receptacle. Mr. Kampfer stated they would have to come back to discuss this in detail. Councilor Shelton asked if in the meantime glass can be dropped at the transfer station. Mr. Huber replied there are a few drop off points throughout Newberg. Councilor Rierson asked about things like compact fluorescent bulbs, motor fluids, and transmission fluids, and wanted to know if there something we can do as a partnership to make it easy to recycle these things. Mr. Kampfer replied there are hazardous waste events done throughout the county. Councilor Rierson said that people have to stockpile it until one of these events and he wants to try to find an easier way. Mr. Huber stated they do not accept hazardous waste, but clearly the council has pointed out a need that the city wants and it is something they can look into.

Councilor Howard stated he wanted to make Waste Management aware of something he has seen in the past as a cyclist. He noticed one of the large vehicles with quite a bit of debris falling out of it, and wanted to express this to them and knows they are working on it. Mr. Huber replied some of the tarp covering the top might rip or break, and there is a process in place to make sure that does not happen.

MOTION: Howard/Rierson approving **Ordinance 2012-2756** approving an exclusive solid waste and recycling franchise with Waste Management of Oregon, Inc. as amended and read by title only. (Yes 7/ No 0) Motion carried.

3. Consider a motion adopting **Resolution 2012-3018** approving Supplemental Budget #1 for fiscal year 2012-2013.

TIME – 7:41 PM

Mayor Andrews introduced the administrative hearing and called for any conflicts of interest or abstentions; none appeared.

Ms. Janelle Nordyke, Finance Director, presented the staff report (see official meeting packet for full report).

MOTION: McKinney/Shelton adopting **Resolution 2012-3018** approving Supplemental Budget #1 for fiscal year 2012-2013. (Yes 7/ No 0) Motion carried.

VIII. COUNCIL BUSINESS

Mayor Andrews wanted to share information about the State of Oregon Federal Highway Administration Exemplary Human Environmental Initiative, the Ecosystem Initiative. These awards are about higher environmental standards and this year we are the only state being recognized for both of these awards. Oregon is recognized for producing jobs in the green energy sector with the Oregon solar highway program. The electric vehicle program is gaining strength and we have a new level three charging station at the Chevron station. On November 3rd Station 20 will have a dedication of the remodeled facilities.

IX. ADJOURNMENT

The meeting adjourned at 7:59 PM.

ADOPTED by the Newberg City Council this 3rd day of December, 2012.

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 6th day of December, 2012.

Bob Andrews, Mayor

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 03, 2012

Order ___ Ordinance ___ Resolution XX Motion ___ Information ___
No. No. No. 2012-3024

SUBJECT: Request for approval of Supplemental Budget #2 for fiscal year 2012-2013 as described in Exhibit "A".

Contact Person (Preparer) for this Motion: Janelle Nordyke
Dept.: Finance
File No.:

HEARING TYPE: ADMINISTRATIVE

RECOMMENDATION:

Adopt **Resolution No. 2012-3024** for approval of Supplemental Budget #2 for fiscal year 2012-2013.

EXECUTIVE SUMMARY:

Staff has reviewed the financial activity for the current fiscal year (2012-2013) and determined that changes are needed. The following adjustments are required to supplement the adopted Budget appropriations to comply with Oregon Budget Law. Refer to Exhibit "A" for a detailed accounting summary.

The new animal shelter structure has almost obtained its certificate of occupancy. However, it doesn't make the facility ready to operate as an animal shelter. An additional \$20,000.00 is needed to be transferred from General Fund Contingency (Fund 01) into Animal Control Capital Outlay (Fund 01) in order to make the facility ready to be operational.

Council adopted Resolution No. 2012-3021 on November 19, 2012, approving the surplus sale of the 1980 Ford L900 Fire Engine, the 1995 GMC Water Rescue vehicle, and the 2000 Rescue Ambulance. This supplemental budget is to recognize the revenue to be received from the sale of the 1995 GMC Water Rescue and the 2000 Rescue Ambulance in the EMS Fund (Fund 05) and the 1980 Ford L900 Fire Engine in the Fire & EMS Equipment Fee Fund (Fund 33). This Supplemental Budget also appropriates the transfer from the surplus sale of the 1995 GMC Water Rescue and the 2000 Rescue Ambulance from the EMS Fund (Fund 05) to the Fire & EMS Equipment Fee Fund (Fund 33) and recognizes and appropriates the funds into the Capital Outlay – Vehicle line item in the Fire & EMS Equipment Fee Fund (Fund 33) for the purchase of a future vehicle.

An estimated amount for the Water Treatment Plant (WTP) Property Purchase was included in the Capital Improvement Projects list for the 2012-2013 Budget. The property had not been specifically identified at the time the budget was approved. After the 2012-2013 Budget had been approved, a piece of property became available. The negotiated price was more than what was included in the 2012-2013 Budget. Additional funds in the amount of \$90,000.00 are needed to be transferred from the Water System Development Charge (SDC) Fund (Fund 47) to the Utility Capital Projects Fund (Fund 04) to make up the difference between the budgeted amount and purchase price.

The Water SDC Fund (Fund 47) pays a portion of the debt related to water capital improvements. With the reduction of residential and commercial construction within the city, the Water SDC Fund has just enough cash flow to make the annual payment that is due on December 1, 2012. Therefore, an additional transfer from the Water Fund (Fund 07) to the Water SDC Fund (Fund 47) may be necessary

to maintain a positive fund balance after the purchase of the WTP Property in February, 2013. The SDC revenues will be reviewed on May 1, 2013, to see if the City can transfer back to the Water Fund all or a portion of the amount being transferred.

The Economic Development Revolving Loan Fund (EDRLF) (Fund 14) recently provided a loan to a small business in Newberg. The Council of Governments (COG) provided the background check services, which was not budgeted. The City should budget funds to pay for COG providing background check services. Staff recommends that a total of three loans be budgeted for the 2012-2013 fiscal year at a cost of \$600.00 per loan, totaling \$1,800.00. A reduction in the EDRLF Loans line in the amount of \$1,800.00 with a corresponding increase in a new line titled Loan Fees is being supplemented.

The elevator in the Newberg Public Library is in need of repair. The repair company, ThyssenKrupp, informed the City's Facilities Maintenance that it will take approximately twelve weeks to order the parts. The Equipment Replacement Fund (Fund 32) Facilities Replacement has a budget of \$30,000.00. An additional \$20,000.00 needs transferred from the Facilities Equipment Replacement Reserves into the Facilities Replacement Line Item to pay for the elevator repair.

FISCAL IMPACT:

The annual Budget appropriation increase requested is \$440,000.00 for a total Budget of \$73,130,966.00. Please refer to Exhibit "A" for a detailed accounting summary.

STRATEGIC ASSESSMENT:

The adoption of this Supplemental Budget will accurately reflect the activity of the City. The public hearing for the Supplemental Budget was noticed in the paper of record, the Newberg Graphic, the week of November 24, 2012.



RESOLUTION No. 2012-3024

**A RESOLUTION TO ADOPT SUPPLEMENTAL BUDGET #2 FOR
FISCAL YEAR 2012-2013 BEGINNING JULY 1, 2012, AND ENDING
JUNE 30, 2013**

RECITALS:

1. City Council adopted the 2012-2013 Budget by Resolution No. 2012-3008 on June 18, 2012.
2. City Council adopted Supplemental Budget #1 by Resolution 2012-3018 on October 15, 2012.
3. New circumstances require changes to the Budget as shown in Exhibit "A", which is hereby attached and by this reference incorporated.

THE CITY OF NEWBERG RESOLVES AS FOLLOWS:

To recognize additional revenues, appropriate expenditure changes and recognize changes in contingencies as attached in Exhibit "A", which is hereby adopted and by this reference incorporated.

- **EFFECTIVE DATE** of this resolution is the day after the adoption date, which is: December 04, 2012.

ADOPTED by the City Council of the City of Newberg, Oregon, this 3rd day of December, 2012.

Norma I. Alley, MMC, City Recorder

ATTEST by the Mayor this 6th day of December, 2012.

Bob Andrews, Mayor

EXHIBIT "A"

City of Newberg
 Supplemental Budget #2
 Fiscal Year 2012-2013

<u>FUND 01 - GENERAL FUND</u>		BUDGET	CHANGE	REVISED
Capital Outlay	<i>Increase</i>	-	20,000.00	20,000.00
Contingency	<i>Decrease</i>	818,947.00	(20,000.00)	798,947.00
Revised Total Resources				13,657,712.00
Revised Total Requirements				13,657,712.00

To appropriate the necessary funds to make the new animal shelter facility usable by transferring the funds from Contingency.

<u>FUND 04 - UTILITY CAPITAL IMPROVEMENT FUND</u>		BUDGET	CHANGE	REVISED
Transfer In - Water Fund	<i>Increase</i>	1,000,000.00	36,000.00	1,036,000.00
Transfer In - Water SDC Fund	<i>Increase</i>	350,000.00	54,000.00	404,000.00
WTP Property Purchase	<i>Increase</i>	350,000.00	90,000.00	440,000.00
Revised Total Resources				2,461,500.00
Revised Total Requirements				2,461,500.00

To recognize and appropriate the additional funds needed to purchase the approved WTP property.

<u>FUND 05 - EMERGENCY MEDICAL SERVICES FUND</u>		BUDGET	CHANGE	REVISED
Sale of Assets	<i>Increase</i>	-	22,500.00	22,500.00
Transfer Out - Fire & EMS Equip Fee	<i>Increase</i>	20,000.00	22,500.00	42,500.00
Revised Total Resources				1,734,271.00
Revised Total Requirements				1,734,271.00

To recognize proceeds from the potential sale of the 1995 GMC Water Rescue vehicle and the 2000 Freightliner Rescue Ambulance and to appropriate the transfer of the proceeds to Fund 33 (Fire & EMS Fee).

<u>FUND 07 - WATER FUND</u>		BUDGET	CHANGE	REVISED
Transfer Out - Capital Projects	<i>Increase</i>	1,000,000.00	36,000.00	1,036,000.00
Transfer Out - Water SDC	<i>Increase</i>	437,541.00	300,000.00	737,541.00
Contingency	<i>Decrease</i>	3,474,396.00	(336,000.00)	3,138,396.00
Revised Total Resources				8,396,446.00
Revised Total Requirements				8,396,446.00

To recognize and appropriate the transfer out to the Utility Capital Projects fund for the additional moneys needed to purchase the WTP property.

EXHIBIT "A"

<u>FUND 14 - EDRLF FUND</u>		BUDGET	CHANGE	REVISED
Loan Fees	<i>Increase</i>	-	1,800.00	1,800.00
EDRLF Loans	<i>Decrease</i>	200,000.00	(1,800.00)	198,200.00

Revised Total Resources	687,233.00
Revised Total Requirements	687,233.00

To reallocate funds from the EDRLF Loan line to a new Loan Fees line for costs associated with loaning money to businesses.

<u>FUND 32 - EQUIPMENT REPLACEMENT FUND</u>		BUDGET	CHANGE	REVISED
Capital Outlay - Facilities Rep/Repl	<i>Increase</i>	30,000.00	20,000.00	50,000.00
Contingency	<i>Decrease</i>	1,461,876.00	(20,000.00)	1,441,876.00

Revised Total Resources	2,343,970.00
Revised Total Requirements	2,343,970.00

To appropriate additional funds for the Library elevator repair by transferring from the Facilities Reserve Funds for Facilities Repair & Replacement.

<u>FUND 33 - FIRE & EMS EQUIPMENT FEE FUND</u>		BUDGET	CHANGE	REVISED
Sale of Assets	<i>Increase</i>	-	5,000.00	5,000.00
Transfer In - EMS	<i>Increase</i>	20,000.00	22,500.00	42,500.00
Capital Outlay - Vehicle	<i>Increase</i>	50,000.00	27,500.00	77,500.00

Revised Total Resources	1,246,104.00
Revised Total Requirements	1,246,104.00

To recognize proceeds from the potential sale of the 1980 Ford Fire Engine, to recognize the transfer in from the EMS fund from the sale of the 1995 GMC Water Rescue and 2000 Freightliner Rescue Ambulance vehicles, and to appropriate the transfer of the proceeds from these sales into the Capital Outlay - Vehicle for a future vehicle to be purchased when the above vehicles are sold.

<u>FUND 47 - WATER SDC FUND</u>		BUDGET	CHANGE	REVISED
Transfer In - Water	<i>Increase</i>	437,541.00	300,000.00	737,541.00
Transfer Out - Capital Projects	<i>Increase</i>	350,000.00	54,000.00	404,000.00
Contingency	<i>Increase</i>	431,512.00	246,000.00	677,512.00

Revised Total Resources	1,926,232.00
Revised Total Requirements	1,926,232.00

To recognize the additional transfer in from the Water Fund to help pay for the debt due in December before all the SDC revenues are received and to recognize and appropriate the transfer out to the Utility Capital Projects fund for the additional moneys needed to purchase the WTP property.

Total Increase in appropriations:	440,000.00
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Chehalem Valley Chamber Visitors Center Report

October 2012

The Gateway to Oregon Wine Country



Newberg Hosts Reception for Paddle Oregon



Chehalem Valley Food Wine & Art Festival Recap



The Chehalem Valley Food Wine & Art Festival attracted over 850 people. As experienced during previous events more than 50% of attendance were from people living outside of Yamhill County. The results supported our marketing initiative of promoting the Newberg area to visitors from outside the area.

Visitor Center Highlights First Quarter

- 1963 Walk-in Visitors, 1455 Phone Calls, 5,549 Website Visits. (69% web visitors are new vs. 31% repeat)

The Chehalem Valley Chamber and Visitor Center organized a reception for 160+ participants of Paddle Oregon. Participants had just completed a 5 day paddling trip on the Willamette River. Their take-out was at Roger's Landing. The chamber provided food and cold beverages for the weary travelers along with maps and directions to our local businesses



Global Travel Statistics

- Global Travel is booming — expected to double to \$2.1 trillion by 2020
- Arrivals to the United States expected to increase 36% from 59.7 million travelers in 2010 to 81 million travelers in 2016
- Equates to an additional \$88 billion in revenues and 629,000 jobs.
- 33 international travelers equates to 1 US job.

Source: thebrandusa.com 2012

The State of the American Traveler Survey

The State of the American Traveler Survey is conducted every six months with over 1,000 adult American Travelers that have taken at least on leisure trip of 100 miles or more round-trip in the past 12 months. The survey explores topics, behaviors and interest related to leisure travel. The January 2012 survey identified the following travel decisions that were made based on the information they gleaned from online information:

- 45.5 % Selected a hotel or place to stay
- 44.4 % Booked their lodging
- 35 % selected things to see and do
- 31.3 % Decided to visit a particular destination
- 30.9 % Read about local culture, arts, heritage or events
- 29.2 % Decided how long they would stay at a particular destination
- 27.6 % Selected a restaurant

The information reinforces the importance of maintaining a destination website that is rich with local information including lodging, restaurants and events.



Technologies & Resources used to Plan Leisure Travel

- 46.9% used user-generated reviews on travel websites such as Travelocity, Yelp, Trip Advisor to help plan their trip
- 24.5% used social media for travel planning
- 46% used print resources to plan their

The Case for a Mobile Platform

- **89.2% of mobile phone users surveyed report accessing travel information from their mobile device.**

Source: Destination Analysts, January 2012



Oregon Tourism Commission Joins Oregon Destination Marketing Association at The Allison for Winter Meeting

The quarterly Oregon Tourism Commission meeting is being held in conjunction with the Oregon Destination Marketing Organization (ODMO) Meeting on December 2-4th at The Allison Resort and Spa. Members of Newberg City Council are cordially invited to attend a networking dinner with representatives from Travel Oregon, Travel Yamhill Valley and the Oregon Tourism Commission on Monday, December 3rd from 6—8:30 pm at the Chehalem Cultural Center. For more information or to make a reservation contact Sheryl@chehalemvalley.org.



2012-2013 Supplemental Budget Information

In September 2012 the Chehalem Valley Visitors Center received an additional sum of \$19,979.00 from the City of Newberg for Transient Occupancy Tax collection in the 2011-2012 Fiscal Year. The additional funds were unbudgeted and not part of the 2012-2013 Marketing Plan. Rather than create a separate document allocating how these funds will be used I have submitted a revised 2012-2013 Budget as part of the First Quarter Financial Report.

Description of the allocation of additional Transient Occupancy Tax received:

1. \$5,979.00 will be placed in reserves.
2. An additional \$9,500 will be dedicated to our destination marketing plan. I am evaluating the benefits of a local mobile tourism app as well as the opportunity to be the exclusive local travel partner for Trip Advisor for Newberg Oregon. We are also evaluating the success of GOOGLE keyword advertising to bring visitors to the tourism portion of our website. I will keep City Council informed through my quarterly reports which medium(s) we determine will be most beneficial in marketing Newberg.
3. An additional investment of \$4,500.00 will be made in the capital improvements for the kitchen and covered porch area in the visitor center. The additional amount will cover overages in both commercial floorcovering costs and electrical & plumbing.

**Newberg Visitor Information Center
2012 - 2013 Fiscal Year
First Quarter Report
(July - September 2012)**

	Q1	YTD 12-13	Budget	Revised Budget
REVENUE:				
City of Newberg	\$43,979.13	\$43,979.13	\$90,000.00	\$109,979.00
Newberg Chamber contribution	\$8,814.42	\$8,814.42	\$54,500.00	\$54,500.00
TOTAL REVENUES:	\$52,793.55	\$52,793.55	\$144,500.00	\$164,479.00
EXPENSES:				
Personnel	\$17,928.00	\$17,928.00	\$52,000.00	\$52,000.00
Marketing	\$7,742.50	\$7,742.50	\$32,000.00	\$41,500.00
Overhead/Utilities, etc.	\$21,144.05	\$21,144.05	\$48,500.00	\$48,500.00
Reserves	\$5,979.00	\$5,979.00	\$0.00	\$5,979.00
Capital Improvements	\$0.00	\$0.00	\$12,000.00	\$16,500.00
TOTAL EXPENSES:	\$52,793.55	\$52,793.55	\$144,500.00	\$164,479.00

The revised budget figures reflects the outstanding 2011-2012 fiscal year TOT payment of \$19,979.00 that was paid in September 2012.

REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution ___ Motion XX Information ___
No. No. No. ___

SUBJECT: Request for Fee Credit for George Fox University Football Stadium Design Review Application

Contact Person (Preparer) for this Motion: Barton Brierley, AICP
Dept.: Planning and Building Department
File No.: DR2-12-011/DR2-11-006

RECOMMENDATION: Authorize a credit of \$11,361.00 paid for the GFU football stadium project at the Crestview/Villa site to be applied to design review at the Fulton Street site.

EXECUTIVE SUMMARY: On July 6, 2011, George Fox University submitted a design review application for a new athletic complex on Crestview Drive/Villa Road (File DR2-11-006). The city processed the design review to the extent of preparing a decision letter. Just before the city issued the decision, George Fox withdrew the application, with the intention of constructing a new football facility on the existing campus on Fulton Street instead.

The university asked whether any of the fee from the previous design review could be applied to the new design review application at the Fulton Street site. Staff estimated the amount of the fee already expended was equal to roughly 70% of the fee paid. Therefore, staff authorized a 30% credit of the design review application fee on the Crestview/Villa site to be applied to the new design review at the Fulton Street site.

One stipulation was the credit had to be used during fiscal year 2011-2012. The university's application for the new design review was not filed until November, 2012. Therefore, staff determined the decision on the credit would need to be made by the city council.

FISCAL IMPACT: The amount of the requested fee credit would be \$11,361.00. The design review fee for the Fulton Street site would then be \$16,200.00 - \$11,361.00 = \$4,839.00.

STRATEGIC ASSESSMENT: This credit is for fees collected in the previous fiscal year but not expended. Therefore, there is no net loss in revenue for the city.

ATTACHMENTS:

1. Request Letter
2. Original Fee Credit Letter



GEORGE FOX
UNIVERSITY

414 N. Meridian St., Newberg, OR 97132
503.538.8383

October 23, 2012

Dear City Council members,

As presented in a November 29, 2011 letter to the University from the Planning and Building Director for the City of Newberg, Barton Brierley, we have been anticipating a credit for a portion of the design review fee submitted for our initial plan to develop football facilities at the Austin Athletic complex. We withdrew our application for that plan due to challenges in the economy and changes in the banking industry that caused us to rethink our plan for funding the project. As Mr. Brierley describes in the letter, some of the City Planning Department work had not been completed at the time we withdrew our application and therefore a refund was in order that would be applied to the subsequent development plan. At that time we thought a June 30, 2012 deadline to use the credit was more than sufficient, but continued difficulties with funding this project delayed the project longer than was anticipated. We have recently developed a funding solution and are now planning to begin construction in May of next year.

George Fox is committed to bring a quality collegiate football program back to Newberg but to accomplish this we need every little bit of financial support that we can get. We would appreciate the City Council's consideration of approving the \$11,361 credit be applied to the Design Review application for the most current Football Stadium development that is soon to be submitted for review.

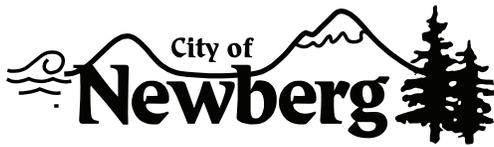
Please feel free to contact myself or Dan Schutter (503-554-2014) if you have any questions.

Thank you again for considering this request.

A handwritten signature in black ink, appearing to read 'Ted Allen', written over a horizontal line.

Ted Allen
Executive Vice President, CFO
503-554-2161
tallen@georgefox.edu

Attachment: November 29, 2011 letter from Barton Brierley to Dan Schutter



Planning and Building Department

P.O. Box 970 ▪ 414 E First Street ▪ Newberg, Oregon 97132
503-537-1240. Fax 503-537-1272 www.newbergoregon.gov

November 29, 2011

Dan Schutter
George Fox University
1101 N. Villa Road
Newberg, OR 97132

RE: Credit for Athletic Complex Design Review Fees

Dear Dan:

On July 6, 2011, George Fox University submitted a design review application for a new athletic complex on Crestview Drive/Villa Road (File DR2-11-006). The City processed the design review to the extent of preparing a decision letter. Just before the City issued the decision, George Fox withdrew the application, with the intention of constructing a new football facility on the existing campus instead.

You had asked whether any of the fee from the previous design review could be applied to the new application. I do note that all the work up to the point of mailing the final decision letter had been completed on the previous application. However, a portion of our design review fee is intended to cover activities that usually occur after the decision is issued. This typically includes reviewing building permit plans for compliance with the decision, reviewing any submittals required as conditions of approval, and completing final inspections of the project. I estimate that in this case roughly 70% of the work had been completed, and roughly 30% was pending when the application was withdrawn. Therefore, I will authorize a credit of 30% of the original design review fee to be applied to a new design review application for a football stadium on the existing campus.

The original design review fee paid, minus pre-application fee, was \$37,871.61. Thus, this credit amounts to \$11,361. This credit must be used for a design review application submitted for the university stadium on the existing campus. You must submit the application and use the credit by June 30, 2012 (during the current fiscal year), or the credit will be void.

I hope this helps. If you have any questions, you can reach me at 503-537-1212.

Sincerely,

Barton Brierley, AICP
Planning and Building Director

Cc: File DR2-11-006, Joe Schiewe, PO 536, Dundee, OR 97115, Steve Olson

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REQUEST FOR COUNCIL ACTION

DATE ACTION REQUESTED: December 3, 2012

Order ___ Ordinance ___ Resolution ___ Motion ___ Information **XX**
No. No. No. No. No.

SUBJECT: City's role in economic development

Contact Person (Preparer) for this
Item: David Beam, Economic Development Planner
Dept.: Planning and Building
File No.: G-11-010

EXECUTIVE SUMMARY:

The purpose of this memo is to provide the City Council with a summary of the city's recent economic development efforts and our complementary role with other organizations that have interests in economic development. Moreover, staff presents this information to the Council as a mechanism to solicit input from them regarding what should be the city's vision of its role in economic development.

Staff recommends at a minimum, the city should maintain its current level of economic development services. However, given the reductions in funding for economic development in the city's current fiscal year budget, providing these levels of services would be difficult, if not impossible. To maintain the current recommended service level, the city will need to identify and dedicate additional resources for economic development.

The city of Newberg's simple, clear goal for the community's economy is "To develop a diverse and stable economic base." This goal is stated in Section H of the city's Comprehensive Plan, along with an extensive list of policies supporting this goal as listed in Exhibit "A". To implement this goal and its policies, the city recently adopted an Economic Opportunities Analysis which provides a detailed description of the strategies that should be undertaken (Section IV). These strategies are shown in Exhibit "B".

In recent years, the city has taken many actions in support of the economic goal, policies, and strategies. City staff has provided, and continues to provide, a wide range of services directly affecting the economic health of the community. The following is a list of some of the more substantive and directly related economic development services provided by staff supporting the maintenance and expansion of local businesses as well as the recruitment of new businesses:

- Work to ensure **adequate supplies of land** are available to meet the needs of businesses. Seek solutions making available business sites "shovel-ready" and ensure that available existing commercial/industrial sites are being marketed well. Examples: developing and maintaining the city's Economic Opportunities Analysis, planning for development of industrial lands (e.g. South Industrial Area Master Plan as well as its companion infrastructure financing plan), and working with industrial brokers to market their properties on the [Expand in Oregon website](#) (e.g. Suntron, Marus, PPM, etc.).
- **Identify facility and/or land needs for new and existing businesses** and try to match those needs with existing available properties. Examples: Finding a new, larger facility for a

growing local company that makes specialized computer stations and marketing the former Suntron facility to potential clients.

- **Seek out local business needs and find solutions to resolve those issues.** Example: securing a \$286,000.00 grant from the State and matching up Yamhill County, city, and business resources to upgrade Second Street in front of Climax Portable Machine Tools.
- Collaborate with entities in their efforts to **revitalize the historic downtown area** (e.g. NDRC, NDA, and Cultural Arts Center). Example: physical improvement projects including banners, welcome sign, demonstration block, Hess Creek fencing, and decorative street lights.
- Promote and administer the city's **Economic Development Revolving Loan Fund (EDRLF)**, which is used to help support local business development efforts.
- **Maintain city website resources** supporting businesses, such as the economic development webpage and community videos; provide existing businesses and startups with assistance, including the location of suitable business sites; and help businesses with the permitting process and with finding additional outside business assistance resources.
- **Partner** and take leadership roles with multiple county, regional, and state private and public organizations, and utilize their resources to support Newberg's business interests. Examples: Yamhill County, Greater Portland Inc. (formerly Regional Partners), Oregon Economic Development Association, and the State of Oregon's Grow Oregon Council.

Identifying adequate funding to accomplish these important tasks has been a challenge in recent years. The current Fiscal Year 2012-2013 budget for city economic development staffing, materials, and services is approximately \$22,000.00, reducing economic development staffing levels from 0.6 FTE in Fiscal Year 2011-2012 to 0.1 FTE in Fiscal Year 2012-2013. The impact of this budget change could be a reduction in economic development services by the city. If this scenario were to occur, it is unclear if there are any appropriate organizations with the available resources to take over provision of those services.

On May 7, 2012, city staff and City Council held a workshop to discuss the funding issue, the current status of the Business License Program (the primary source of revenue for the Economic Development Fund), and potential changes to the Business License Program. During the workshop, the Council re-affirmed the importance of the city's economic development program. The Council expressed a willingness to consider an increase in business license fees if the program was designed in a manner so that small businesses would pay less than larger businesses. In addition, they recognized assessments on a per employee basis may be an equitable methodology, as long as those assessment rates decreased as the size of the business increased. Council expressed a desire for any new assessment program to be structured in a manner that does not discourage local business development. Finally, they directed staff to discuss any new assessment program with the Chehalem Valley Chamber of Commerce and key interests in the local business community. Staff is currently working to implement this directive.

In addition to the work city staff performs, the city provides additional financial resources to a variety of entities in support of economic development. First, the city provides funds to the Chehalem Valley Chamber

of Commerce to run a visitor's center, which supports tourism. The funding for the visitor's center varies each year, but the rate is set at 25% of the city's Transient Lodging Tax revenue. This budget year it is estimated to be approximately \$98,000.00. In addition, the city supports the work of the Newberg Downtown Coalition (NDC) with a contribution of \$8,500.00 in each of the last two fiscal years (Fund 01, Community Support).

In total, the city has budgeted about \$128,500.00 this fiscal year for economic development services provided by city staff, the Chamber of Commerce, and the NDC. This appears to place Newberg on the low end of the spectrum in the amount of funds it dedicates to economic development, according to a report titled "Local Economic Development Policies" (Upjohn Institute for Research Employment, 2003). This report cites a national survey by the International City Managers Association, which revealed that local cities with a population size equal to Newberg budget between \$155,610.00 and \$355,680.00 (1999 dollars) annually for economic development, not including any local tax incentives used to promote economic development.

In general, Newberg's economy can be broken down into the commercial sector, providing services to local citizens and tourists, and the industrial sector, manufacturing goods for sale. The focus of the Chamber of Commerce and the NDC are to provide services supporting the commercial sector. The city's efforts also support the commercial sector. However, the city's efforts also work to support the industrial sector, which is critical to the economic health of the community in terms of wealth creation and jobs. This complementary division of services serves the local community well, allowing each entity to work to its strengths. It ensures all sectors of the local economy have a support system, thereby helping to ensure the Newberg community is provided with a diverse and stable local economy.

The Chamber of Commerce and NDC provide progress reports to the City Council on a regular basis. City staff also confers with Council on economic development issues on an as-need basis as well as provides an annual report on the city's economic development effort.

The following is a general overview of the economic development roles by the city of Newberg and the Chehalem Valley Chamber of Commerce. This list is not intended to be exhaustive, and there are many overlapping roles.

City of Newberg and Chehalem Valley Chamber of Commerce Complementary Economic Development Roles:

Chehalem Valley Chamber of Commerce

- Provide informational and promotional needs for the local tourism industry.
- Provide an organizational structure where local businesses can discuss issues in the local business community and devise solutions.
- Provide general community information to individuals and businesses interested in re-locating to the Chehalem Valley.
- Provide networking opportunities for businesses.
- Provide advertising opportunities for businesses.
- Provide training opportunities to improve business practices and prepare future leaders.
- Provide informational community forums regarding issues important to businesses.
- Promote and educate both the general population and political leadership of the importance of business to the general well-being of the community.

City of Newberg

- Ensure that an adequate land supply, in both quality and quantity, is available to meet the needs of existing and new businesses.
- Provide economic development direction and strategy for the community through maintenance of city's Comprehensive Plan and Economic Opportunities Analysis.
- Promote Newberg as a good location for business and identify good business candidates for re-location to the community.
- Identify facility and land needs for new and existing businesses and try to match those needs with existing available properties.
- Collaborate with entities in their efforts to revitalize the historic downtown area (e.g. NDA and Cultural Arts Center).
- Promote and administer the city's Economic Development Revolving Loan Fund.
- Maintain city website resources that support businesses, such as the economic development webpage and community videos.
- Provide existing businesses and startups with assistance, with a focus on support to traded-sector companies (e.g. manufacturers). Types of assistance include employee training, market research, capital financing, business efficiency, and suitable business site location.
- Help businesses with the permitting process and how to find additional outside business assistance resources.
- Partner and take leadership roles with multiple county, regional and state private and public organizations, and utilize their resources to support Newberg's business interests. (e.g. Greater Portland Inc. (formerly Regional Partners), Oregon Economic Development Association, and the State of Oregon's Grow Oregon Council).

It should be noted the above-mentioned roles are not absolute. The city and chamber should continually seek out collaborative opportunities to help achieve our mutual goal of a strong local economy.

FISCAL IMPACT:

None

STRATEGIC ASSESSMENT:

It is accepted that government does not create private-sector jobs; entrepreneurs do that. However, it should also be recognized that government can play an important role in creating an environment which supports and encourages businesses and the jobs they generate. In doing so, we create a healthier community overall.

Newberg Comprehensive Plan

H. THE ECONOMY

GOAL: To develop a diverse and stable economic base.

POLICIES:

1. General Policies

- a. In order to increase the percentage of persons who live in Newberg and work in Newberg, the City shall encourage a diverse and stable economic base. Potential methods may include, but are not limited to, land use controls and capital improvement programs. (Ordinance No. 2006-2634, January 3, 2006)
- b. The City shall encourage economic expansion consistent with local needs.
- c. The City will encourage the creation of a diversified employment base, the strengthening of trade centers and the attraction of both capital and labor intensive enterprises.
- d. Newberg will encourage the development of industries which represent the most efficient use of existing resources including land, air, water, energy and labor.
- e. Economic expansion shall not exceed the carrying capacity of the air, water or land resource quality of the planning area.
- f. The City shall participate with local and regional groups to coordinate economic planning.
- g. The City shall encourage business and industry to locate within the Newberg City limits.
- h. Yamhill County history, products and activities should be promoted.
- i. The City shall encourage tourist-related activities and services such as motor inns, restaurants, parks and recreation facilities, a visitor center, conference and seminar activities.
- j. A mixed-use river-oriented commercial area should be encouraged to be developed near the Willamette River. (Ordinance No. 2002-2564, April 15, 2002)

- k. The City shall promote Newberg as a tourist destination location.
- l. The City shall promote the expansion of local viticulture and wine production as a method for increasing tourism.
- m. The City shall collaborate with project developers to construct and maintain the best utility systems possible (e.g. water and sanitary sewer), both from a quality as well as quantity (capacity) standpoint.
- n. The City, in cooperation with public and/or private entities, shall invest in the best telecommunications infrastructure possible.
- o. The City shall collaborate with other public and private entities and project developers to construct and maintain the best surface transportation infrastructure possible (e.g. roads, airport, railroad).
- p. The City shall strive to develop and promote a high quality of life in the community in order to attract and retain a diverse and highly skilled workforce.
- q. The City shall foster an environment of business innovation so that the community may remain economically competitive.

(m. through q. added by Ordinance No. 2010-2723, February 1, 2010)

2. Industrial Areas Policies

- a. Industrial expansion shall be located and designed to minimize impacts on surrounding land uses.
- b. The City shall encourage industrial development, preferring firms that:
 - Meet or exceed state or local environmental standards;
 - Utilize the existing labor force and help to reduce seasonal unemployment fluctuations; and
 - Are efficient consumers of energy.
- c. Newberg shall actively pursue the inclusion of large industrial sites within the urban growth boundary.
- d. The City shall undertake specific activities to encourage the growth of existing businesses, to encourage a diversity of businesses, and to attract new businesses to the community in industries that will provide local employment opportunities consistent with community needs and goals. (Ordinance No. 2006-2634, January 3, 2006)

- e. Established industrial areas may be extended and new industrial areas designated by plan amendment where development trends warrant such extension or designation. Full urban services will be extended into the area if appropriate, if the extension of land use and services is consistent with all other goals and policies of the plan.
- f. Concerted community efforts should be made to see that industrial development expands outward from existing areas rather than occurring in haphazard patterns.
- g. The City shall identify land that will provide for expansion of existing businesses and/or attract new businesses and shall reserve that land for future industrial development that is consistent with community needs and goals.
- h. Where areas have been planned for large industrial sites, zoning regulations shall be developed and maintained to keep those sites intact. Such sites shall not be further divided except to create planned industrial parks that support a specific industry (Ordinance No. 2006-2634, January 3, 2006).
- i. Industrial land shall be reserved for industrial uses.

3. Commercial Areas Policies

- a. The City shall encourage the retention of the downtown core as a shopping, service and financial center for the Newberg area. New commercial developments shall be encouraged to locate there.
- b. Adequate neighborhood commercial areas will be provided to serve localized needs.
- c. Commercial development will be encouraged to be clustered and to develop off-street parking facilities in conjunction with other nearby developments.
- d. To maintain the integrity and function of the highway system, new commercial development shall be discouraged along the route of any limited access highway.
- e. Deleted by Ordinance No. 2004-2602, September 29, 2004.

4. Riverfront District Policies

EXHIBIT "A"

- a. The City will enhance commercial diversity and activity in the Riverfront area by encouraging a business mix that provides goods and services to satisfy neighborhood and visitor needs and that also draws people from the greater region.
- b. The City will encourage development of the Riverfront District as a distinct river-oriented center that can help support a variety of local businesses.
- c. The City will encourage the development of commercial and retail uses that have a strong reason for locating near the Riverfront and support the vision of the Riverfront District as a walkable and bikeable mixed-use area (Ordinance No. 2002-2564, April 15, 2002).

City of Newberg - Economic Opportunity Analysis

IV. Newberg’s Economic Development Strategy

Capitalizing on Comparative Advantages & Addressing Comparative Disadvantages

Table 12- 1: Strategies to Capitalize on Comparative Advantages

Advantage	Strategy / Action
1. Small Town Quality of Life	<ul style="list-style-type: none"> • Continue to provide relatively affordable housing opportunities. • Minimize adverse impacts on existing and planned residential neighborhoods from conflicting employment opportunities. • Continue revitalization efforts of historic downtown. • Support organizations that foster “social capital”. • Work to improve the pedestrian/bicycle network in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.p., 1.q., 3.a.)</i></p>
2. Access to Quality Education and Skills Training	<ul style="list-style-type: none"> • Continue to support the Newberg School District, George Fox University, Portland Community College, and other public and private schools in their efforts to train and motivate the kind of workforce required by existing and future employers in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.q.)</i></p>
3. Strong Established and Growing Industry Clusters	<ul style="list-style-type: none"> • Provide sufficient land near existing industrial areas to allow for expansion. • Provide suitable sites with characteristics required by such industries to take advantage of industrial clusters in Newberg. • Encourage the reuse/redevelopment of properties in zones allowing business. <p><i>(Applicable Comprehensive Plan policies: 1.b., 2.e., 2.g.)</i></p>
4. Strong Local Support for Business and Employment Opportunities	<ul style="list-style-type: none"> • Continue to plan for future employment opportunities by providing suitable sites for industrial (export) and commercial uses. • Continue to work collaboratively with the State, Yamhill County, and local businesses to fund infrastructure and planning necessary to maintain and attract desired employment. • Continue to work with and support the Chehalem Valley Chamber of Commerce. <p><i>(Applicable Comprehensive Plan policies: 1.m., 1.n., 1.o., 3.b.)</i></p>
5. Proximity to Portland Metropolitan Region	<ul style="list-style-type: none"> • Continue to work with Metropolitan area partners in promoting the economic advantages of the region. • Provide opportunities for identified regional employment clusters in Newberg. • Continue to advocate for improved access to regional markets, via Highways 99W and 219 and the Interstate. • Continue to maintain rail and air access opportunities. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.o., 2.g.)</i></p>
6. Future Newberg-Dundee Bypass	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to build political support and ensure funding for the Bypass. • Encourage support, funding and construction of the full Bypass project. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
7. Oregon’s Statewide Planning Goals	<ul style="list-style-type: none"> • Newberg has taken advantage of Oregon’s Economic Development Program (Goal 9) by identifying comparative advantages (and disadvantages), targeting export-based employment clusters, identifying and providing for the site requirements necessary to maintain and attract such clusters in Newberg, and coordinating with Yamhill County and affected state agencies to retain and provide services to suitable employment sites. Newberg will continue to coordinate with these agencies. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Table 12- 2: Strategies to Address Comparative Disadvantages

Disadvantage	Strategy / Action
<p>1. Transportation and Access Issues</p>	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to ensure funding for the Newberg-Dundee Bypass. • Continue to advocate for Highway 99W improvements to reduce congestion and maintain regional connectivity. • Continue to work with ODOT for review of all development proposals in areas that may impact a state highway facility. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
<p>2. Lack of Suitable Employment Sites</p>	<ul style="list-style-type: none"> • Newberg has considered local, regional, state and national economic trends and identified industry clusters that the City has a reasonable likelihood of attracting to the community. • Newberg has also researched and identified the site characteristics demanded by firms within these industry clusters. Newberg is actively planning for a future industrial area that will meet both the industrial site characteristics and the land needs of the city’s population over the next 30 years. <p><i>(Applicable Comprehensive Plan policies: 2.h., 2.g.)</i></p>
<p>3. Limited Suitable Land Supply Outside UGB</p>	<ul style="list-style-type: none"> • After considering the potential for rural residential exception areas to meet identified site requirements, the City has selected sites on agricultural land that will be reserved for identified employment needs. <p><i>(Applicable Comprehensive Plan policies: 2.e., 2.g.)</i></p>
<p>4. and 5. Stressed Commercial Sector and Retail Dollar Leakage</p>	<ul style="list-style-type: none"> • Recruit businesses that can fulfill commercial needs that are currently being unmet locally. • Support small businesses that are adjusting these new retail realities by either focusing on high quality customer service and/or gearing their business plans toward niche markets. • Encourage local retail businesses to improve their online presence. <p><i>(Applicable Comprehensive Plan policies: 1.c., 1.i.)</i></p>
<p>6. Market Pressures on SP Newsprint</p>	<ul style="list-style-type: none"> • Newberg will continually look for opportunities to work with SP Newsprint to help reduce their operational costs. <p><i>(Applicable Comprehensive Plan policies: 2.d.)</i></p>
<p>7. Oregon’s Statewide Planning Goals</p>	<ul style="list-style-type: none"> • Newberg will continue to pursue Urban Growth Boundary amendments and Urban Reserve expansions to provide adequate land for future uses. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Regional Focus

Newberg has recognized the importance of being part of a shared, regional economic vision. *Beyond the Vision: A Strategic Plan for the Chehalem Valley* is a document that was created cooperatively between five governmental entities located within the Chehalem Valley. This document was adopted by the Newberg City Council in January 2005. One section of this document, called *Economy and Employment*, describes the economic future of the area as follows:

A diversified economy provides balanced economic opportunities for the residents of the Chehalem Valley. Agriculture and agribusinesses are an important component of the local economy. The natural beauty of the area encourages tourism and the wine industry. A carefully targeted retail recapture strategy has encouraged more local shopping and minimized buying outside of the area. Downtown areas are vibrant commercial areas that support the local economy.

Clean industries have been developed using a “campus” design. Plenty of family wage jobs are available for citizens of the area. Tourism is a major economic force, its

strengths based on the premise that the Chehalem Valley is 1) the gateway to the wine country; 2) characterized by a clean and comfortable environment; and, 3) offers the historical experience of a friendly, small town and village America in the earlier period of the 20th century. As a destination location for visitors, the community of Dundee now has two small exclusive hotels and bed and breakfast inns. The service industry has expanded, with the health industry and health research being a major provider of employment in this sector of the economy.¹

Key strategic steps laid out for the *Economy and Employment* section of the plan are as follows:

- Hold a broad community forum on economic development to build consensus.
- Invigorate the Chamber of Commerce Economic Development Committee.
- Seek financial aid in the form of grants.
- Develop community college training programs tailored to the labor force needs of prospective employers.

The regional economic development paradigm is expected to continue in the foreseeable future. Newberg has worked extensively with the Mid-Willamette Valley Council of Governments and the Oregon Business Development Department for many years. With an understanding that Newberg’s economic future is likely to be strongly linked with fortunes of the Portland region, the City has recently developed relationships with economic development organizations in the metropolitan area. In the summer of 2004, the City of Newberg joined the Association of Regional Economic Development Partners, Inc. (now the Portland-Vancouver Regional Partners Council for Economic Development.). The Partners is “a public-private partnership that focuses on shared economic priorities and works to implement business retention, expansion, and recruitment as well as marketing strategies and recommendations for policy development. The members are public and private sector economic development professionals in the region who have worked collaboratively for more than 10 years to retain and recruit businesses, and promote the metropolitan region as a vital economic center.”

On January 3, 2005, the Newberg City Council passed Resolution No. 2005-2554, which stated the city’s support for the framework of the Portland Regional Business Plan of the Regional Economic Development Partners.

Locally Targeted Economic Development Industry Clusters (Targeted Industries)

The majority of Newberg’s economic development efforts should continue to be focused upon supporting existing local businesses. In the economic development profession, there is a general principle call the “80/20 rule”, which means that 80 percent of an area’s economic development efforts should be dedicated towards the retention and expansion of existing local businesses. In addition, it is often said that “Your good businesses are your competitor’s best recruitment prospects!” Therefore, a community should ensure, as much as possible, that their local businesses are content and prosperous, or else they may look elsewhere to do business. In summary, it is far easier, effective and efficient to try to maintain and expand your economy through one’s local industries than to attract new ones.

As important as Newberg’s retention efforts are for its economic health, recruiting specific new businesses to Newberg such as those listed in the Portland-Vancouver Regional Business Plan and the Newberg EOA is a critical aspect of Newberg’s economic development strategy. Some of these

¹ *Beyond the Vision: A Strategic Plan for the Chehalem Valley*

businesses can be recruited to strengthen existing clusters within the community. Others are new types of businesses that can be attracted based on combination of three factors: a business’ cluster strength in the Portland region; Newberg’s close proximity to the metro area, and Newberg’s unique high quality of life compared to other communities in the region. The City’s business recruitment efforts should be focused on identified strong, traded-sector clusters. These types of businesses will bring new wealth to the community and diversify the local economy, thereby creating an economic base that is stronger and more stable.

Table 12- 3 on page 4 lists industries on which Newberg should focus its economic development efforts.

Table 12- 3: Newberg Targeted Industries

Business Cluster	Targeted business types
Manufacturing and Industry	
High Tech Manufacturing	Semiconductors/silicon, imaging & display technology
	Nano & micro technology, cyber-security, health/medical information technology
	Biotech/bioscience (medical devices, bioinformatics, pharmaceuticals, genomics, anti-virals)
General Manufacturing	Dental equipment
	Metals, machinery, transportation equipment
	Lumber and wood products (value added)
	Sustainable industries (renewable energy, resource efficiency technologies, sustainable building materials, green chemistry)
	Distribution & logistics
	Sports apparel/recreation-related products
Aviation related	Specialty aircraft equipment, aircraft repair, machine shops, small entrepreneur business
Agriculture	Wineries
	Specialty foods and food processing
	Nursery and agricultural products (value added)
Services	Professional services architecture, engineering, legal and financial services, etc.
	Creative services (advertising, public relations, film and video, web/internet content and design)
Health Care	
	Providence Medical Center Expansion, medical offices, senior services
Higher Education	
	Portland Community College campus, George Fox University expansion, high school vocational training and college preparedness, private post-secondary training
Wine/Tourism	
	Wineries and tasting rooms, restaurants, art studios, theater and entertainment, recreation (golf, bowling), conference facilities, specialty retail

Source: Newberg Planning Division

Comprehensive Plan Policies and Recommended Supportive Economic Development Actions

Newberg has developed a vision for the community’s economic future. The City of Newberg’s

EXHIBIT “B”

adopted Comprehensive Plan includes a list of goals and policies that help shape Newberg’s future economy (Section H. The Economy). The following is a list of Newberg’s recommended economic development actions and the applicable Comprehensive Plan policies they support. All of the Comprehensive Plan policies are from Section H (The Economy) and support the larger goal “To develop a diverse and stable economic base.”

1. Work with the State to “certify” industrial sites to shorten the development time of projects and provide certainty to a business that regulatory and permitting issues will not delay the project’s timeline.
Applicable Comprehensive Plan policies: 1.f., 2.g.
2. Identify and implement cost and time saving measures that improve the development permitting process.
Applicable Comprehensive Plan policies: 2.d.
3. Develop a financial incentives “toolbox” to recruit new businesses and encourage existing business expansions. The incentives should be applied only after a proposed project has been reviewed by a rigorous analysis that demonstrates a clear benefit to the City.
Applicable Comprehensive Plan policies: 1.b., 1.g.
4. Maintain a useful economic development website that is easy to navigate and contains substantive content that meets the needs of business.
Applicable Comprehensive Plan policies: 1.a., 1.g.
5. Work with local, regional and state educational and training resources (private and public) to assist with the workforce training needs of businesses and provide opportunities for workers to voluntarily upgrade their skills. The available workforce pool in the Newberg region is approximately 223,000. The regional workforce is estimated by using the assumption that a 23 minute mean commute time (2000 Census) draws workers from an approximately 15 mile radius from the center of Newberg Oregon is recognized for having an educated workforce, one with good basic work skill sets that allows them to be relatively easily trained.
Applicable Comprehensive Plan policies: 1.c., 1.f.
6. Gauge the health of local businesses regularly and identify how the City can help resolve issues, when feasible. Focus should be on businesses of the traded-sector and local clusters. Anticipate local problem areas by keeping abreast of regional, national, and international business trends.
Applicable Comprehensive Plan policies: 1.p.
7. Develop closer ties to organizations/businesses located within the Portland area with a similar interest in regional economic development (e.g. Regional Economic Development Partners, future Portland Economic Development District, etc). However, joining METRO will not be considered. Reevaluate current relationship with Mid-Willamette Valley Community Development Partnership.
Applicable Comprehensive Plan policies: 1.f.
8. Develop a Downtown Revitalization Master Plan prior to the construction of the Newberg-Dundee Bypass. Identify funding sources necessary to implement the plan.
Applicable Comprehensive Plan policies: 3.a.