

**City of Newberg
City Council Minutes
February 5, 2024
Hybrid Meeting Format**

BUSINESS SESSION –

Meeting called to order at 6:01 pm.

Councilors Present: Mayor Bill Rosacker, Councilors Mike McBride, Peggy Kilburg, Molly Olson, Robyn Wheatley, and Derek Carmon. Councilor Elise Yarnell Hollamon arrived at 6:10 pm.

Staff Present: City Manager Will Worthey, City Attorney James Walker, City Recorder Rachel Thomas, Finance Director Kady Strode, Community Development Director Scot Siegel, Public Works Director Russ Thomas, Police Chief Jeff Kosmicki, IT Manager Ian Rodriguez, Planning Manager Clay Downing, Assistant Planner James Dingwall, Records Management Clerical Assistant Melissa Morris,

Mayor Rosacker asked Council President Kilburg to direct the meeting.

CITY MANAGER'S REPORT

CM narrative report for January 2024 edited ecs.pptx

CM Worthey reported on the statistics for January 2024 and included a detailed report on the flooding event at the City Hall on January 15, 2024 which had resulted in a Declaration of Emergency. CM Worthey noted the commendable response efforts by Staff members and the collaboration between departments to keep the public informed. CM Worthey stated that IT Staff had been able to rescue approximately half of the technical equipment from the flooding damage, recovered City documents were being archived, quotes for restoration work were being collected, insurance claims were in progress through Citycounty Insurance Services (CIS), several City Departments had resumed work in temporary locations, a report for the State Office of Emergency Management was underway, and storage arrangements for City property were being provided by DCI International. The Water Plant also had three actuators damaged by freezing which were eligible for insurance claims through CIS. The Water Plant would continue operating at fifty percent capacity until repairs were completed. Hazards and mitigation measures regarding continuity of the Water Plant services were being considered.

PUBLIC COMMENTS

Aubrey Nichols, Newberg Downtown Coalition (NDC), Executive Director, thanked the Council and shelter providers for the services provided to homeless individuals during the recent ice storm, and expressed the NDC's ongoing concern with issues of housing insecurity and homelessness in Newberg. The Newberg Emergency Shelter (NES) was the only seven-day emergency shelter in Newberg, and NES funding was set to end in June 2024. The NDC looked forward to the opening of the new shelter, AnyDoor Place (ADP), through Yamhill Community Action Partnership (YCAP) but were concerned about the recent lack of communication between YCAP and City Government, statements made targeting a community leader who advocated for urgent emergency resourcing, and the lack of compassion in the closure of YCAP services during the ice storm which placed strain on other less-funded shelter providers. The NDC urged the Council to seek clarity on when shelter services provided by YCAP could be expected to begin operating in Newberg.

Cathy Holbrook, ten-year resident of Newberg, Sustainable Solutions member, expressed the coalition's concerns over the City and State responses to climate change and the strain on natural resources and public health. Sustainable Solutions was concerned about the plan to remove a large redwood tree in Memorial Park to extend the Police Department parking lot. Ms. Holbrook stated the tree did not appear to be a hazard and emphasized the importance of protecting trees.

Joni Zimmerman, 35-year resident of Newberg, expressed her concern with the plan to cut down a redwood tree and remove a gazebo in Memorial Park. Ms. Zimmerman noted that she had observed many available parking spots in the Police parking lot, proposed several alternative solutions to expanding the parking lot, and listed reasons why the tree and the gazebo with a rhododendron memorial were assets to the community. Ms. Zimmerman expressed concerns regarding pollution, and specifically the toxin 6PPD released from car tires and its impacts on wildlife and the environment. Ms. Zimmerman urged the City to perform an environmental impact study before moving forward with the parking lot expansion project and to consider alternative solutions.

Sue Delventhal expressed concern about expanding the Police parking lot into Memorial Park, emphasized the importance of trees and green spaces, noted the value of the redwood tree, gazebo, and rhododendron memorial as historic elements of Newberg, and urged researching alternatives before removing the tree and gazebo. Ms. Delventhal wondered why the community did not have policies in place to protect trees, and suggested working around trees that may have historical backgrounds. Ms. Delventhal urged the Council to create a committee composed of City employees, tree experts, and community members to formulate a policy to preserve trees.

Daria Veenstra, stated that ARK Pet Rescue, a 501(c)3 nonprofit animal rescue she had founded in 2020, was seeking financial assistance to purchase and

renovate a new building in downtown Newberg to expand operations and better serve abandoned and neglected animals in the community. Ms. Veenstra shared her success in rescuing over two thousand animals, most of which had been adopted by Newberg residents. The rescue currently had 113 animals in its care and had an uncertain future as they were forced to find a new location due to the passing of the property owner who had been providing them space. Ms. Veenstra stated a new location had been identified, \$11,000 of the \$50,000 had been raised toward the downpayment to purchase the new building, and any financial help the City could offer would be appreciated. Ms. Veenstra described the benefits the animal rescue would provide to the community and shared her dreams to open a low-cost spay/neuter clinic in the space. Ms. Veenstra stated the investment would increase compassion and property values in the community and would facilitate the restoration of a historic Newberg building.

Beth Keyser moved to her neighborhood in north Newberg 26 years ago and everything had been peaceful until last summer when the Northside Christian Church began operating as a homeless shelter. Ms. Keyser shared stories of several unpleasant incidents that had occurred in her neighborhood with persons experiencing homelessness, including a man who had been caught on camera urinating and performing sexual acts on her property, a pedophile who had raped a child, an inebriated man who had been cast out of the low-barrier shelter who proceeded to "molest" her house, a homeless man who had illegally entered a home at 2 pm when only minor children were home, a homeless person who had entered a backyard and approached a toddler living there resulting in a frightening verbal altercation with the mother of the child, needles being littered, daycares being approached by pedophiles, and emotionally unstable people wandering around talking to themselves. Ms. Kaiser stated her neighborhood was paying for the lifestyles of the homeless individuals, and she urged the Council to create new rules or policies to protect residents from the impacts of homeless individuals.

Brian Keyser, resident of Newberg, thanked the Police for keeping the community as safe as possible. Mr. Keyser expressed the growing concern over issues of homelessness and the way organizations were handling the issue in Newberg stating the local homeless populations were not families and single mothers, but consisted increasingly of criminals and drug addicts who were migrating or being transported to Newberg to get shelter and care. The low-barrier shelter had opened last summer a few doors down from Mr. Keyser's home and he described the daily parade of homeless individuals coming from the shelter each day with many of them arguing with each other or themselves, some having intimidating or unkempt pets, and these individuals often approached families, children, and homes leaving trash on their way. Mr. Keyser stated a shelter resident there had been arrested on rape charges, and a different resident had done despicable things in his yard, and enough was enough. The Police often had their hands tied by the rules. The shelter was in a residential neighborhood located near an elementary school and the George Fox University sports facilities. Mr. Keyser was

frustrated with being told nothing could be done and he urged the Council to come up with solutions for keeping residents safe while allowing homeless residents who were not criminals or drug addicts to receive shelter and care.

Robert Soppe spoke to the Council regarding regulations on street trees which had significant financial impacts on property owners. Mr. Soppe stated he had planted three trees which were not required along the street in front of his house. Mr. Soppe had obtained permits to remove two of the trees, as one had died and one was damaging the sidewalk, and he was dismayed to find he was required to replace the trees, even though they had not been required in the first place. Mr. Soppe stated Newberg allowed only trees of certain varieties and required a root barrier to be installed. The tree installation was quoted at approximately \$750 per tree planted which was a financial burden. Mr. Soppe had a neighbor whose tree had been damaged by a car and she had to remove the tree for safety reasons and was now being threatened with fines from the City if the tree was not replanted. The neighbor was in a bad financial position and the cost was a significant hardship for her. Mr. Soppe stated the Oak Meadows neighborhood plan had required street trees and several trees had been removed over the years without replacements being required by the City. Mr. Soppe stated that requiring some trees to be replaced and not others was inconsistent and unfair, and he urged the Council to investigate the language in the City Code which stated “a designated Staff person *may* require” that the tree be replaced. Mr. Soppe asked the Council to discuss the matter with the City Manager who could direct Staff accordingly, and stated no formal action should be necessary.

REPORTS AND PRESENTATIONS

None.

COUNCIL APPOINTMENTS

None.

CONSENT CALENDAR

None.

PUBLIC HEARING

SDC Reform Ordinance Changes (First reading)

RCA Ordinance 2024-2922 amending the City of Newberg's Municipal Code regarding System Development Charges.docx

Ordinance 2024-2922 Attachment A Preamble and SDC Models.pdf

Ordinance 2024-2922 Attachment B NMC SDC Revisions.pdf

Ordinance 2024-2922 Downloadable SDC Working Models (without example data)

Council President Kilburg opened the public hearing and asked for the declaration of any conflicts of interest or abstentions. There were none.

CM Worthey and City Attorney Walker presented the Staff report on the recommended changes to the System Development Charge (SDC) Codes, which were based on work done by the SDC Taskforce. Staff noted that both the Engineering and Finance Departments had been involved in creating the Staff Report, and that the proposed changes aligned with Council Goal 6 to implement careful, prudent fiscal policy, particularly meeting Objective 3 to lower SDC charges. Staff's explanation of the recommended changes included:

- The proposed SDC schedule was based on newer, more accurate SDC models.
- The net effect for most developments was a reduction of SDC rates.
- The new indexing structure would allow for more frequent review of the SDC models.
- Several adjustments had been made to the exemption and waiver provisions.
- The City Attorney and City Manager's office had collaborated to create a preamble to the SDC Chapter.

CA Walker recommended that the Council receive and deliberate on the first and second readings of the Ordinance before approval at a subsequent hearing.

CM Worthey stated that in alignment with Council Goals there was full transparency in this package, with the SDC models posted on the City website available for download by the public.

Public Testimony: Aubrey Nichols, NDC, Executive Director, understood the challenges SDCs presented to entrepreneurs, small businesses owners, and building owners in the downtown core, and expressed thanks and support for the SDC committee, volunteers, and the timely formulation of the recommendations and the new Ordinance, believing they would have a positive impact on the downtown community. Ms. Nichols urged the Council to approve the new Ordinance as a strategic move to foster economic development, attract businesses, encourage entrepreneurship, and create a more business-friendly, prosperous Newberg.

Bubba King, Chehalem Valley Chamber of Commerce (CVCC), President, had served on the SDC Committee with Councilor McBride, Councilor Olson, and Mayor Rosacker, and he urged the Council to implement the recommendations as quickly as possible. Mr. King invited the Council to attend the CVCC Community Awards Celebration Gala on February 29, 2024.

Robert Soppe referenced Page 35 of Attachment A and stated his concern that transportation SDCs were calculated based on what was legally allowable without regard for whether the funds would actually be used for the improvements, and if the SDCs were not going to be used to fund the improvement, it was not appropriate to include the improvement in the calculation of SDC rates for developers. Mr. Soppe urged the Council to address

whether SDCs were funding specific improvements under the proposed Ordinance as they had in the methodology used before 2015.

Council President Kilburg noted that Staff had recommended that the changes to the Ordinance be adopted.

There was discussion on:

- The financial stability of the SDCs
- Reducing costs to prevent business owners from being scared away by a huge SDC fee.
- The possibility of specifying an effective date.
- Looking into the issues cited by Mr. Soppe before proceeding.

CA Walker stated one written public comment had been received from Michael Robinson of Pahlisch Homes which would be included in the Council packet.

Action:	To table the SDC Changes Discussion until the second reading during the February 20, 2024 meeting.
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Motion:	Councilor Olson
Second:	Councilor Yarnell Hollamon
Vote:	7 Yes 0 No 0 Abstain 0 Absent

Resolution 2024-3916 – Supplemental Budget #1
RES 3916 SUPP BUDGET #1.docx
Supp Budget #1 Council Presentation.pptx

Council President Kilburg opened the public hearing and asked for the declaration of any conflicts of interest or abstentions. There were none.

Finance Director Strode presented the Staff Report via PowerPoint on the Supplemental Budget which had total increase of about \$5.4 million, making the total budget to about \$138 million. FD Strode detailed the budgeting adjustments made to the General Fund, the Administrative Services Fund, the Street Fund, the Civil Forfeiture Fund, the Wastewater Fund, the Water Fund, the Building Inspection Fund, the 911 Emergency Fund, the Economic Development Fund, the Public Safety Fee Fund, the Stormwater Fund, the Street Capital Projects Fund, the Transient Lodging Tax Fund, the Governmental Capital Projects Fund, the Library Gift and Memorial Fund, the Street SDC Fund, the Stormwater SDC Fund, the Wastewater SDC Fund, the Water SDC Fund, and the ARPA Fund.

CM Worthey stated that switching to a two-year budgeting cycle would allow more certainty that capital projects could be completed within the 24-month period and allow for more accurate financial forecasting.

FD Strode noted that most of the budgeting adjustments had to do with the changing timelines of capital projects, and it would be easier to operate on a two-year budgeting cycle.

Staff recommended adoption of Resolution 2024-3916

Action:	To adopt Resolution 2024-3916
Motion:	Councilor McBride
Second:	Councilor Olson
Vote:	7 Yes 0 No 0 Abstain 0 Absent

Council President Kilburg closed the public hearing.

CONTINUED BUSINESS

Resolution 2024-3917 – A Resolution electing to use the Sequential Urban Growth Boundary Review Process and submit a proposed work program for approval by the Department of Land Conservation and Development RCA Election to Use Sequential Review Process (OAR 660-025-0185).pdf
Exhibit A. Written Notice of Election to Use the Sequential UGB Review Process.pdf
Exhibit B. Proposed Work Program.pdf
2024-02-05 CC Presentation Sequential Election.pptx

Planning Manager Downing and Assistant Planner Dingwall presented on the sequential Urban Growth Boundary (UGB) review process via PowerPoint. AP Dingwall discussed how the sequential UGB process aligned with Council Goals and how to initiate the sequential UGB process and develop the DLCD work program. Beginning the sequential UGB process now would allow the 2021 Housing Needs Analysis (HNA), Economic Needs Analysis (EOA) and Public/Semi-Public Lands Analysis (PSP) to be used. AP Dingwall discussed efficiency measures to increase land efficiency in the existing zoning map and the process of establishing a study area to evaluate and identify land to be added to the UGB. Anticipated future Council action included approving the proposed Work Plan and Notice of Intent to be sent to Yamhill County at the present meeting, adopting the analysis documents by Ordinance during the summer of 2024, identifying and adopting efficiency measures in the fall of 2025, and adopting the UGB expansion in the fall of 2026. Once analysis documents were adopted, they could only be used in the UGB process for a four-year period that could potentially be extended by one year. Anticipated costs included professional services, possible appeals of the HNA or EOA, consultant work for the potential UGB expansion, and other annual costs which may arise during

the multi-year project. Staff expected a Request for Information (RFI) for the pre-scoping process to get a better sense of what the actual costs would be.

Staff recommended that Council receive the update, deliberate on using the sequential UGB process, approve Resolution 2024-3917, and submit a proposed work program for approval by the Department of Land Conservation and Development (DLCD).

Staff and Councilors discussed:

- Consultant fees and scope of work
- Differences between the sequential UGB process and the traditional process
- Potential grant funding
- The timeline set by Staff for initiating the UGB process locked in the numbers from the 2021 analyses documents.
- Elements from the Housing Production Strategy (HPS) laid the groundwork for efficiency measures, and other analyses could investigate how demand for could be reduced through more efficient use of land.
- Statewide land use laws may contribute to housing and UGB processes costing more than in other states and not having enough housing or industry land to create jobs. The current UGB had been set in 1976 and had not grown to keep up with the population.
- The sequential UGB process would help solve the industrial land problems and prevent going through the process unsuccessfully.
- If the City wanted to only expand industrial land, Staff would still recommend using the sequential UGB process. The scope of the project could be reduced to include only lands the City wanted to pursue. The completed analyses documents could further inform the decision based on identified needs.
- The decision whether to pursue only industrial land or residential land as well did not need to be made at this point. The pre-scoping RFI could evaluate multiple options for going forward to inform the Council’s decisions.
- Staff had no indication that Newberg could reuse the previous UGB expansion attempt from 2006. Staff could investigate the possibility, but it did not seem likely, especially considering the DLCD requirements for current data.

Staff recommended that the Council approve Resolution 2024-3917 electing to use the sequential UGB review process and submit a proposed work program for approval by the DLCD.

Action:	To approve Resolution 2024-3917
Motion:	Councilor Carmon
Second:	Councilor McBride
Vote:	7 Yes 0 No 0 Abstain 0 Absent

NEW BUSINESS

RCA – Newberg Enterprise Zone Redesignation
RCA Enterprise Zone Redesignation.pdf
Exhibit A. Resolution 2014-3122.pdf
Exhibit B. Resolution 2015-3181.pdf
2024-02-05 CC Presentation Enterprise Zone Redesignation.pptx

PM Downing and AP Dingwall presented on the Enterprise Zone Redesignation and associated Resolutions via PowerPoint. AP Dingwall stated that redesignating the Newberg Enterprise Zone was in alignment with Council Goal 2 Objective 4 to remove barriers to new “clean,” light industrial employers that would provide family wage jobs. Next steps included meeting with Business Oregon, providing public notice to and consultation with overlapping tax districts, establishing a school support fee, the adopting Resolutions at the City and County level redesignating and assenting to the Enterprise Zone, and submitting documentation to Business Oregon.

Staff recommended that the Council receive and file the update from Staff, deliberate on the City’s interest in redesignating the Newberg Enterprise Zone and adopt a motion directing Staff to coordinate with Business Oregon to redesignate the Enterprise Zone.

Staff answered Councilor’s questions as follows:

- Since 2014, four firms had applied for tax abatements. Only one firm had successfully applied for received funding, which they had done twice after arranging to meet the criteria.
- The main benefit of the Enterprise Zone was to make Newberg a more appealing place to attract and keep businesses.
 - A large milk production site was ready for new development inside the Urban Renewal Area which may pay for some of the public improvements, and then the Enterprise Zone could provide a tax abatement creating a “stacking” effect to boost economic viability.
- The Enterprise Zone did not cost the City much and might make the difference in a business choosing to stay in Newberg. The only significant downside was foregoing the tax funds, which was outweighed by the benefits to the community.
- The types of investments the incentives were designed to promote were substantial, long-lasting assets. The incentives could help smaller firms make large investments to expand their operations.
- CM Worthey suggested creating a document listing projects and opportunities in Newberg.
- Some of the documents on the Economic Development page of the City website were due for revision, or a better explanation.
- Amending the boundaries of the Enterprise Zone was not difficult and could potentially be completed during the redesignation process.

- The boundaries of the Enterprise Zone needed to be within the UGB, not the City limits which expanded into the Enterprise Zone as the City has grown.
- A comprehensive analysis had not been completed, but Staff hoped to see to what impact the Enterprise Zone would have on overlapping light- medium- and heavy-industrial and mixed-use zones.

Action: To approve a motion directing Staff to coordinate with Business Oregon to redesignate the Newberg Enterprise Zone and discuss potential boundaries.

Motion: Councilor Olson

Second: Councilor Carmon

Vote: 7 Yes 0 No 0 Abstain 0 Absent

Resolution 2024-3918 Customer Service Policy

RCA Resolution 2024 3918.docx

ExhibitA CustomerServiceManual V1 Part 1.pdf

CM Worthey shared a summary of the establishment of the Customer Service Policy attached above as “Exhibit A”, noting there was no specific fiscal impact to implementing the Customer Service Policy other than reducing risk of negative service interactions and legal exposure. The Customer Service Policy was one step of a two-step process to fulfill Council Goal 1 to create and maintain a high-level of customer service with Objective 4 to publish a Customer Service Standard with a measurement system.

Staff recommended that the City Council adopt the Customer Service Manual Version 1 Part 1 and empower the City Manager to publish minor amendments on an ongoing basis.

Action: To approve Resolution 2024-3918 to adopt the Customer Service Manual Version 1 Part 1 and empower the City Manager to publish minor amendments on an ongoing basis

Motion: Councilor Olson

Second: Mayor Rosacker

Vote: 7 Yes 0 No 0 Abstain 0 Absent

CM Worthey stated that Staff would return at a future meeting with a Customer Service Manual Version 1 Part 2 which had to do with Departmental Standards.

COUNCIL BUSINESS

Councilor McBride requested a report on the mill site by the end of March to update the Council on whether testing was being done on the soil and what the timeframe was on the project. CM Worthey pledged to return with an update, but he could not guarantee the CDC would provide a statement.

Councilor Olson urged the Council to collaborate with McMinnville, the County, and the State to get a clear answer about what sheltering could be provided in Newberg after the Newberg Emergency Shelter runs out of funding in June 2024, as the ADP shelter through YCAP might not open by June 2024. Councilor Wheatley committed to reach out to YCAP for a status update and noted the delays in opening may be related to the shelter's inability to find employees.

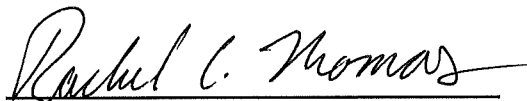
Councilor Olson commended Mary Starrett who had done a good job highlighting the issues of homelessness in the local community.

Councilor Yarnell Hollamon thanked the Keyzers for their courageous public comments addressing issues involving people experiencing homelessness, stating members of the board of the shelter involved had been appalled to hear about the incidents. Councilor Yarnell Hollamon proposed discussing with the Police what should be done with persons who were not safe to stay in a shelter setting, and what tools could be used to alert neighbors and respond appropriately.


ADJOURNMENT

Meeting adjourned at 8:25 pm.

ATTEST

A handwritten signature in cursive script, reading "Rachel C. Thomas", is written over a horizontal line.

City Recorder

A handwritten signature in cursive script, reading "Bill Rosacker", is written over a horizontal line.
Bill Rosacker, Mayor

