



# **Newberg Economic Development Strategy (NEDS) 2020 Annual Report**

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## Newberg Economic Development Strategy (NEDS) Overview

The original 2016 Newberg Economic Development Strategy was prepared through collaboration of the Chehalem Valley Chamber of Commerce, City of Newberg, Newberg Downtown Coalition, Austin Industries, George Fox University, the finance and development community and input from over sixty local, regional and statewide organizations in creating the strategy. The 2019 update includes information from the “A NewBERG” community visioning program and brought in two additional key partners with the Strategic Economic Development Corporation (SEDCOR) and Visit Newberg. The Strategy has five pillars of activity: Industrial Sector, Commercial Sector, Business Development & Workforce, Downtown Newberg, and Tourism & Hospitality. There are five strategies for the Industrial Sector, three strategies for the Commercial Sector, eight strategies for Business Development & Workforce, seven strategies for Downtown Newberg, and four strategies for Tourism and Hospitality. Each strategy has identified actions and short, medium and long-term timelines for implementation of the actions.

## Impacts from “A NewBERG” Community Vision Project

After the final results from our 2019 “A NewBERG” Community Vision for 2040 Project, the NEDS Committee integrated 26 updates for Economic Development and several more updates for Livability and Development into the evolving NEDS document. Our community identified 5 goals for economic development, including to (1) enhance industrial development capabilities, (2) to enhance commercial development capabilities, (3) to create a premiere business and workforce development program, (4) to complete organizational actions for the Newberg Downtown Improvement Plan, and (5) to increase and maintain support for tourism organizations in Newberg.

Specific projects and priorities that were retained or included in the NEDS revision are to engage the Oregon Employment Department in support of traded sector and other targeted industries; leverage resources through and support the Chehalem Valley Innovation Accelerator (CVIA); conduct retention visits with partner organizations; recruit new traded sector companies to Newberg; develop relationships with the industrial brokerage community in Greater Portland Area; promote Enterprise Zones; meet with property owners; establish the Chehalem Valley Entrepreneurs Network and coordinate with Launch Mid-Valley; establish an Urban Renewal District; create a Vertical Housing Development Zone program; establish a Construction Excise Tax; prepare M-5 (craft industrial) design guidelines; establish a parking working group; update street signage and parking; create and expand a marketing campaign that promotes Newberg as a tourist destination; continue providing Visitor Center functions; increase advertising and public relations dollars; work with local major businesses increase destination traffic; recruit a mid-tier hotel; establish annual reporting on tourism activities; and coordinate with Visit Newberg/Taste Newberg (VN/TN) on tourism marketing and promotion activities.

Relevant goals for Livability and Development included in the NEDS revision focused on efforts to improve housing affordability, to implement the Newberg Downtown Improvement Plan, and to improve infrastructure. Improving housing affordability directly affects efforts toward creating workforce housing. Evaluation and potential expansion of the Urban Growth Boundary (UGB) increases our land inventory for business recruitment, retention, and expansion, especially in living-wage industries like manufacturing, and generates important data through a Housing Needs Analysis, Economic Opportunities Analysis. Infrastructure development supports completion of the Riverfront Master Plan and development of the former WestRock Mill Site. Within the Downtown Area, the NEDS incorporates renewed focus on developing vacant properties, including the Butler Property, and recruiting a hotel developer, even as the latter goal has been halted by the COVID-19 pandemic.

## COVID-19 Priorities

In September 2020, the NEDS Committee convened to evaluate and temporarily elevate and/or revise the strategy goals in response to the economic crisis resulting from the COVID-19 pandemic and ensuing Executive Orders from the Office of Oregon Governor Kate Brown, which often included restrictions on business operations, up to temporary closures of businesses by industry.

With the most recent and ongoing “Freeze” Executive Order issued in November 2020 and continuing while Yamhill County remains at “Extremely High Risk” for transmission of the virus, the COVID-19 NEDS priorities remain. Through the NEDS document, activities that were deemed particularly relevant for economic recovery were highlighted by an additional comment and, in some cases, an expanded description of appropriate activities were noted.

Some of the highest priority projects include a successful grant application to the Yamhill County Board of Commissioners by the Newberg Downtown Coalition (NDC) for tents, heaters, and accessories to support Downtown Newberg businesses expanding outdoor services during inclement weather; more frequent conversations with businesses exiting Newberg; closer monitoring and more frequent updates for vacant properties; strategic events planning by CVCC and NDC; closer monitoring and frequent promotion for diverse funding opportunities, including federal, state, regional, county, city, and angel funding; revisioning and redistribution of business support within CVCC, NDC, and TN/VN, with evolving conversations about shared mission, budget efficiency, and possibly co-location; and stronger partnerships with private and public economic development partners, including Launch Mid-Valley, CVIA, SEDCOR, Regional Solutions, SBA, Business Oregon, and Willamette Workforce Partnership.

Some of the most visible accomplishments in response to economic recovery included the City of Newberg’s Business Emergency Response Grant (BERG) and the Support Local Challenge for financial relief around the cost of utilities in exchange for Newberg residents supporting locally-owned businesses (both independently funded from the City of Newberg), and the creation of and fulfillment of the role of the Economic Health Manager at the City of Newberg. This role

had been envisioned as a critical goal for NEDS since 2016, a role that would include full-time economic development work, business liaison and mentoring for recruiting, retaining, expanding, and integrating businesses, and Ombudsperson capacity on behalf of the City of Newberg, and focused effort on workforce development. With the financial opportunity through CARES Act funding, the timeline for this position was advanced and the EHM was hired in August 2020.

## Industrial Sector

The five strategies for enhancing Industrial Sector development capabilities and opportunities are to (1) assess the local economy by building on the four key existing traded sector industries of advanced manufacturing, technology, agriculture and wood products; while targeting traded-sector high-tech manufacturing, aviation-related industry and food/beverage processing, (2) retention and expansion of existing industrial businesses, (3) recruitment of traded-sector companies, (4) participate and partner with regional, state, and federal organizations, and (5) market the competitive advantage in Newberg.

Within Industrial Economic Development, notable activities included a new community profile as part of the Community Visioning Program and updated economic profiles from OED. NEDS partners have completed a Workforce Housing Needs Survey, and are in-process for a Business Retention and Expansion Survey (BRE). This data supplements anecdotal conversations with local businesses. Initial plans were made for economic development priorities within our City of Newberg's Sister City Delegation to Poysdorf, Austria, planned for September 2020, identifying opportunities for A-dec, wine industry vertical integration and domestic parts manufacturing, and other equipment meetings. The Poysdorf Delegation is postponed due to COVID-19 restrictions.

After learning through conversations with our exiting businesses and businesses that are unable to expand in Newberg, the NEDS team has identified a need to refine retention visit activities and reporting methodology, partially in an attempt to encourage a 24-36 month planning process. The City of Newberg is investigating Customer Relationship Management (CRM) software to start tracking conversations with businesses in coordination with SEDCOR. The biggest obstacle for business attraction, recruitment, and expansion remains the lack of available land. With the final sale of the WestRock Mill Site to CDC, Inc., in 2020, the NEDS team is actively preparing for industrial development by coordinating land remediation and development, a standardized Requests For Information (RFI) resource, data collection on recruitment leads, and investigative conversations with local businesses looking for expansion opportunities.

One of the most significant opportunities in Industrial Development is the progress made toward an Urban Renewal Plan, including the adoption of an URP by the City Council as 1 of 5 City Council Goals. The UR CAC is currently prioritizing a project list to meet the financial capacity of the adopted UR Feasibility Study completed in 2020.

In March 2019, NEDS partners participated in an Opportunity Zone (OZ) forum with Launch Mid-Valley and SEDCOR, and also supported Enterprise Zone (EZ) advantages for Newberg businesses. Workforce Housing forums continue, focusing on retirement facilities, education, and manufacturing workers. Wastewater, brownfields, remote working challenges, infill zoning, entrepreneurial support, PPE supply chain and manufacturing, and collaborative CTE forums were also organized by, supported by, and participated in by NEDS team members and partners, many of the events successfully transitioning to virtually-held events after COVID-19 restrictions were introduced.

## Commercial Sector

The three strategies for the Commercial sector are to (1) retain existing commercial/retail businesses in Newberg, (2) redevelop vacant and underutilized commercial/retail sites, and (3) support the creation of new retail/commercial businesses.

A survey for CVCC and NDC to use for interviewing existing businesses to establish business needs and develop appropriate programs was completed in 2019, but, especially with executive staff turnover at both organizations, neither organization has had the capacity to execute the survey. Informal interviews are ongoing and staff at both organizations shifted focus during the COVID-19 pandemic to focus on business relief funding, state guidance, PPE needs, covered outdoor space for commercial activity, including a vibrant Farmer's Market through the NDC, and support in adjusting business plans to meet COVID-19 restrictions.

An inventory for available Downtown spaces was completed, and an Economic Opportunity Analysis (EOA) consultant has been selected to support Buildable Lands Inventory (BLI), Trends Analysis, and EOA Inventory. Several meetings occurred with individual business owners, guiding them toward existing available land opportunities, for expansion and recruitment, with several new, expanded, or remodeled businesses, many within the Downtown Newberg area. With support from TVF&R, the Vertical Housing Development Zone progresses as an incentive for mixed-use development. A Construction Excise Tax (CET) was also adopted by City Council in 2020 as a development incentive.

## Business and Workforce Development

The seven strategies for Business and Workforce Development are to (1) foster entrepreneurial business formation and growth, (2) maintain the Chehalem Valley Innovation Accelerator (CVIA), (3) enhance the business mix in Downtown Newberg, (4) improve workforce development, (5) enhance the Chehalem Valley Chamber of Commerce (CVCC) resources, (6) market employment training opportunities to employers, and (7) create a business financing program.

Even with personnel adjustments at George Fox University (GFU), the NEDS team was able to continue partnering with the university to provide entrepreneurial support. Business Oregon partnered with CVCC to offer a COBID workshop and several local businesses have received women-owned, minority-owned, service-disabled-Veteran-owned, or emerging business priority status for public contracts from that workshop. NDC and CVCC partnered with Yamhill County Public health for PPE distribution during the pandemic, and all of the affiliated organizations of the NEDS team learned new ways to absorb and dispense useful business information around COVID-19 response and economic resiliency.

SEDCOR activated a Software MeetUp group and supported the hiring of our region's first Venture Catalyst, through the Oregon Entrepreneur Network (OEN). Facilitated by the establishment of an LLC for our regional angel fund, our Venture Catalyst Mike White was able to secure more than \$45,000 in angel investor funds for the Mid-Valley Region, for which the CVIA was able to influence winners after reviewing business plans and pitches. Funding was also secured for an ag-innovation hub. Several more entrepreneurial meetups were organized, including a Pub Talk in McMinnville, Launch Mid-Valley meetings, and Oregon Angel Food (AF) events. SEDCOR was awarded a \$400,000 Economic Development Administration (EDA) grant for the ag-tech innovation hub and organized a start-up grant program, facilitated through the Yamhill County Board of Commissioners. The CVIA has grown its tenant load so that they currently do not have capacity to work with additional entrepreneurs.

A video marketing series was developed through CVCC to promote workforce recruitment for living-wage, skilled-workforce, mostly traded-sector careers for local students, but the project halted with COVID-19 restrictions. Workforce retention and attraction continues to be a challenge for local employers, with childcare needs and willing, available workforce identified as two constraints. Project Oasis developed as a private-public partnership with DCI to provide workforce childcare and the NEDS team is now guiding 5 childcare projects within Yamhill County. SEDCOR identified farmworker contractors to support underemployed workforce filling regional hiring needs.

Newberg School District hired a full-time school-to-work coordinator and successfully passed a \$141M Construction Bond in November 2020, with several facilities upgrades and expansions focused on improved, technologically-advanced CTE programs. NEDS team members continue to engage NSD, at both Newberg High School and Catalyst High School, for workforce development, outreach, and post-secondary success through skilled workforce and internship connections, trade school and apprenticeship support, and exposure to meaningful career opportunities in the Newberg Area. CVIA and NSD continue engaging with Innovate Oregon groups, further supporting creative approaches to CTE and CVIA was active in supporting the NSD Bond PAC during election season. Furthermore, the need for a full-time employee dedicated to expansion of workforce development programs that serve new and existing businesses is complete through the addition of the EHM.

CVCC co-developed the Newberg Perk professional development series with First Federal Savings & Loan and Headwater Investment Consulting, elevating local, successful entrepreneurs

as business mentors in a 9-series morning session that transitioned to a virtual event after COVID-19. CVCC also began the formation of an affiliated foundation, in order to pursue funding for programs like the CVIA, professional services for the Latinx community, and Leadership Chehalis Valley. In June 2020, CVCC relocated its office and Visitor Center back to Downtown Newberg. CVCC staff also continues to widely promote events and opportunities that support business resiliency and recovery, including several grant programs and Business Oregon funding cycles.

## Downtown Newberg

The seven strategies for Downtown Newberg are to (1) create an Urban Renewal District, (2) create an Economic or Business Improvement District, (3) create tools for developers, (4) complete regulatory improvements, (5) develop downtown partnership, (6) create the Downtown Development Ombudsperson position, and (7) develop a parking management plan.

One of the successes of the Downtown Newberg strategy is the progress toward an Urban Renewal District, which geographically includes the Downtown area. Beginning with a City Council presentation in October 2019, the process has progressed through RFPs for consulting services with a contract awarded, convening of a CAC that includes representatives from overlapping tax districts, and completion of the Urban Renewal Feasibility Study, accepted by City Council in August 2020. City Council declared the Urban Renewal area blighted in the Fall of 2020 and the CAC is currently prioritizing a project list per financial capacity of the program.

Additionally, City Staff successfully created a Construction Excise Tax (CET), adopted by City Council in October 2020, to take effect on January 1, 2021. The goal of the CET is to increase revenue and potentially increase affordable and workforce housing options in Newberg. Beginning in August 2019, City Staff also started the process of a Housing Displacement Analysis in preparation for a Vertical Housing Development Zone program, which was completed and City Staff continues to evolve the VHDZ with stakeholder input for Council approval in 2021. When an Economic or Business Improvement District (EID/BID) is formed, likely in 2021, when we are past COVID-19 constraints, the focus will be on maintenance of the Downtown area and parking enforcement. City Council also approved a resolution supporting the Newberg Public Arts Committee. The City of Newberg also addressed the need for a Downtown Development Ombudsperson by assigning that role to the EHM.

After City Council approved \$35,000 in funding for a Downtown Parking Study, the study was delayed because of reduced traffic from COVID-19 restrictions for commerce, tourism, events and festivals, and decreased college student traffic from GFU. While the funding is not guaranteed to carryover into 2021, the parking study has been postponed until April 2021. Parking improvements could benefit from the finalization of an Urban Renewal District.



## Tourism and Hospitality

The four strategies for Tourism and Hospitality are to (1) develop a vision for Newberg as a tourist destination, (2) increase and maintain support for tourism organizations in Newberg, (3) increase tourist/visitor counts in Newberg, and (4) continue the Transient Lodging Tax (TLT) program.

Taste Newberg partnered with the City of Dundee on a shoulder season campaign, “Wake Up in Wine Country,” running from September 2019 through March 2020. Additional projects were completed with Travel Yamhill, Seattle Magazine, and smaller regional promotions. In Summer 2020, TN partnered with Forbes, KGW, KPTV/Fox 12, and print media outlets promoting lavender u-pick fields and related businesses. Fall promotions focused on safely-operating local businesses, including Ruddick/Wood’s community efforts to feed wildfire crews and evacuees.

Taste Newberg contracted with a marketing and branding agency to evolve the Visit Newberg organization into the Taste Newberg brand, resulting in a new website launched in March 2020, new social media messaging, regular blog postings, and the ability to better engage with tracking metrics on travel demographics and message efficacy, both through the TN website and through partnership with larger data-gathering organizations. Because of lost revenue, Travel Oregon is no longer reporting county-wide lodging data. Taste Newberg also hired a marketing manager and has begun building a local media library.

The impact of Governor Brown’s Executive Orders restricting travel and commerce substantially impacted progress for several Tourism and Hospitality strategies. After an initial hold on marketing strategies, TN closely aligned with and borrowed messaging and guidance from Travel Oregon, focusing on PR, messaging about safe visitation, outdoor recreation opportunities, and revised business practices for safe engagement by local business owners. Working with local businesses to focus on attracting out-of-region visitors is limited to an Oregon market, expanding to WA, CA, and ID when restrictions are more open. Wildfires and smoke negatively affected lodging capacity rates in September.

In 2021 at least, TN continues to make financial adjustments in response to a reduction in TLT revenue, due to decreased lodging capacity. TN successfully secured a \$10,000 grant from Travel Oregon in June 2020. Paid marketing opportunities will continue in proportion to available and newly generated TLT revenue. Hotel recruitment and development opportunities have halted during COVID-19 challenges.

## Evaluation of 2020 Council Goals

1. Change operational culture to one focused on Customer Service and act to Resolve Ongoing Legal Disputes.

Several Business and Workforce Development strategies focus on greater efficiency between support organizations and, specifically, within the City of Newberg. The NEDS team recognizes that our business owners are customers of the City. NEDS priorities proactively address how to support starting or expanding a business in Newberg, how to navigate different departments within the City of Newberg, how to access to resources at all levels of government, and how City Staff can improve rapport with the business community.

2. Further develop an operational culture that adopts and cherishes Diversity, Equity, and Inclusion as core values.

Workforce development initiatives focus on improving quality of life and vocational prospects for individuals, while improving the skillsets of our workforce, especially our underemployed workers. By partnering with NSD on CTE programming and GFU on entrepreneurial support, we're exposing our students to meaningful, living-wage careers that could empower them to both live and work locally, particularly our highest risk and nontraditional students, who might not see traditional post-secondary higher educational models as the best options after high school. Statistically, we still see proportionately higher numbers of minority and vulnerable community members among our underemployed workforce and at-risk or nontraditional students. The workforce and affordable housing initiatives are similarly related to improving equitable access for vulnerable community members. With the adoption of the Construction Excise Tax, we begin to build a reserve fund to augment diverse housing options.

Within both our Urban Renewal conversations and our Vertical Housing Development Zone initiative, City Staff has begun addressing issues of gentrification and displacement with community and stakeholder input.

Both the City of Newberg and CVCC have engaged and continue to do so with the Latinx community, to learn from that business community in order to create better support programs for our Latinx businesses.

With parking, sidewalks, and infrastructure improvements, we're also able to improve ADA accessibility standards.

3. Promote development of housing affordability such as houselessness, transitional housing, workforce housing.

The Workforce Housing forums, Vertical Housing Development Zone program, and Construction Excise Tax all support affordable, diverse housing options for our community. Additionally, the Urban Renewal Plan and citywide development strategies support infill opportunities.

4. Create and support an Urban Renewal Plan and Authority.

Development of an Urban Renewal Plan is a significant priority in the Downtown Newberg Improvement Plan and completion and implementation of the plan is expected to occur in 2021.

5. Collaborate with local partners and with entities like ICLEI in the development of Sustainability program.

Because NEDS includes infill strategies with the VHDZ, and URA, our community is able to leverage land resources locally. When development occurs through URA, the City of Newberg's Community Development, Public Works, and Planning teams are able to increase sustainability standards, including reclaimed stormwater, more efficient utilities, and ADA accessibility.

## 2021 NEDS Goals

Many of the existing NEDS goals are incomplete and the NEDS team expects to diligently pursue results, especially once COVID-19 restrictions decrease.

The NDC has a clear goal to focus on parking solutions. With City Staff, the Chehalem Valley Chamber of Commerce and Taste Newberg will reassess the appropriate model and function of a Visitor's Center, as well as the general integration and efficiency involved in a collaborative business service model that incorporates functions and overhead of all three private business support organizations - CVCC, VN, and NDC for the betterment of the community . As travel and commerce restriction ease, TN will reestablish a vibrant marketing program, attracting out-of-region visitors and revenue.

The Urban Renewal Plan will be finalized, adopted by City Council, and begin implementation, as will the Vertical Housing Development Zone.

The City of Newberg, SEDCOR, and additional NEDS team members will advocate for and cooperate with development opportunities with CDC, Inc., on the WestRock Mill Site. The Urban Renewal Plan and Mill Site development will also include implementation of the Waterfront Master Plan, which may also include commercial development opportunities, in addition to industrial development opportunities.

With a shifting economy, CVIA and partners will continue to focus on entrepreneurial support and identifying funding opportunities. Workforce development will continue to include housing

initiatives, childcare, as well as workforce retention and recruitment strategies, both novel programs and collaborative programs.