



Newberg Economic Development Strategy (NEDS) 2021 Annual Report

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Shannon Buckmaster, Economic Health Manager

2021 NEDS Core Group:

Carr Biggerstaff - carr@chehalemvia.com
Chehalem Valley Innovation Accelerator (CVIA)

Shannon Buckmaster - shannon.buckmaster@newbergoregon.gov
Economic Health Manager, City of Newberg

Leslie Caldwell - leslie@visitnewberg.org
Executive Director, Taste Newberg (VN/TN)

Joshua Duder - josh@chehalemvalley.org
Former Executive Director, Chehalem Valley Chamber of Commerce (CVCC)

Philip Higgins - phiggins@pacificcrestrea.com
Principal Broker, Pacific Crest Real Estate Advisors
Executive Board Member, Chehalem Valley Chamber of Commerce (CVCC)

Dr. Luke Neff - neffl@newberg.k12.or.us
Director of Strategic Partnerships, Newberg Public Schools (NPS/NSD)

Polly Peterson - exec@newbergdowntown.org
Executive Director, Newberg Downtown Coalition (NDC)

Scott Parker - scott@chehalemvalley.org
Executive Director, Chehalem Valley Chamber of Commerce (CVCC)

Doug Rux - doug.rux@newbergoregon.gov
Community Development Director, City of Newberg

Abisha Stone - astone@sedcor.com

Yamhill County Economic Development Coordinator, Strategic Economic Development Corporation (SEDCOR)

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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/Taste 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. 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.

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 Abisha Stone of SEDCOR developing and executing a Business Retention and Expansion (BRE) survey that included results from 8 participating Newberg businesses. The greatest BRE needs identified by our Newberg businesses prioritized access to workforce and available land for development and expansion. Portland Business Alliance (PBA) hosted an Oregon Economic Forecast Forum that predicted stronger-than-expected economic recovery for traded sector companies and available jobs. Unfortunately, many jobs remain unfilled due to a voluntarily absent workforce. The Oregon Employment Department (OED) announced late-July changes to UI/PUA benefits to encourage workers to return to work, especially in response to full-time, in-person school starting in September 2021.

The Chehalem Valley Innovation Accelerator (CVIA) reported entrepreneurs pursuing a community art space and a commercial cookware company. Arthur Chaput replaced Dennie Houle as our Business Oregon Regional Development Officer (RDO).

Conversations were held with fabrication, machining, automotive, dental, and medical parts manufacturers about retention and expansion strategies involving physical expansions. Available industrial land continues to be a significant challenge for expansion, as well as (re)development costs. Redevelopment costs and timeline challenges prevented a Newberg location Project Oasis, a childcare center offering subsidized child care and community services as a private/public partnership catalyzed by DCI, Inc, in response to workforce and public health needs. While there was a secondary plan to develop the Center with Newberg Public Schools, the Center was ultimately established in McMinnville, Oregon.

Commercially, successful redevelopment and/or recruitment added a financial office redevelopment and bakery to our Downtown Area, addressing infill needs for vacant buildings. Commercial Development Corporation (CDC) continues to partner with City Staff for RFI proposals on the former West Rock Mill Site. Several RFIs were completed in 2021, while none have currently resulted in redevelopment opportunities. One interesting piece of feedback for an RFI not advancing was the existence of a fault line transecting the property, which prevented a data center from advancing our proposal.

Funding opportunities pursued for Newberg's business development included exploration of funding a business plan support plan modeled after a similar program in Independence, Oregon; a Nike Community Impact Grant to the N. Willamette Region; Portland Business Development Group (PDBG) offering a microenterprise Community Development Block Grant (CDBG) grant; a Travel Oregon grant; the Yamhill County Board of Commissioners receiving a recommendation from the Economic Development Advisory Council (EDAC) to consider economic recovery as a spending priority for their \$22 Million in American Rescue Plan Act (ARPA) funds; multiple funding opportunities through Business Oregon, including a small indoor theater grant that a local business applied for; and the City of Newberg launching a competitive grant program for both internal public projects and private/non-profit/business project proposals to allocate their \$5.3 Million ARPA funds. The first of three ARPA Budget Committee Meetings occurred on December 15, 2022, allocating \$1,765,529 to 8 projects, including two non-profit organizations and a private hotel SDC reduction.

With support from CVCC Board Vice President Philip Higgins, Scott Parker replaced Josh Duder as the Executive Director for the Chehalem Valley Chamber of Commerce. Executive Director Polly Peterson permanently took over NEDS responsibilities from outgoing ED Molly Olson. Monique Clairborne was named as the new CEO for Greater Portland, Inc. The Oregon Economic Development Association is searching for a new CEO/ED after the announcement of Avery Pickard's resignation.

The Urban Renewal Citizens Ad-hoc Committee (URCAC) met several times in 2021, building, adopting, and beginning overlaying tax district approval presentations for an Urban Renewal Plan, until opposition from the Yamhill County Board of Commissioners prompted a change to the plan by the Newberg City Council and URCAC. The URCAC reconvened and revised the plan to eliminate annexed land from the Urban Renewal Plan, effectively addressing the YCBOC's concerns. The Plan is expected to be adopted with implementation beginning in 2022.

Launch Mid-Valley convened several times in 2021, with Venture Catalyst Mike White facilitating regional meetings for entrepreneurial exposure and support, including one pub talk at Social Goods in Newberg. SEDCOR continued to general industrial and traded sector, sewist, food industry, and PPE manufacturer roundtables and forums. Newberg dental manufacturer DCI, Inc. was named SEDCOR's Manufacturer of the Year at their Annual Awards Luncheon in Salem.

The EHM underwent training through Business Oregon on the Oregon Prospector RFI recruitment platform, built an RFI library, coordinating with the City's Communications team for a community data web page and RFI marketing template, and started initial conversations on acquiring a Customer Relations Management software package to manage business, partner, and RFI contacts.

Local outreach events included presentations to both Rotary Clubs in Newberg, Newberg City Club, and the Yamhill County Leadership Forum on Urban Renewal, City programs, and ARPA processes.

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.

Expansion or relocation land continues to be scarce and businesses face additional challenges of development costs and rising real estate costs when investigating commercial spaces. CVCC offered feedback in initial conversations with City Staff on SDCs, particularly regarding “Change of Use” and Transportation SDCs. City Staff prepared an educational presentation on SDC historical process and assessments for community partners and business owners.

Some exit surveys were incomplete or challenging, because (as reported by NDC), support organizations needed to “build the relationships.” NDC drafted an exit interview survey for businesses who are closing or relocating to a different community. The NEDS team has continued to communicate around infill and relocation opportunities for individual businesses.

The City of Newberg launched a Sidewalk Loan Program, initially intended for residential development, but opened to locally-owned small businesses. The former CM and CDD/EHM had started conversations with SEDCOR and the Mid-Willamette Valley COG to revise our City’s Revolving Loan Fund to reduce existing rates to a more competitive rate. This project is postponed until a permanent City Manager is hired.

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.

The Community Development Director presented on economic development and community planning to George Fox University Students, while the EHM mentored graduating Business Majors on non-profit principles, management, budgeting, and development. City of Newberg Staff created and administered a Business Needs Survey, in anticipation of allocating ARPA funds to best serve the business community.

CVCC and NDC continued to distribute free PPE to local businesses. CVCC also started a new program for women business owners - Females United Network (FUN), and partnered with the Oregon Community Foundation (OCF) for a next attempt at Table for 12 in support of the Latinx community.

The Economic Development Association (EDA) funded Mike White as Yamhill County's Venture Catalyst for 2 additional years. The VC hosted a food entrepreneurs event focusing on localizing the supply chain and a Yamhill County Pitch Fest. CVIA added several new Advisory Board Members and considered an application for the USDA RBDG grant, but did not have an eligible project.

Taste Newberg created several marketing campaigns benefitting local businesses and in cooperation with NDC and CVCC, including a Valentine's Day outdoor "Mid Winter Market," a revitalized Art Walk/First Friday, and a highly successful Summer Farmer's Market on College St, which included a vaccination clinic. Taste Newberg and NDC have proactively tracked and reached out to new local businesses for partnership opportunities. Taste Newberg and NDC also partnered on creating a workshop for helping businesses update their Google pages. NDC, CVCC, and TN decided against consolidation and/or co-location. With City funding through General Fund and ARPA funds, NDC launched a closed-loop gift card system to build revenue for local businesses called "Berg Bucks." NDC ED Polly Peterson also enrolled in a grant writing and non-profit development course.

A local manufacturer surveyed its workforce and identified its top workforce needs as childcare, food insecurity, and mental health. In addition to this survey, workforce availability and workforce housing continue to be a challenge for employers. SEDCOR facilitated a workforce exchange with (off-season) agricultural contract workers to move into manufacturing temporarily. SEDCOR worked with Chemeketa CC and Willamette Workforce Partnership to support workforce development programs in childcare and tourism/hospitality. Some local

businesses reported reduced operational hours as a result of limited workforce availability. WorkSource Oregon hired a new workforce coordinator to work with businesses to become Veteran-friendly employers.

A sidewalk construction and repair program was approved by Council to employ and train underemployed, non-enrolled youth with partnership from YCAP and WWP. The program failed for lack of available concrete contractors.

The Yamhill County BOC approved \$435,00 in ARPA grant funding for workforce projects and more than \$2 Million in childcare expansion and affordability programming, disbursed through the Early Learning Division. West Valley CTEC received \$1.9M from the State's Christmas tree fund to purchase the Sheridan School District's new building. SEDCOR continues to work with CTEC West to develop new educational programs.

McMinnville Economic Development Partnership opening all internship opportunities for students and employers to Newberg Area businesses, in part to fill a local opportunity gap. The EHM participated in resume reviews and mock interviews for CTEC in the Salem-Keizer SD, multiple design review committees for Newberg Public Schools in relation to the passed construction bond, and entrepreneurial project series as an advisor for both Dayton High School and Catalyst High School. The EHM was also appointed as a CTE Advisory Council Member for the Willamette Career Academy, serving Newberg and Dundee students.

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.

As noted earlier in this report, one of the successes of the Downtown Newberg strategy is the progress toward an Urban Renewal District, which geographically includes the Downtown area. NDC began educational conversations with McMinnville leaders about how they formed an Economic Improvement District. Creation of a Vertical Housing Development Zone program was completed on May 3, 2021, and went into effect on June 3, 2021.

After the completion of TPR analysis by the City's consultant, preparation of the M-5 (craft industrial) District is postponed until City staffing levels in the Planning Department are restored. The Downtown Parking Study is also postponed for pandemic-related challenges and lack of funding. The study was not completed in 2020 because of the pandemic and the study was removed from the 2021 budget. NDC explored a public bathroom Downtown, which is not moving forward, and safety issues.

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.

On schedule, the City initiated a planned 5-year review of the Strategic Tourism Plan after an RFP was successfully filled in Fall 2021. Interviews of industry partners and stakeholders are currently underway.

Taste Newberg followed direction from Travel Oregon for a tourism recovery plan which included marketing, advertising, and safety messaging for local, then regional, then national and international travelers. This activity corresponded with a Seattle plan, specifically. An additional marketing campaign with inspirational messaging and brand building was developed to emphasize positive features of Newberg from a tourism lens. Print ads were designed for the 2022 Travel Oregon's annual visitor's guide and *1859 Oregon's Magazine* and a 2021 ad was run in the *News-Register Yamhill Valley Visitor Guide*.

TN promoted the "12 Tastes of Christmas" Campaign with coverage on KPTV/Fox 12, KOIN, and various print and online sources, also in support of Small Business Saturday. TN also promoted Truffle Month and the Spring Blooms program, which included the Camellia Festival, "May in Wine Country," and Lavender Traill promotion

TN hosted several Familiarization Tours with travel influencers, including the Editor-in-Chief for *Noire Voyage*. Taste Newberg procured media mentions in *Forbes*, *Naturally*, *USA Today*, *Wine Enthusiast*, *Thrillist*, *PDX Eater*, and more.

The Yamhill County Tourism Partnership voted to disband due to decreased support from the Yamhill County BOC. Taste Newberg and Visit McMinnville will instead work collaboratively to promote tourism to the region. Occupancy rates at hotels remained down during the first half of the year and when travel increased, workforce shortages restricted the occupancy capacity for lodging partners.

Taste Newberg presented to the Young Professionals of Yamhill Valley, Newberg Historical Society, and Leadership Chehalem Valley (CVCC). Taste Newberg also completed and submitted an annual audit to City Council in October 2021.

Evaluation of 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 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 skill sets of our workforce, especially our underemployed workers. The workforce and affordable housing initiatives are similarly related to improving equitable access for marginalized community members. Staff continues to engage the Latinx community in support of equitable access to programs, services, and funding opportunities. 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 initial implementation of the plan is expected to occur in 2022.

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.