

REQUEST FOR COUNCIL ACTION



Date Action Requested: (January 16, 2024)

Order ☐ Ordinance ☒ Resolution ☐ Motion ☐ Information ☐

No. 2024-2921

Subject:

An Ordinance extending the local state of emergency first declared on the 21st day of April, 2022.

Staff: CM

Department: Administration

Business Session

Order On Agenda: Continuing Business

Hearing Type: Legislative ☒ Quasi-Judicial ☐ Administrative ☐ Not Applicable ☐

Is this item state mandated? Yes ☐ No ☒

If yes, please cite the state house bill or order that necessitated this action:

NA

Recommendation:

Staff recommends that council approve ordinance 2024-2921, to extend the DCI emergency occupation of 1150 N Springbrook Road for an additional four years.

Executive Summary:

DCI International, LLC (“DCI”) is a dental manufacturing company and is one of the largest employers in the City of Newberg. On Sunday, April 10, 2022, DCI’s 33,000-square-foot parts assembly building (the “Facility”), located at 305 N Springbrook Road, was destroyed by fire. The fire damaged the Facility beyond repair, and the destruction of the Facility resulted in the displacement of approximately 80 production workers.

DCI had an immediate need to resume the work disrupted by the fire. DCI was deemed by the city to be a critical employer and economic contributor, working in the City of Newberg for over 35 years. It was decided at that time that the loss of their operation would cause substantial damage to Newberg’s economic wellbeing.

With the passage of Ordinance 2022-2898, under the authority of ORS 401.309, DCI was permitted to occupy a temporary site located at 1150 N Springbrook Road (the “Temporary Location”) This location has been used ever since to resume parts assembly, despite the fact that the temporary location is zoned for commercial use (C-2) under the Newberg Municipal Code. The city, as part of this process, declared a state of emergency, effective on the 21st day of April, 2022.

ORS 401.309 authorizes City Council, as the governing body for the City of Newberg, to declare emergencies and carry out activities that allow the city to minimize, respond to, or recover from emergencies.

The city has recently received communications from DCI indicating that they have yet to resolve their insurance issues connected to the original disaster. DCI feels that the remaining time under the original declaration of emergency may not be sufficient to solve these insurance issues. As a result, they have asked the city via email and telephonic means to extend the emergency. Council gave its approval via motion at the council session of December 4th 2023 for staff time to be used to carry out this action.

Fiscal Impact:

The loss of DCI assembly jobs would have a considerable impact on the local economy, although the exact value of this is hard to quantify.

Council Goals:

Goal 2 is related to the overall need to keep and attract family wage jobs in Newberg. Additionally, in goal 2, objective four, we can see listed the need to reduce barriers to light industrial operations.

ORDINANCE No. 2024-2921

**AN ORDINANCE EXTENDING A LOCAL STATE OF EMERGENCY AS A RESULT OF
DESTRUCTIVE FIRES AT 305 N SPRINGBROOK ROAD, AND TO SUSPEND
APPLICATION OF THE LOCAL DEVELOPMENT CODE AT 1150 N SPRINGBROOK
ROAD (FORMER RITE AID BUILDING)**

Recitals:

1. DCI International, LLC (“DCI”) is a dental manufacturing company and is one of the largest employers in the City of Newberg.
2. On Sunday, April 10, 2022, DCI’s 33,000-square-foot parts assembly building (the “Facility”), located at 305 N Springbrook Road, was destroyed by fire. The fire damaged the Facility beyond repair and construction of a new facility is now estimated to require an additional four years to complete (a total of seven years from the original incident).
3. Destruction of the Facility resulted in the displacement of approximately 80 production workers.
4. Part assembly activities at the Facility supported other DCI operations that is performed by over 500 employees, and the supply chain processes could be delayed or suspended in the absence or disruption of the part assembly activities.
5. DCI has been a critical employer and economic contributor in the City of Newberg for over 35 years. The loss of their contributions would cause substantial damage to Newberg’s economic wellbeing.
6. It was identified in April of 2022 that the real property located at 1150 N Springbrook Road (the “Temporary Location”) would be the only location DCI could use temporarily to resume parts assembly operations, but the temporary location is zoned for commercial use (C-2) under the Newberg Municipal Code.
7. ORS 401.309 authorizes City Council, as the governing body for the City of Newberg, to declare emergencies and carry out activities that allow the City to minimize, respond to, or recover from emergencies.
8. On April 21, 2022, the City adopted emergency ordinance 2022-2898 to permit DCI’s use and occupation of the Temporary Location for its parts assembly operations.
9. The City Council desires to continue the exercise its powers to support the welfare of the City of Newberg.

The City of Newberg Ordains as Follows:

1. Extension of the Declaration of Emergency. The emergency declared by Ordinance 2022-2898 (declared by the Newberg City Council, effective on the 21st day of April 2022) is hereby extended for an additional four years.

2. Suspension of Local Zoning Laws. Subject to Section 3 of this Ordinance, the Council hereby extends the suspension of the application of all provisions concerning use under Title 15 of the Newberg Municipal Code (the “Development Code”) to the Temporary Location. No City official, department, or employee shall (a) require the Temporary Location to conform with the Development Code or (b) enforce provisions of the Development Code against the Temporary Location.

3. Exclusions to Suspension. Newberg Municipal Code Chapters 15.100 (Land Use Process and Procedures), 15.220.020(A) (Site Design Review Applicability), 15.220.030(B)(1) through 15.220.030(B)(12) (Site Design Review Requirements), 15.220.050 (B)(1) through 15.220.050(B)(10) (Criteria for Design Review), 15.230 (Property Consolidations), 15.235 (Land Divisions), 15.435 (Signs) are not subject to the suspension extended under Section 2 of this Ordinance. City officials, departments, and employees may comply with code provisions suspended under Section 2 to the extent required to enforce Chapters 15.100, 15.220.030(B), 15.220.050(B), 15.230, 15.235, and 15.435 of Newberg’s Municipal Code.

4. Expiration. This ordinance shall expire at 12:00 A.M Pacific Standard Time on April 21, 2029.

5. Emergency Clause. The City Council of Newberg declares that an emergency continues to exist to protect the welfare of the City and, therefore, this ordinance shall be in full force and effect immediately after its passage and adoption.

Effective Date of this ordinance is the day of the adoption date, which is: January 16, 2024.

Adopted by the City Council of Newberg, Oregon, this 16th day of January, 2024, by the following votes:

AYE: **NAY:** **ABSTAIN:**

Rachel Thomas, City Recorder

Attest by the Mayor this _____ day of _____, 2024.

Bill Rosacker, Mayor