

MEMORANDUM

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TO: Newberg Planning Commission  
FROM: Doug Rux, Community Development Director  
SUBJECT: Supplemental Material CPTA22-0002  
DATE: October 13, 2022

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Attached is supplemental material for CPTA22-0002. It includes public comments submitted.



February 9, 2021

Newberg City Council  
City of Newberg  
414 E. First Street  
Newberg, Oregon, 97132

SENT VIA EMAIL

**RE:** Comments on the Newberg Housing and Residential Land Needs Analyses

Friends of Yamhill County (FYC) works to protect natural resources through the implementation of land use planning goals, policies, and laws that maintain and improve the present and future quality of life in Yamhill County for both urban and rural residents. 1000 Friends of Oregon is a non-profit, charitable organization dedicated to working with Oregonians to support livable communities. Our organizations' memberships include Newberg residents who support the mission and values of the Oregon land use program.

We strongly support the city's efforts to pursue solutions to its housing needs through the draft Housing Needs Analysis (HNA), which also includes a buildable lands inventory (BLI) and a residential land needs calculation. As the city is severely rent-burdened, action on housing costs, which is influenced in part by availability, is needed. We are interested in ensuring that Newberg is in a position to optimize the number of dwelling units on its residential lands and increase opportunities for housing on existing residential land in the city and have some comments in that context.

We commented to the planning commission on the proposal (letter attached). Our testimony here addresses the same issues. Please accept our testimony and include it in the record of the project.

### **Density of Needed-Housing Development**

Our written testimony to the planning commission pointed out that the HNA assumes the historic density of residential development will continue into the future (p. 2 of attached letter). When city staff addressed this topic during the planning commission meeting, all that

was stated was that the issue is already addressed in the HNA, implying that we had cited the wrong sections in our letter. We disagree. City staff pointed to pages 85 and 86 of the HNA as explaining the needed-density calculation. The *full explanation* for the assumed density is:

ORS 197.296(5) requires cities to analyze historical and needed densities. Exhibit 48 shows historical gross densities by plan designation. These densities were used to calculate capacity for new dwelling units, and this analysis concludes that the needed density is 7.4 (Exhibit 53). (HNA, p. 85)

Our previous testimony stated that this “does not explain why [the HNA] determined that future historic residential densities will meet housing needs over the next 20 years in light of the fact that historical densities have not met existing needs, as documented elsewhere in the HNA.” For the reasons stated in our original letter, we reiterate this testimony to the City Council unchanged.<sup>1</sup>

Also related to residential density, we suggested that it would be reasonable for the HNA to recognize that the city will be required to comply with ORS 197.758, also known as House Bill 2001 from 2019 (p. 3 of attached letter). When presenting this to the planning commission, city staff pointed out that the city is not required to comply with this new law yet (and we don't suggest otherwise) and that it is not known yet what effect the new law will have. What is known is that the city will be allowing multi-unit housing in all its residential zones very soon. Forecasts by their nature consider unknowns, and this would just be one more. Since the city needs to update the HNA's housing density calculation to comply with ORS 197.296(5) anyway, we merely suggest that this update could easily account for some predictable effect of the new law.

### **Housing Mix**

For the reasons stated on page 3 of the attached letter, we continue to encourage the city to consider changes to the HNA and implementing policies that would drive a greater share of the city's future housing to more-affordable multi-family units. The city has a current shortage of such units and it should do whatever it can to accommodate this critical need.

### **Public and Exempt Land**

We testified to the planning commission that the HNA may miscalculate land need because it excludes public and tax-exempt land (pp. 3-4 of attached letter). During the presentation to the planning commission, city staff indicated it used “accepted methods” for preparing the BLI and that nothing in administrative rule requires the city to “survey churches.” Since those statements do not substantively address our concerns, we reiterate them here.

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<sup>1</sup> The HNA recently completed for McMinnville provides an example of an analysis of “needed density” vs. “historical density” based on a correlation of income levels to housing-types. See [https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/final\\_mcminnville\\_hna\\_report\\_06\\_28\\_19.pdf](https://www.mcminnvilleoregon.gov/sites/default/files/fileattachments/planning/page/1675/final_mcminnville_hna_report_06_28_19.pdf)

Regarding public land, we believe that investigating whether there is such land in the city that will be available for residential use during the planning period would be “accepted.” Regarding exempt land, if a parcel of land satisfies the definition of vacant or partially vacant, it should be included in the BLI as such, especially since the city projects a need for uses that will use tax-exempt land (churches). The rule does not say the city is excused from “surveying churches” and other exempt land. We note that the city zoned about 25 acres of property owned by a church and private school for residential use in 2017 (file no. ANX-17-002). There appears to still be significant vacant acreage at that same church/school property.

### **Park Land Need**

We did not raise this issue to the planning commission. The draft HNA states that the public/semi-public land needs analysis finds there is a need for 60 acres of park land during the planning period (p. 78). The analysis does not appear to account for the nearly 50 acres of park land planned in the Springbrook Master Plan. We believe that this Springbrook land can provide some of the needed park acreage even though it is private land.

The master plan states the parks will be open to the public (p. 51 of the master plan<sup>2</sup>). The park area standards in the comprehensive plan, which the public/semi-public land needs analysis relies on, do not exclude privately owned parks from the standards (November 2020 Newberg Comprehensive Plan, pp. 15-16). Statewide Planning Goal 8, “Recreation,” provides:

The requirements for meeting [recreation] needs, now and in the future, shall be planned for by governmental agencies having responsibility for recreation areas, facilities and opportunities: (1) in coordination with private enterprise...

We do not contend that this provision of Goal 8 was intended for the scenario currently before the city council, but it, along with the our other points, suggests that the HNA should recognize that the Springbrook parks will accommodate a portion of the city's park land need. We are not advocating for the full 50 acres to be subtracted from the 60-acre need (although that would be defensible), but rather some portion based on data. For example, the HNA shows that Springbrook represents about 40 percent of Newberg's housing capacity (p. 85). It would therefore be reasonable for the HNA to calculate that the approximately 50 acres of parks in this district will meet about 40 percent (24 acres) of the projected park need. There are probably other reasonable ways to make the calculation.

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<sup>2</sup> <https://www.newbergoregon.gov/sites/default/files/fileattachments/planning/page/3133/springbrook20master20plan.pdf>

Thank you for the opportunity to submit this testimony.

Sincerely,

Sid Friedman, Board Member  
Friends of Yamhill County  
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P.O Box 1083  
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Helping to shape the use of our natural resources to protect the quality of life in Yamhill County.

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October 14, 2020



Doug Rux, Community Development Director  
City of Newberg  
PO Box 970  
414 E. First Street  
Newberg, Oregon, 97132

SENT VIA EMAIL

**RE:** Comments on the draft Economic Opportunities Analysis

Doug:

Thank you for allowing Friends of Yamhill County to participate in the Citizens Advisory Committee that is reviewing the city's proposed economic opportunities analysis (EOA). The Friends of Yamhill County is a non-profit community service organization working to enhance the quality of life in the urban and rural communities of Yamhill County. 1000 Friends of Oregon is a 501(c)(3) non-profit, charitable organization founded by Governor Tom McCall to work with Oregonians to support livable communities. Our membership includes Yamhill County residents who support the mission and values of the Oregon land use program. Among these Oregon values is the support of economic development and the preservation of farmland.

We strongly support the city's efforts to pursue solutions to its economic development needs. The materials provided to the committee convincingly portray a deficit of industrial opportunities to satisfy Newberg's employment needs. Our comments reflect concerns regarding certain sectors that may be getting too little attention and concerns regarding maintenance of the land supply for Yamhill County's primary industry – agriculture – and ensuring it does not lose its land base unnecessarily due to overestimation of urban land needs.

Please accept our comments and include them in the record of the project.

## **I. Review of National, State, Regional, County and Local Trends**

OAR 660-009-0015(1) provides:

The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. *This review of trends is the principal basis for estimating future industrial and other employment uses...* (italics added)

Appendix A of the draft EOA includes this review of trends. As the italicized phrase of the rule makes clear, the trends analysis is extremely important – the *principal basis* – for all the work that follows. As a general comment, we find that the trends analysis contains very good information that helps inform the city's decision-making process, but also misses some important data that makes later conclusions inadequately supported.

### ***A. National Trends***

The draft EOA contains no information regarding national trends in industry. Newberg, Yamhill County, and Oregon exist within a larger economic environment, and this national picture has a bearing on what Newberg can reasonably expect to attract. Which traded sectors are growing, and which are declining? Which commercial services have been robust and which are contracting? The analysis addresses retail, but no other individual sectors.

The EOA should contain data and analysis regarding these national trends and how they can be expected to influence regional and local economic development plans. Without it, the city cannot adequately determine what employers it can reasonably expect to locate here.

### ***B. State Trends***

Similarly, the state trends analysis provides no insight into what particular commercial and industrial sectors are experiencing. Appendix A states that manufacturing employment in Oregon is outpacing the nation (p. 70), but it does not reveal which sectors account for this growth. This section says nothing about trends in other traded sectors or commercial services. The data in the draft EOA show that these other sectors are important employers in Newberg, so it seems that a full discussion of state trends in all sectors and how they affect Newberg is needed.

### ***C. Regional and Local Trends***

This section of Appendix A includes very good information. Again, the issue is what's missing. While we do not discount the good work the city has done identifying target industries, how does the EOA demonstrate to decision-makers that these are, in fact, realistic targets? Are there other viable targets nobody thought of? A trends analysis would inform, and should be the principal basis for, these decisions.<sup>1</sup>

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<sup>1</sup> The second paragraph on page 21 of the draft EOA states: "Yamhill County accounts for about 80% of employment in these three counties, and Newberg accounts for about 27% of the County's

## II. Employment Projection

The draft EOA includes an employment projection that may not be reflective of information contained in the trends analysis.

### A. Office and Commercial Services

The draft EOA states, on p. 32:

Office employment is expected to account for more than 1,000 new jobs or 50% of employment in Newberg by 2041. In 2008, Office and Commercial Service employment accounted for 45% of employment. By 2041, the forecast shows Office and Commercial Services accounting for 50% of employment, with Industrial employment growing at a faster rate than Office and Commercial Services.

This section fails to mention that this category accounted for 57 percent of employment in Newberg in 2018 and the *trend* has been for this category to grow at a moderate to high rate relative to other categories (exhibits 9 and 3, respectively).<sup>2</sup> Nonetheless, the draft EOA projects only 1,074 new jobs in this category during the 20-year planning period, even though the city added nearly that many jobs just during the decade 2008 to 2018.<sup>3</sup> Nothing in the draft EOA justifies an assumption that the growth in this sector will decrease by nearly half.

While many of the sectors within the Office and Commercial Services category are low-wage and the city reasonably chose not to target these for its economic development strategy, they do provide needed jobs and, since they are major employers in the city, should not be an afterthought in the city's planning efforts.

We note that “Commercial Sector” and “Tourism and Hospitality” are two of the five pillars of the Newberg Economic Development Strategy (Strategy, p. 1). The uses that comprise these pillars are largely represented in the Office and Commercial Services category within the employment projection.

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employment.” This section analyzes *four* counties (Linn, Marion, Polk, and Yamhill), and the 80% figure appears to be a typo. The relevant region includes Salem and Albany, so it seems unlikely that Yamhill County contains such a high share of the jobs. We don't see that this error caused any later miscalculations, but we thought you would want to check the accuracy of the statement.

- 2 The draft EOA states, on p. 33, “For each land-use type, we assumed that the share of total employment will increase, except for Government, which will remain at about the same number of employees and decrease in overall share of employment in Newberg.” The forecast in exhibit 9 shows a decreased share for the Retail Commercial and Office and Commercial Services categories, as well.
- 3 Exhibit 3 shows an increase of 940 jobs from 2008 to 2018 for these sectors: Information; Finance and Insurance; Real Estate and Rental and Leasing; Professional Services; Management of Companies; Administrative and Waste Services; Health Care, Social Assistance and Private Education; Arts, Entertainment, and Recreation; Accommodation and Food Services; and Other Services (except Public Administration).



The draft EOA makes conclusions not supported by the data, and allocating more of the employment forecast to the Office and Commercial Services category could remedy this inconsistency. It would also ensure the city has an adequate supply of suitable sites for the professional offices, medical clinics, social services, and tourist facilities the city can reasonably expect to locate or expand in Newberg during the planning period.

### ***B. Government***

Exhibit 3 shows that government employment in Newberg declined by 10 percent from 2008 to 2018, and exhibit 1 shows an 11 percent decline in Yamhill County for that period. The employment forecast in exhibit 9 shows the Government category slowly growing in Newberg and constituting a smaller portion of total employment at the end of the planning period.

Since the draft EOA's trends analysis does not discuss government employment at the national, state, or regional level, it is difficult to ascertain whether positive or negative growth in this sector should be included in the employment forecast. It appears that some or all of the Government allocation could be transferred to Office and Commercial Services without conflicting with data contained in the EOA. The number would be small, however.

### ***C. Retail Commercial***

Retail Commercial was one of the faster-growing sectors in Newberg from 2008 to 2018 (24 percent growth in 10 years; exhibit 3), and the employment forecast shows the growth slowing to eight percent in 20 years (exhibit 9). The trends analysis discusses the “transformation of retail” (Appendix A, p. 64) so there is some basis in the draft EOA for this dramatic change. Again, calculating how much of a decline in retail to reasonably expect would require more analysis than the draft EOA contains.

### ***D. Industrial***

The employment forecast in exhibit 9 shows industrial employment growing from 3,030 in 2021 to 5,587 in 2041, and increase of 84 percent, or over three percent per year. The recent trend data for industrial employment in Newberg shows that employment in this category decreased by over seven percent during the 2008-2018 period.<sup>4</sup> All of the decrease was in manufacturing, and much of it was from two business closures.

The trends analysis in Appendix A of the draft EOA does not explain in detail what can be expected for industry, but it reports that industrial employment in Oregon has been more robust than the nation, with the number of jobs growing by 24 percent during the past decade (Appendix A, p. 70). The draft EOA employment forecast predicts that Newberg's industrial employment will increase by 84 percent in 20 years.

The rationale the draft EOA presents for this dramatic change in circumstances is summarized on pp. 31-32:

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<sup>4</sup> The seven-percent decline includes the change in employment in the Construction/Natural Resources, Manufacturing, Wholesale Trade, and Transportation/Warehousing/Utilities categories in exhibit 3.

Industrial employment is forecast to increase to 35% of employment by 2041, resulting in growth of 2,557 new jobs. This change is based on expected implementation of the City's economic development vision in the City's adopted economic development strategy and community vision. In the documents *A NewBERG Community Vision* and the *Newberg Economic Development Strategy Update*, Newberg assessed their community economic development potential and developed the community's vision for economic development (consistent with OAR 660-009-0015(5)). These documents state Newberg's economic development objectives, which include strong policies for development of industrial employment (consistent with OAR 660-009-0020(1)).

The community profile in *A NewBERG Community Vision* provides a basis for assuming that the industrial fortunes in Newberg will turn around, and Friends of Yamhill County shares the city's desires for this to happen. We do not, in any way, argue that the city's economic development future should be constrained by the recent past, especially because the data was so skewed by a couple of negative events. Newberg can and should take steps to grow its industrial base, and has taken impressive, pro-active actions through its community visioning, economic development strategy, and other measures.

We understand that the city has received counsel from economic development professionals that the assumed return of industrial to a 35-percent share of employment is reasonable. We do not wish for the city to replace this expert input with commentary from a land-use advocacy group, but it is likely that this input was not directed at compliance with a land-use rule and we do wish for the city to consider other reasonable options.

The draft EOA does not provide a basis for the magnitude of the assumed growth in industrial jobs. A general statement that expected implementation of the vision and strategy will lead to growth that far outpaces reported data does not satisfy the call to base these decisions "principally" on trends. The EOA should at least identify which action items in the vision and strategy will lead to growth and how much, based on evidence gained from places those measures have been successful. The EOA could also parse the industrial category into sectors and provide analysis of expected growth in each sector based on trends, and then sum them.

If these measures resulted in a lower forecast for industrial employment, the difference could be transferred to the Office and Commercial Services category to help reduce the deficit identified in subsection A, above.

### **III. Estimate of Demand for Land**

This and other sections of the EOA are presumably intended to address OAR 660-009-0015(4), “Assessment of Community Economic Development Potential,” although that is not stated in the document. The fundamental requirement in this rule provides:

The economic opportunities analysis must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area.

This rule provision focuses on estimating “types and amounts” of *uses* and does not mention land, yet the analysis in the draft EOA almost exclusively addresses acreage needs for target industries. The draft EOA identifies site characteristics of targeted site types (pp. 37-39) but does not say how many of each type is expected.

The EOA also does not identify site characteristics for any uses other than target industries. OAR 660-009-0015(2) provides:

The economic opportunities analysis must identify the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses.

The rule does not limit this inquiry to target industries. This focus on acreage and target industries is key to some of the concerns we have with the analysis detailed below.

#### ***A. Accommodating Employment Needs on Existing Sites***

The draft EOA states that the “Estimate of Demand” shows demand for “vacant (including partially vacant)” land in Newberg over the 20-year period (p. 33 for commercial land and p. 35 for industrial land). This is incorrect because the analyses in these sections of the draft EOA actually show demand for *land*, not just vacant and partially vacant land, to accommodate new jobs. These jobs may be created on sites that are vacant or partially vacant today, or they may go on currently developed sites resulting from intensification of the use (*i.e.*, more jobs in the same space) or redevelopment of property.

The draft EOA does not account for these possibilities and should. OAR 660-009-0015(3) requires that the inventory of industrial and other employment lands “include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.” “Developed land” is defined at OAR 660-009-0005(1) as “non-vacant land that is likely to be redeveloped during the planning period.” This is not just “partially vacant land,” a term unused in the economic development rule.

In exhibit 50, p. 93, the draft EOA states, “(l)ands not classified as vacant, partially-vacant, undevelopable, or public or exempt are considered developed.” This is a

misreading of the rule. “Developed land” is expressly *land that is likely to redevelop*. It does not encompass all land that already has a building on it.

In addition, a rule regarding urban growth boundary (UGB) amendments provides:

When evaluating or amending a UGB, a local government must inventory land inside the UGB to determine whether there is adequate development capacity to accommodate 20-year needs determined in OAR 660-024-0040. ... For employment land, the inventory must include suitable vacant *and developed land* designated for industrial or other employment use, and must be conducted in accordance with OAR 660-009-0015. (OAR 660-024-0050(1); italics added)

Section (4) of that same rule provides:

If the inventory demonstrates that the development capacity of land inside the UGB is inadequate to accommodate the estimated 20-year needs determined under OAR 660-024-0040, the local government must amend the plan to satisfy the need deficiency, either by increasing the development capacity of land already inside the city or by expanding the UGB, or both, and in accordance with ORS 197.296 where applicable. *Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB.* (italics added)

In summary, the economic development rule requires an inventory that includes built land that is likely to redevelop, and the UGB amendment rule requires this as well as a more general responsibility to accommodate as much land need as is reasonable inside the existing boundary – which would include intensification of existing uses.<sup>5</sup> We believe the economic development rule includes this responsibility to accommodate as much land need as is reasonable inside the existing boundary, but it is not explicit. There are reasonably easy ways to calculate redevelopment potential.<sup>6</sup>

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5 At the October Citizens Advisory Committee meeting, the consultant proffered that rezoning land inside the UGB from a designation that has a surplus (*e.g.*, commercial) to a designation in deficit (*e.g.*, industrial) is not reasonable because it would lead to Measure 49 claims. Please note that ORS 195.300 *et seq.*, “Just Compensation for Land Use Regulations” (Measure 49) only applies to “land use regulations that restrict the residential use of private real property or a farming or forest practice and that reduce the fair market value of the property.” Re-designation from a non-residential designation to a different non-residential designation is not subject to the statute. Re-designating residential land does not automatically result in compensation (*see* ORS 195.310). Rezoning land inside the UGB continues to be one way a city can reasonably accommodate needed land inside the UGB. This does not mean to suggest Newberg has a surplus in any particular designation.

6 *Industrial and Other Employment Lands Analysis Guidebook*, DLCD, p. 2-10.  
[https://www.oregon.gov/lcd/Publications/goal9guidebook\\_2005.pdf](https://www.oregon.gov/lcd/Publications/goal9guidebook_2005.pdf).

Finally, the base employment estimate used in the draft EOA is 10 percent lower than the latest estimated provided by an authoritative source – to account for increased unemployment caused by the COVID-19 pandemic (p. 30). That reduction in the base number is reasonable in order to align the work with the most recent reality. This suggests that up to 10 percent of jobs added during the planning period can be accommodated without adding *any* new sites or buildings. The EOA should address this.

### ***B. Site Characteristics for Other Employment Uses***

We do not find that the draft EOA addresses site characteristics for non-target-industrial or non-industrial uses. As discussed in the introduction to this section above, the economic development rule's instruction to base the estimate of need on uses is not limited to target industries. Since the draft EOA addresses only acreage needs, the city cannot know whether it has suitable sites for commercial and non-target industrial uses that are likely to locate or expand in Newberg during the planning period.

### ***C. Commercial Uses in Residential Zones***

The draft EOA includes an estimate of demand for commercial land that assumes “the percentage of new employment locating in residential land designations will remain the same over the 20-year period for commercial uses” (p.33). The “Factors Affecting Economic Growth” chapter of the draft EOA states that the “number of remote workers is expected to increase over time. Some of these workers will likely work from home...” (p. 23).

To be consistent, the EOA's commercial land demand estimate should account for this expected increase in home employment. Recent workplace changes caused by the pandemic make forecasting fraught, but the trend of increasing telecommuting began before the outbreak.

### ***D. Regional Analysis***

We are intrigued with the analysis of industrial site sizes in other cities in the Willamette Valley (p. 40). It is an innovative way to develop information to address OAR 660-009-0015(4). It appears to be a data-driven exercise, but, upon further inspection, its foundation rests on professional expertise, not data. That is, the cities included in the analysis are picked based on the consultant's knowledge of cities in the region, not on an objective and thorough evaluation of how “similar” a city is to Newberg. So the data it generates has value, but should not be the sole basis for determining site needs.

This is important because OAR 660-009-0015(4) provides: “(t)he economic opportunities analysis must estimate the *types and amounts of industrial and other employment uses likely to occur in the planning area.*” The city needs to determine what is likely for *Newberg*, not for an average city in the Willamette Valley. And the city needs to determine the types and amounts of uses, not just acres.

The draft EOA discusses site characteristics for target industries (pp. 43-45) and states, “(t)he following summarizes a range of the site characteristics Newberg should seek when identifying the sites that will address its employment land deficit.” This is correct, but it is not the first time that site characteristics should be examined.

The EOA should use the regional analysis as one input into its investigation of what is likely, not the only information employed.

### ***E. Large Industrial Site Needs***

Exhibit 17 in the draft EOA shows that the city calculates a need for one new site in the 25-50 acre range and one in the 50+ acre range. Note that the only target industry with site characteristics typically calling for a site larger than 25 acres is “Tech and High Tech Manufacturing” (exhibit 14). The site-size needed for this industry is 5-100 acres – a very wide range. Since the draft EOA does not estimate the types and amounts of *uses* as the rule provides, it is impossible to determine how many very large Tech and High Tech Manufacturing operations are likely to locate or expand in Newberg during the planning period.

Additionally, the Business Oregon Industrial Development Competitiveness Matrix, which is not included in full in the draft EOA but was provided to the committee, shows that the high-tech sector has the highest water needs of any of the target industries (criterion 11, Flow (Gallons per Day per Acre)) – by far more than any others except food processing. The draft EOA states, “the City may not have capacity to accommodate development of a new industry with significant water needs, such as water-intense food processing or electronics manufacturing” (p. 26).

While targeting tech and high-tech manufacturing firms makes sense for Newberg, the apparent limitation on the city's ability to serve a very large tech operation seems to make such a siting unlikely. Since no other industry needs such a large site, we question whether Newberg has a need for *any* new sites over 25 acres, notwithstanding the outcome of the regional analysis.

## **IV. Inventory of Industrial and Other Employment Lands**

The draft EOA states, at pp. 53-54:

According to the Sportsman Airpark Land Use Master Plan (2006), the airpark’s industrial land is about 17% developed, with about 29 estimated developable industrial acres remaining. Permitted uses on the Sportsman Airpark property are limited, and are not considered as part of the buildable lands inventory of industrial land available for most future employment uses.

The draft EOA does not cite a legal authority for excluding this vacant land from the “buildable lands inventory.” While limited permitted uses may provide some

justification, we note that “aviation-related industries” is one of Newberg's target industries. To target these industries as “most likely to be attracted to Newberg” and “best meet Newberg’s economic development goals” (draft EOA, p. 36) and then deem available land for these uses unlikely to develop is inconsistent at best.

These 29 acres should be added to the inventory as developable land or a more complete explanation of their absence is needed.

## V. Solutions

Friends of Yamhill County understands that Newberg has a budget and timeline for completing the EOA, and comprehensively addressing the alleged deficiencies in this letter would undoubtedly derail them both. We therefore offer an outline of possible ways to address the alleged deficiencies that may help. The solutions proposed below do not correct all the legal deficiencies we have identified, but rather illustrate a template for addressing our primary concerns that the EOA overestimates the need for industrial land and underestimates the need to accommodate other employment uses.

### *A. Forecast of Employment Growth by Land Use Type*

For the reasons stated above, we propose amending Exhibit 9 to something more closely agreeing with the data presented below.

Exhibit 9. Forecast of employment growth by land use type, Newberg UGB, 2021–2041

Land Use Type	2021		2041		Change 2021 to 2041
	Employment	% of Total	Employment	% of Total	
Industrial	3,030	25	4,579	29	1,549
Retail Commercial	1,333	11	1,437	9	104
Office & Commercial Services	6,908	57	9,099	57	2,191
Government	848	7	848	5	0
Total	12,119	100	15,963	100	3,844

#### Assumptions:

- Office and Commercial Services will maintain a 57-percent share of total employment, which is a growth rate during the planning period about two-thirds the rate the city experienced during 2008-2018 (1.38 percent versus 2.16 percent). The draft EOA establishes that short-term growth is highly affected by the pandemic, so any long-term growth will be delayed (pp. 12, 17, 21, and 30), explaining the deviation from the trend.
- The downward trend in Government employment will be moderated by population growth leading to more local government, service district, and public school jobs, raising the growth rate from negative to zero.
- Industry reverses its downward trend to grow at over two percent per year from 2021-2041. This deviation from the trend can be explained by policies and

implementation measures the city has put in place that will bear fruit during the planning period.

- The slowing of the growth trend in Retail Commercial is explained in the draft EOA, and is attributable to the pandemic, the rise of online shopping, and increased automation.

***B. Demand for Employment Land***

A portion of the predicted employment growth will go to existing sites through growth of businesses, more efficient use of underused buildings, and redevelopment of sites. Many of the jobs recently lost due to the pandemic will return to existing sites, if not for the same employee or to the same business entity. Since the draft EOA provides little data on which to base an estimate of how much of the employment projection will go to non-vacant sites, we propose to rely on a generalized estimate of efficiency gains.

The *Industrial and Other Employment Lands Analysis Guidebook*, published by the Oregon Department of Land Conservation and Development (DLCD, 2005) states that “a general rule-of-thumb” for estimating employment growth that can be accommodated in vacant or redeveloped buildings is 10 to 15 percent (p. 2-27). This does not include anticipated employment growth of firms that own sufficient built space or land to accommodate expansion. Nevertheless, the proposed table below utilizes a 15-percent reduction – the high end, to help account for other factors.

Exhibit 9a. Adjustment to employment forecast to address increased efficiency of land use, by land use type, Newberg UGB, 2021–2041

<b>Land Use Type</b>	<b>New Employment 2021-2041</b>	<b>Employment on Existing Sites (15%)</b>	<b>2041 Employment on Vacant and Partially-Vacant Sites</b>
Industrial	1,549	310	1,239
Retail Commercial	104	21	83
Office & Commercial Services	2,191	438	1,753
Government	0	0	0
<b>Total</b>	<b>3,844</b>	<b>769</b>	<b>3,075</b>



**C. Demand for Commercial Land**

We propose amending Exhibit 10 – employment growth in residential areas – to something more closely agreeing with the data presented below.

Exhibit 10. Estimated Commercial Employment Growth Accommodated on Residential Plan Designations, Newberg UGB, 2021–2041

Land Use Type	New Employment Growth	Empl. In Residential Designations	New Empl. on Vacant and PV Land
Retail Commercial	83	17	66
Office & Commercial Services	1,753	351	1,402
Total	1,836	368	1,468

Assumptions:

- The proportion of the workforce that works from home will increase, initially because of the pandemic, but a portion of the increase will become permanent.
- The percentage of new commercial employment locating in residential land designations will increase by 20 percent – from 15.8 to 19.0 percent – during the 20-year planning period.

**D. Demand for Industrial Land**

Since the draft EOA calculation of site needs is entirely based on the regional analysis, which does not demonstrate compliance with with the economic development rule, there is no information on which to base a proper inquiry under OAR 660-009-0015(4) of the types and amounts of uses expected for Newberg during the planning period. The “buildable lands inventory” does not provide data regarding the number of existing uses by site type. The following table is an estimate based on available data.

Exhibit 17. Industrial Land Need, Newberg UGB, 2021-2041.

	Site Size				Total
	<5 acres	5-25 acres	25-50 acres	50+ acres	
New Sites Needed	73	4	1	0	78
New Land Needed (acres)	55	36	33	0	124

Assumptions:

- The five target industries will each need one site over five acres during the planning period. One of these five sites needs to be larger than 25 acres to accommodate a tech/high-tech firm with a larger land need, but within the constraints of the city's water system.
- The average size of the four sites in the 5-25 acre range is 8.9 acres, the midpoint between the average size of such sites in Newberg (this data point is not in the draft EOA, but was provided to the advisory committee) and average size of such sites in the regional analysis.

- Newberg does not currently have any sites in the 25-50 acre range, so the regional average of 33 acres is employed.
- Assuming an employment density of 10 employees/acre (middle of the range reported for typical industrial uses in DLCD's *Industrial & Other Employment Lands Analysis Guidebook* (2005)), the large sites will employ 690 of the 1,239 new jobs.
- The remaining 549 jobs, at a 10 employees/acre density, require 55 acres. With an average size of 0.75 acres, the midpoint between the average size of such sites in Newberg (this data point is not in the draft EOA, but was provided to the advisory committee) and average size of such sites in the regional analysis, 73 sites are needed.

### ***E. Summary***

The data in this Solutions section are not meant to be “correct” or our position, but rather a illustration of how our comments could be addressed. Further refinement would certainly change the numbers.

### **Conclusion**

We again thank the city for allowing Friends of Yamhill County to participate in this important planning project. We have found the draft EOA to include much valuable information that should assist the Newberg's economic development efforts as well as a few areas where it can be improved to more adequately address demonstrated needs and regulatory requirements.

Sincerely,

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