



Oregon

Theodore R. Kubongoski, Governor

Department of Land Conservation and Development

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NOTICE OF ADOPTED AMENDMENT

2/12/2010

TO: Subscribers to Notice of Adopted Plan
or Land Use Regulation Amendments

FROM: Plan Amendment Program Specialist

SUBJECT: City of Newberg Plan Amendment
DLCD File Number 006-09

The Department of Land Conservation and Development (DLCD) received the attached notice of adoption. Due to the size of amended material submitted, a complete copy has not been attached. A Copy of the adopted plan amendment is available for review at the DLCD office in Salem and the local government office.

Appeal Procedures*

DLCD ACKNOWLEDGMENT or DEADLINE TO APPEAL: Friday, February 26, 2010

This amendment was submitted to DLCD for review prior to adoption with less than the required 45-day notice. Pursuant to ORS 197.830(2)(b) only persons who participated in the local government proceedings leading to adoption of the amendment are eligible to appeal this decision to the Land Use Board of Appeals (LUBA).

If you wish to appeal, you must file a notice of intent to appeal with the Land Use Board of Appeals (LUBA) no later than 21 days from the date the decision was mailed to you by the local government. If you have questions, check with the local government to determine the appeal deadline. Copies of the notice of intent to appeal must be served upon the local government and others who received written notice of the final decision from the local government. The notice of intent to appeal must be served and filed in the form and manner prescribed by LUBA, (OAR Chapter 661, Division 10). Please call LUBA at 503-373-1265, if you have questions about appeal procedures.

***NOTE:** The Acknowledgment or Appeal Deadline is based upon the date the decision was mailed by local government. A decision may have been mailed to you on a different date than it was mailed to DLCD. As a result, your appeal deadline may be earlier than the above date specified. NO LUBA Notification to the jurisdiction of an appeal by the deadline, this Plan Amendment is acknowledged.

Cc: Barton Brierley, City of Newberg
Gloria Gardiner, DLCD Urban Planning Specialist
Steve Oulman, DLCD Regional Representative
Angela Lazarean, DLCD Urban Planner
Thomas Hogue, DLCD Regional Representative

<paa> YA



FORM **2**

DLCD

Notice of Adoption

DEPT OF

FFR 08 2010

LAND CONSERVATION
AND DEVELOPMENT

This Form 2 must be mailed to DLCD within **5-Working Days after the Final Ordinance is signed** by the public Official Designated by the jurisdiction and all other requirements of ORS 197.615 and OAR 660-018-000

Jurisdiction: **City of Newberg**

Local file number: **CPTA4-09-001**

Date of Adoption: **February 1, 2010**

Date Mailed: **February 5, 2010**

Was a Notice of Proposed Amendment (Form 1) mailed to DLCD? Yes No Date: 10/26/09

Comprehensive Plan Text Amendment

Comprehensive Plan Map Amendment

Land Use Regulation Amendment

Zoning Map Amendment

New Land Use Regulation

Other:

Summarize the adopted amendment. Do not use technical terms. Do not write "See Attached".

A revised and updated Economic Opportunities Analysis for the City of Newberg. Revisions and updates include the following: population, demographic, economic and employment statistics; an economic trends analysis section that looks at national, state and regional trends, regional economic development industry clusters and target industries, Yamhill County agribusiness, and regional land availability; a new section that covers an assessment of our community economic development potential; a more robust discussion of Newberg's economic development strategy; and updated buildable land inventories and the addition of maps that illustrate the available industrial and commercial buildable land by area.

The updates include amendments to the Comprehensive Plan so that the data is coordinated with the EOA (population and land supply and need information). Five new policies were added to Section H (The Economy) in the Comprehensive Plan.

Does the Adoption differ from proposal? Yes, slightly

The proposed version sent in October was a draft – through the process different sections of the report have been revised further. In addition, the final report incorporates the latest employment data from the Oregon Employment Department, which was not released until November 2009.

Plan Map Changed from: _____ to: _____

Zone Map Changed from: _____ to: _____

Location: _____ Acres Involved: _____

Specify Density: Previous: _____ New: _____

Applicable statewide planning goals:

1 **2** **3** **4** **5** **6** **7** **8** **9** **10** **11** **12** **13** **14** **15** **16** **17** **18** **19**

Was an Exception Adopted? YES NO

Did DLCD receive a Notice of Proposed Amendment...

45-days prior to first evidentiary hearing? Yes No

If no, do the statewide planning goals apply?

Yes No

If no, did Emergency Circumstances require immediate adoption?

Yes No

DLCD file No. _____

Please list all affected State or Federal Agencies, Local Governments or Special Districts:

Local Contact: *Jessica Nunley, AICP*

Phone: *(503) 534-7144* Extension:

Address: *PO Box 970 / 414 E First St*

Fax Number: *503-537-1272*

City: *Newberg*

Zip: *97132*

E-mail Address: *jessica.nunley@newberg.oregon.gov*

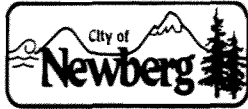
ADOPTION SUBMITTAL REQUIREMENTS

This Form 2 must be received by DLCD no later than 5 days after the ordinance has been signed by the public official designated by the jurisdiction to sign the approved ordinance(s)
per ORS 197.615 and OAR Chapter 660, Division 18

1. This Form 2 must be submitted by local jurisdictions only (not by applicant).
2. When submitting, please print this **Form 2** on light green paper if available.
3. Send this Form 2 and One (1) Complete Paper Copy and One (1) Electronic Digital CD (documents and maps) of the Adopted Amendment to the address in number 6:
4. **Electronic Submittals: Form 2 – Notice of Adoption will not be accepted via email or any electronic or digital format at this time.**
5. The Adopted Materials must include the final decision signed by the official designated by the jurisdiction. The Final Decision must include approved signed ordinance(s), finding(s), exhibit(s), and any map(s).
6. **DLCD Notice of Adoption must be submitted in One (1) Complete Paper Copy and One (1) Electronic Digital CD via United States Postal Service, Common Carrier or Hand Carried to the DLCD Salem Office and stamped with the incoming date stamp.** (for submittal instructions, also see # 5)] **MAIL the PAPER COPY and CD of the Adopted Amendment to:**

**ATTENTION: PLAN AMENDMENT SPECIALIST
DEPARTMENT OF LAND CONSERVATION AND DEVELOPMENT
635 CAPITOL STREET NE, SUITE 150
SALEM, OREGON 97301-2540**

7. Submittal of this Notice of Adoption must include the signed ordinance(s), finding(s), exhibit(s) and any other supplementary information (see ORS 197.615).
8. Deadline to appeals to LUBA is calculated **twenty-one (21) days** from the receipt (postmark date) of adoption (see ORS 197.830 to 197.845).
9. In addition to sending the Form 2 - Notice of Adoption to DLCD, please notify persons who participated in the local hearing and requested notice of the final decision at the same time the adoption packet is mailed to DLCD (see ORS 197.615).
10. **Need More Copies?** You can now access these forms online at <http://www.lcd.state.or.us/>. You may also call the DLCD Office at (503) 373-0050; or Fax your request to: (503) 378-5518.



ORDINANCE No. 2010-2723

AN ORDINANCE ADOPTING THE REVISED ECONOMIC OPPORTUNITIES ANALYSIS FOR THE CITY OF NEWBERG AND ADOPTING ASSOCIATED COMPREHENSIVE PLAN AMENDMENTS

RECITALS:

1. The original Economic Opportunities Analysis (EOA) was adopted by City Council in January 2006 by Ordinance 2006-2635. The EOA is considered part of the Comprehensive Plan and implements the goals and policies in Section H. The Economy. Much of the information found in the EOA is statistical and dynamic in nature, including demographic and economic statistics, population and employment projections, and buildable land inventories. Therefore, the EOA is not a static document and is meant to be updated with current information from time to time. Having an updated EOA also ensures the City's compliance with Statewide Planning Goal 9: Economic Development.
2. The updates to the EOA include the following: population, demographic, economic and employment statistics; an economic trends analysis section that looks at national, state and regional trends, regional economic development industry clusters and target industries, Yamhill County agri-business, and regional industrial land availability; a new section that covers an assessment of our community economic development potential; a more robust discussion of Newberg's economic development strategy; and updated buildable land inventories and the addition of maps that illustrate the available industrial and commercial buildable land by area.
3. The Comprehensive Plan document has a small section with population and land supply and need information. Those numbers have changed with the updated EOA and need to also be updated in the Comprehensive Plan document. The Comprehensive Plan amendments also add five new policies to Section H.
4. The Newberg Planning Commission held hearings on December 10, 2009 and January 14, 2010 to consider the request. The Planning Commission passed Resolution 2009-275, recommending that the City Council adopt the revised Economic Opportunities Analysis and the accompanying Comprehensive Plan amendments.
5. After proper notice, the City Council held a hearing on February 1, 2010 to consider the request. The Council finds that the proposal meets the applicable criteria.

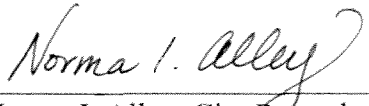
THE CITY OF NEWBERG ORDAINS AS FOLLOWS:

1. The revised Economic Opportunities Analysis, as shown in Exhibit "A", is hereby adopted and by this reference incorporated.
2. The Comprehensive Plan amendments, as shown in Exhibit "B", are hereby adopted and by this reference incorporated.

3. The findings in support of this proposal, as shown in Exhibit "C", are hereby adopted and by this reference incorporated.

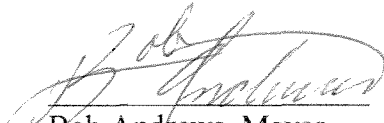
➤ **EFFECTIVE DATE** of this ordinance is 30 days after the adoption date, which is: March 2, 2010.

ADOPTED by the City Council of the City of Newberg, Oregon, this 1st day of February, 2010, by the following votes: **AYE: 7 NAY: 0 ABSENT: 0 ABSTAIN: 0**



Norma I. Alley, City Recorder

ATTEST by the Mayor this 4th day of February, 2010.

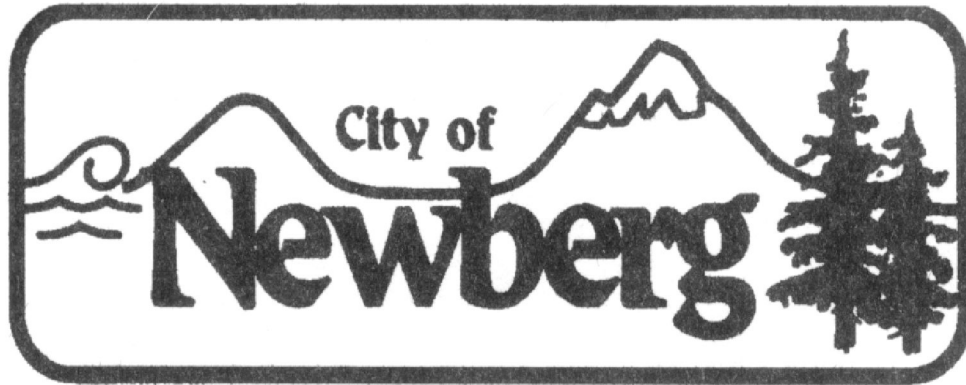


Bob Andrews, Mayor

LEGISLATIVE HISTORY

By and through the Newberg Planning Commission at their 01/14/2010 meeting.

Exhibit A



Economic Opportunities Analysis

Section 12 of Newberg Inventory of Natural and
Cultural Resources

Originally Adopted by Newberg City Council January 3, 2006
by Ordinance No. 2006-2635
Proposed Revisions Draft January 2010

City of Newberg Economic Opportunities Analysis

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I. Introduction

Newberg's economy traditionally has been rural in nature. As the city with the second largest population in Yamhill County, Newberg serves as the commerce center for the eastern portion of the county's primarily agricultural economy. However, over the past couple of decades, Newberg has been making a slow transition to a city of more urban characteristics. Newberg's economic base has become more diversified, including some of its home-grown industries that have evolved into national and international leaders in their respective fields.

This trend toward urbanization is likely to continue as the growth of the Portland metropolitan area increasingly influences the character of Newberg. However, our city is one steeped in history, and is a community that possesses a strong sense of place. The citizens of Newberg highly value these characteristics and wish to maintain its unique identity. To do so, Newberg must strengthen its economic base. Newberg must support its existing businesses while nurturing new enterprises.

Newberg has identified four business clusters that are the foundation of its economy: manufacturing, health care, higher education, and the wine/tourism industry. Ensuring the vitality of these business clusters is key to the economic health of our community

Like most communities, Newberg's economic development efforts focus on two principal strategies:

1. Retention and Expansion of Existing Businesses. Newberg has been extremely fortunate in having strong commercial and industrial sectors. Newberg has an unwavering commitment to its existing businesses and industries. This commitment is underscored by the positive attitude of appointed and elected officials to meeting the needs of the business community – in terms of providing public facilities and services necessary for businesses to grow and prosper, and in listening to the business community in its long-range planning processes and regulatory review.
2. Recruitment of New Businesses. A substantial portion of Newberg's Economic Opportunities Analysis is devoted to attracting new traded-sector industrial and service-based industries that will bring new resources to maintain and improve the livability of the community. To ensure that Newberg's economic development efforts are successful, we have carefully assessed economic trends and our comparative economic advantages and disadvantages, as required by Statewide Planning Goal 9 (Economy of the State).

The City has worked closely with the Portland-Vancouver Regional Partners Council for Economic Development, the Oregon Business Development Department (OBDD), and the Department of Land Conservation and Development (DLCD) in defining the types of industry clusters that can be reasonably attracted to our community. Newberg also has determined the size and characteristics of sites required for Newberg to be competitive -- from a regional perspective -- in attracting our targeted businesses to the community.

Critical to Newberg's economic development efforts is the availability of developable land for

businesses, as redevelopment opportunities are limited. The City closely monitors the supply of these types of lands to ensure that opportunities for economic growth can be capitalized upon as they arise.

As for Newberg's targeted industrial clusters, most of these businesses require relatively flat sites, with a minimum of conflicting land uses (e.g., agricultural or residential areas), and close access to a major highway without travel through land with conflicting uses. Most will benefit tremendously by the construction of the Newberg-Dundee Bypass and its connection to Highway 219, which is planned in the Oregon Highway Plan.

The City also has considered the site characteristics required to attract targeted industrial clusters when considering Newberg relative to other Northwest communities. Newberg has identified four types of industrial development to focus on:

- Large site light industrial (individual sites reserved for single users);
- Airport light industrial (within the Sportsman Airpark Land Use Master Plan);
- Infill light industrial that takes advantage of remaining industrial sites within the existing UGB; and
- Master planned light industrial parks that provide a range of medium to small sites in a master planned setting.

The Oregon Business Development Department has made it very clear that providing large industrial sites for traded-sector employment opportunities in a master planned park setting with close access to Interstate 5 will put Newberg at a distinct advantage when compared with other Northwest communities.

Newberg has relatively little industrial land left within its UGB – and most of this land does not meet the site requirements of companies looking to expand and/or relocate to Newberg. After considering a range of alternatives both in and outside of the existing UGB, Newberg has concluded that the South Industrial Area best meets the site requirements of targeted industrial clusters. This area:

- Has large, flat “suitable” sites (i.e., meeting identified site requirements) with close access to Highway 219. The area has access within about 10 minutes to I-5, with no intervening urban areas. It has close access to the Highway 99W corridor, which will be further enhanced with construction of the Newberg-Dundee Bypass;
- Has natural buffers from adjacent agricultural and rural residential land that enhances the attractiveness of the area for traded-sector industrial use;
- Has immediate access to electrical, natural gas, sewer and water services;
- Is a natural extension of Newberg's existing light industrial and airport-related industrial areas.

Newberg's other primary existing business clusters (health care, higher education, wine/tourism) also must have opportunities for expansion if they are to remain vital. These businesses are usually located on lands zoned for commercial and/or institutional development.

Higher education institutions include George Fox University and Portland Community College. While the University currently owns sufficient land to satisfy its physical needs for the foreseeable future, much of that land is expected to be redeveloped to satisfy their programmatic needs. Portland Community College plans to build a branch campus in Newberg as a result of a bond measure that was passed in 2008. The College is nearing purchase of a site after an extended search yielded few opportunities for suitable sites.

The foundation of the local healthcare industry is Providence Newberg Medical Center, which is located at the east end of Newberg directly on Highway 99W. The hospital is located on land that will accommodate its expansion plans for the foreseeable future. Land to accommodate development of ancillary private medical services that would benefit from close proximity to the hospital is available.

The wine/tourism industry in Newberg is principally involved in the retail and service business sectors. Growing of the wine grapes and processing them into wine is done outside of Newberg's city limits. Further development of this industry will likely be accommodated through two mechanisms. First, Newberg's historical downtown buildings/land will continue to be reused and redeveloped for businesses of this industry, including direct sales of wine, restaurants, antiques, arts and crafts stores, etc. Second, the Springbrook Master Plan has a commercial node: one that is expected to include businesses that will cater to the needs of wine tourists. Moreover, this commercial node will be located next to the newly constructed Allison Inn and Spa, a high-end resort that targets wine tourists. Additional opportunities for manufacturing, processing, and storing wine could be made available if Newberg had adequate industrial land.

Finally, a community's economic development strategy must consist of more than ensuring the availability of an adequate land supply for future growth. The community also must commit to comprehensive set of actions that support local businesses. Included in this analysis is a list of recommended economic development actions that are intended to help Newberg assist its local economic partners.

II. Economic Trends Analysis

The EOA addresses local and regional trends (660-009-0015 (1)) on the following pages, concluding that Newberg's future employment growth will be dependent on regional economic clusters. The trends analysis results in identification of future industrial uses – the “Targeted Industrial Clusters” for Newberg.

National, State and Regional Trends

Economic development in Newberg over the next 20 years will occur in the context of long-run national trends.¹ The most important of these trends include:

- The aging of the baby boom generation, accompanied by increases in life expectancy. The number of people age 65 and older will more than double by 2050, while the number of

¹ National trends courtesy of ECONorthwest.

people under age 65 with grow only 22 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.²

Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.³ This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2% of the workforce in 1992 to 3% of the workforce in 2002, an increase of 64%. Over the same ten-year period, workers 45 to 64 years increased by 70%.⁴

- Tightening labor force. Growth in the labor force is projected to slow over the 2006-2016 period due to the aging and retirement of the baby boomer generation and because women's participation in the labor force has peaked. Job growth is expected to outpace population growth, with a 10% increase in employment (15.6 million jobs) compared to a 9% increase in civilian non-institutional population 16 years and older (22 million people).⁵
- Need for replacement workers. The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.4 million job openings over the 2006-2016 period, more than twice the growth in employment (15.6 million jobs). Management occupations and teachers will have the greatest need for replacement workers because these occupations have an older-than-average workforce.⁶
- Increases in labor productivity. Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the latter half of the 1990s. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: information, manufacturing, retail trade, and wholesale trade. Productivity in mining decreased over the five-year period.⁷
- Continued trend towards domestic outsourcing. Businesses continue to outsource work to less expensive markets. Outsourcing generally falls into two categories: (1) moving jobs from relatively expensive areas to less expensive areas within the U.S. and (2) moving jobs

² The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008.

³ "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

⁴ "Growing Numbers of Older Workers in Oregon," Oregon Employment Department.

⁵ Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

⁶ Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

⁷ Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

outside of the U.S. to countries with lower labor costs. About three-quarters of layoffs in the U.S. between 1995 and 2004 were the result of domestic relocation, involving movement of work within the same company. The industries with the largest amounts of domestic outsourcing were: manufacturing, retail trade, and information.⁸

- Continued growth in global trade and the globalization of business activity. With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs through implementing quality- and productivity-enhancing technologies, such as robotics or factory automation. In addition, production processes will continue to be outsourced offshore.⁹
- Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy. Increased worker productivity and the international outsourcing of routine tasks lead to declines in employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.¹⁰
- The importance of high-quality natural resources. The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. Increases in population and household income, combined with changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.¹¹
- Continued westward and southward migration of the U.S. population. Although there are some exceptions at the state level, a 2006 U.S. Census report documents an ongoing pattern of interstate population movement from the Northeast and Midwest to the South and West.¹²
- The growing importance of education as a determinant of wages and household income. Level of education largely determines employment, which largely determines income level. Completion of a four-year college degree paves the way for a professional or managerial occupation in the information-based economy, which on average yields higher incomes than service jobs or menial labor. According to the Bureau of Labor Statistics, the majority of the

⁸ Sharon P. Brown and Lewis B. Siegel, "Mass Layoff Data Indicate Outsourcing and Offshoring Work," *Monthly Labor Review*, August 2005, pp. 3-10.

⁹ Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.

¹⁰ Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.; Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

¹¹ For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

¹² Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

fastest growing occupations over the next decade will require an academic degree: computer software application engineers, elementary school teachers, and accountants and auditors. Service jobs, (e.g., retail sales person, food preparation workers, and home care aides) will account for about half of all jobs by 2016.¹³

- Continued increase in demand for energy. Despite short-term fluctuations, energy prices are forecast to remain at relatively high levels, as seen in the 2006 to 2008 period, likely increasing further over the 20-year planning period. Although energy sources are expected to diversify and the energy efficiency of automobiles, appliances, and production processes are projected to increase, energy demand is expected to increase over the 2008 to 2030 period due to increases in population and economic activity.¹⁴
- Impact of rising energy prices on commuting patterns. Energy prices may continue to be high (relative to historic energy prices) or continue to rise over the planning period¹⁵ which may impact willingness to commute long distances. There is some indication that increases in fuel prices have resulted in decreased suburban housing demand which has resulted in decreased prices, especially in large urban areas (e.g., Los Angeles or Chicago) and suburbs far from the center city. If this pattern continues, the area in Oregon most likely to be most impacted is Portland, which has the largest area of urban and suburban development in the state.¹⁶
- Possible effect of rising transportation and fuel prices on globalization. Increases in globalization are related to the cost of transportation: When transportation is less expensive, companies move production to areas with lower labor costs. Oregon has benefited from this trend, with domestic outsourcing of call centers and other back office functions. In other cases, businesses in Oregon (and the nation) have “off-shored” employment to other countries, most frequently manufacturing jobs.

Likewise, increases in either transportation or labor costs may impact globalization. When the wage gap between two areas is larger than the additional costs of transporting goods, companies are likely to shift operations to an area with lower labor costs. Conversely, when transportation costs increase, companies may have incentive to relocate to be closer to suppliers or consumers.

This effect occurs incrementally over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the 20-year planning period, businesses may not make the decision to relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

¹³ In 2006, the national median income was about \$32,000. Workers with some college education earned slightly less than median, while workers with a bachelor’s degree earned \$45,000. Workers who only had a high school diploma earned \$26,000 a year, while workers without a high school degree only earned \$19,000 a year. Workers in Oregon experience the same patterns as the nation, however, notably, pay is generally lower in Oregon than the national average. (Source: “Growing Number of Older Workers in Oregon,” Oregon Employment Department and American Community Survey, U.S. Census, 2006.)

¹⁴ Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April.

¹⁵ Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April

¹⁶ Cortright, Joe. “Driven to the Brink: How the Gas Price Spike Popped the Housing Bubble and devalued the Suburbs,” May 2008.

- Growing opportunities for “green” businesses. Businesses are increasingly concerned with “green” business opportunities and practices. These business practices are concerned with “the design, commercialization, and use of processes and products that are feasible and economical while reducing the generation of pollution at the source and minimizing the risk to human health and the environment.”¹⁷

Green business opportunities historically have been at the mercy of feasibility and economics; if a firm ignores feasibility and economics while trying to be green, the firm may not be able to afford to operate long enough to learn how to make green businesses feasible. However, growing popularity in “eco-friendly” products and green development has caused the green market to become cost-competitive with the conventional market. The three types of green business opportunities are products, processes, and education.

- *Producing green products.* In general, green products consume fewer resources, and create less pollution, which in turn, is beneficial to human health. For example, hybrid vehicles (which use a mixture of power or fuel sources), use less gasoline to operate and add fewer pollutants to the air, while still providing the same transportation services as a traditional vehicle. Another example is bamboo fencing and lumber, which is considered a “rapidly renewable” material.¹⁸ Unlike traditional building materials, rapidly renewable materials, by virtue of a more consistent harvesting cycle, may sustain a community over a longer period of time than the steady and eventual depletion of finite resources or the degradation of a productive ecosystem.¹⁹
- *Providing education about green practices or products.* Green education is often closely related to producing green products and is often done by consultants or nonprofit organizations. One example of a company involved in green education is the U.S. Green Building Council, a 501(c)(3) non-profit, which provides third-party verification that a building or community was designed and built using strategies aimed at improving environmental performance (LEED certification), provides numerous education resources and commissions studies geared to advance the green building movement. Another example is a consulting firm that writes a green plan for a city or business.
- *Using green business practices.* Green business practices are alternative methods of doing business that promote resource conservation, prevent or reduce pollution, or have other beneficial environmental effects. Examples of green business processes include: buying products locally to reduce shipping distance, recycling waste products (where possible), or maximizing the use of natural lighting to reduce use of electricity and light bulbs.
- Potential impacts of global climate change. There is growing support for but not a consensus about whether global climate change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. In the Pacific

¹⁷ Urban Green Partnership at urbangreenpartnership.org

¹⁸ Rapidly renewable materials are considered to be an agricultural product, both fiber and animal that takes 10 years or less to grow or raise, and to harvest in an ongoing and sustainable fashion. Bamboo is the fastest-growing plant on Earth.

¹⁹ New Construction and Major Renovation LEED Reference Guide, Version 2.2, U.S. Green Building Council (September 2006).

Northwest, climate change may result in the following changes: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw and (4) increases in carbon dioxide in the air.²⁰ Assuming that global climate change is occurring and will continue to occur over the next 20 years, a few broad, potential economic impacts for the nation and Pacific Northwest include:²¹

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon’s agriculture through changes in: growing season, temperature ranges, and water availability.²² Climate change may impact Oregon’s forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.²³
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,²⁴ (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.
- *Potential changes in government policies.* There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.²⁵ Without clear indications of future government policy, it is impossible to assess the impact of government policies on the environment and subsequently, the economy.

However, the impending issue of global climate change will also offer economic *opportunities*. The search for alternative energy sources may result in increased investment and employment in “green” energy sources, such as wind, solar, and bio-fuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing.²⁶

²⁰ “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

²¹ The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

²² “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

²³ “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

²⁴ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

²⁵ Pew Center on Global Climate Change website: http://www.pewclimate.org/what_s_being_done/in_the_states/

²⁶ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative,

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2007 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn has been a decrease in employment related to the housing market, such as construction and real estate. Employment in these industries will recover as the housing market recovers and will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

The national trends discussed above inform many of the emerging and targeted industry clusters identified in this EOA. They also underscore the importance of concentrating traded-sector industries in Newberg to reduce energy consumption and reliance on commuting. It's important to note that, despite national trends, Newberg has maintained a relatively high percentage of manufacturing jobs within the community and supports continuing to do so.

Regional Economic Development Industry Clusters and Target Industries

Industry clusters of a region are its principal economic drivers. The Portland Regional Business Plan identifies specific, traded-sector industry clusters that should be supported to enhance the economic base of the region. The Plan defines a cluster as follows:

A cluster is a group of firms that, though their interactions with each other and with their customers and suppliers, develop innovative, cutting-edge products and processes that distinguish them in the market place and from firms in the same industry found elsewhere. The competitiveness of an industry cluster is determined by the presence of highly specialized pools of skills, technology and infrastructure tailored to the needs of the cluster firms. The presence of sophisticated and demanding customers in a cluster pressures firms to innovate on a continuing basis....

Those industry clusters that compete nationally and internationally are the core of this region's economy and what distinguishes it from other regions. The industry cluster that exist and that are emerging in the metropolitan area are built on the distinctive knowledge competencies of the region, and the strengths that currently enable the region to compete globally for economic activity and investment. Additionally, industries that sell their products and services nationally and internationally have greater long-term growth potential since their opportunities for growth are not constrained by the size of this region's market. For these reasons, focusing on industry clusters is both a more efficient and effective use of this region's efforts and resources.

The Plan identifies the following industry clusters that the Portland region should focus on in their economic development efforts. Because of Newberg's proximity to the region, Newberg also has good likelihood of attracting these industries, and also should focus on attracting them.

These include:

1. Established
 - a. High Tech (Semiconductors/Silicon, Imaging & Display Technology)
 - b. Metals, Machinery, Transportation Equipment
 - c. Nursery Products
 - d. Specialty Foods and Food Processing
 - e. Lumber and Wood Products

2. Emerging
 - a. High Tech (Nano & Micro Technology, Cyber-Security, Health/Medical Information Technology)
 - b. Creative Services (Advertising, Public Relations, Film and Video, Web/Internet Content and Design)
 - c. Sports Apparel/Recreation-Related Products

3. Targeted (clusters desired to create and establish)
 - a. Biotech/Bioscience (Medical Devices, Bioinformatics, Pharmaceuticals, Genomics, Anti-Virals)
 - b. Sustainable Industries (Renewable Energy, Resource Efficiency Technologies, Sustainable Building Materials, Green Chemistry)
 - c. Professional Services (Architecture, Engineering, Legal and Financial Services, etc.)
 - d. Distribution & Logistics

Newberg should provide opportunities for these industries to expand and locate within the Newberg UGB over the 20-year planning period. In addition, doing business in Newberg (e.g. real estate costs) can often be significantly lower than much of the Portland metro area. Our community offers a unique quality of life compared to others in the region, one that will attract those who believe their business will benefit from being located here. If Newberg provides suitable sites for these industry clusters, there is a reasonable likelihood that they will choose our community.

Yamhill County Agri-Business

In June 2009, Barney & Worth, Inc. prepared the *Yamhill County Agri-Business Economic and Community Development Plan: Summary Report* for Yamhill County. The plan assessed the existing state of agriculture and agri-tourism in the County, and assessed future opportunities for growth. According to the report, Nursery and Greenhouse Crops comprise 45.2% of the value of agricultural production in the county.

Table 12- 1: Yamhill County Value of Agricultural Production, 2007

Yamhill County Value of Agricultural Production, 2007	Value (\$000)	Percent of Total
All Crops		
Nursery & Greenhouse Crops	\$133,724	45.2%
Grass & Legume Seeds	\$56,889	19.2%
Nuts & Tree Fruit	\$24,684	8.3%
Small Woodlots and Christmas Trees	\$13,204	4.5%
Grain & Hay	\$9,600	3.2%
Vegetable & Truck Crops	\$3,185	1.1%
Other Crops (Wine Grapes)	\$13,387	4.5%
Sub total	\$254,673	86.0%
All Livestock		
Dairy Products	\$20,482	6.9%
Poultry	\$9,780	3.3%
Cattle	\$6,267	2.1%
Other Animal Products	\$4,903	1.7%
Sub total	\$41,432	14.0%
All Crops and Livestock	\$296,105	

Source: Oregon Agricultural Information Network.

The report also recognizes great opportunities in the agri-tourism sectors. Key findings from the report include:

For 150 years and longer, Yamhill County has benefitted from its strong agricultural base. Even now, the agriculture sector produces \$300 million in annual sales (not including food processing and wine). The great strength of Yamhill County agriculture is its diversity. Local agricultural production remains strong in many profitable sub-sectors, with fast growing horticulture accounting for nearly half of total sales. The future for Yamhill County agriculture looks bright.

Alongside horticulture and traditional crops, the Yamhill County wine industry has emerged over the past 30 years to become headline news nationally and internationally. Yamhill’s name – like Napa, Sonoma, Bordeaux and Burgundy – has become synonymous with its wine. With the wine sector continuing to flourish, new wineries opening each year, more acres planted with grapes, this trend will also be sustained in Yamhill County.

Coupled with the area’s scenic beauty (thanks in part to agriculture!), the wineries assure that Yamhill County will continue to host many visitors. Estimates already place that number at 1.5 million per year who visit local wineries. Half of those visitors come from the Portland area, and the other half are from the western states and all over the U.S. and world.

...

Yamhill County – with its solid agricultural base, wine destination status, proximity to the metro area, and stunning beauty – also appears to be on the verge of something great. With the opening of the Allison resort in Newberg, along with other new attractions, there’s an opportunity just now to pick priorities and adopt strategies that move the community forward²⁷.

The plan identifies a number of key ingredients to secure the future for Yamhill County’s agriculture and tourism sectors:

Shared vision for Yamhill County’s future. Yamhill County communities and citizens need to reach agreement on values and priorities for the future. Tourism is here to stay – now is the critical time to plan, safeguarding quality of life for local residents and maximizing the potential for community benefits.

More lodging facilities. To capture the economic benefits of the estimated 1.5 million annual visitors to wine country, Yamhill County must have more high amenity overnight accommodations.

More attractions. Wineries and hotels alone aren’t enough to hold every visitor’s attention and assure repeat visits. Wine tourism is seasonal and cyclical, and other destinations and attractions will be needed to complement Yamhill County wine country and fill out the tourism calendar: arts and culture, entertainment, historic sites, parks and trails, golf, outdoor adventures, shopping.

Rezoning to accommodate prototype development projects. Analysis has revealed the types of representative projects needed to support agriculture and tourism lack adequate sites. Rezoning enables communities to place these projects where they “fit” and provide benefits to the community.

Site assembly. Preparing land for development, from initial site selection through planning and marketing, is site assembly. To assure job growth and allow for new investment, communities will need to be proactive in identifying an adequate supply of properly sized, suitably zoned development sites and be active participants in the development process.

County-wide infrastructure strategy. The most pressing problem for every community is infrastructure. Regional cooperation in Yamhill County to jointly plan for the future and secure adequate drinking water supplies can be a model for cost saving inter-agency arrangements for other services. Moving ahead with a reprisal solution for drinking water is critical for many Yamhill County communities.

²⁷ *Yamhill County Agri-Business Economic and Community Development Plan: Summary Report* Prepared for: Yamhill County, Oregon, Barney & Worth, Inc., in association with Globalwise, Inc., E.D. Hovee & Company, LLC, and Spencer & Kupper, page 41.

Coordinate opportunity sites / services. *The shortage of suitable development sites and scarcity of funds require strategic thinking. Which key sites and development opportunities must have adequate services available?*²⁸

Regional Industrial Land Availability

In 2001, OTAK prepared the *Regional Industrial Land Study for the Portland – Vancouver Metropolitan Area*. This report inventoried the available industrial land in the area. That report concluded that the region would have a need for 6,900 acres of buildable industrial land for the period 2000-2025²⁹. The study found that, while the region had enough land, most of it suffered from development constraints and lack of services. The report found that the region had only 2,387 acres of ready-to-develop unconstrained land, only about 1/3 of the projected need.

Recognizing the severe shortage of industrial land in the region and the state, in 2003 Governor Kulongoski ordered the Community Solutions Team to help establish certified shovel ready industrial sites, and appointed the Industrial Lands Taskforce. In its report,

*The Taskforce concluded that there is a significant lack of certain types of project ready industrial land in certain parts of the state. This conclusion is supported by the findings of the Portland-area Regional Industrial Lands Study (RILS), the HB3557 committee report, testimony received at Taskforce hearings, and the direct experience of Taskforce members. The Taskforce also concluded that the many jurisdictions lack a 20-year supply of industrial land.*³⁰

In addition:

*Although the committee selected the following five highly marketable sites, the industrial land supply in the METRO region remains critically low. Identifying these five sites is only a first step. **More industrial sites, especially those that could accommodate a large employer, are needed.***³¹ [Emphasis added]

The report also discussed the lack of large industrial sites in appropriate locations:

Unavailable Land in Strategically Significant Employment Areas
Given the Portland metropolitan area's economic significance to the state, the committee expressed concern that the selection pool of 55 sites forwarded to them from OECD's Regional Development Officers (RDOs) included very few large industrial sites along I-5, between the Washington border and Salem. This occurred because there is a lack of land available for industrial development in this area. Land located at existing freeway interchanges, such as the Stafford District at I-205 and Stafford Road, Langdon Farms

²⁸ Barney & Worth, Inc., page 43.

²⁹ *Phase 3: Regional Industrial Land Study for the Portland – Vancouver Metropolitan Area* prepared by Otak, Inc., in association with ECONorthwest and Parametrix, October 31, 2001

³⁰ *Positioning Oregon for Prosperity*, Report to Governor Kulongoski, prepared by the Industrial Lands Taskforce, September 2003

³¹ *Industrial Lands Advisory Committee Report*, December 15, 2003

*at the I-5 and Charbonneau exit, and the I-5 Donald/Aurora exit are logical market driven locations for large scale industrial and employment intensive development.*³²

While some efforts in the region have been made since that time to address this significant lack of industrial land in the region, the shortfall remains high and the needs have grown.

Newberg Population Profile

Historic and Future Growth Trends

Newberg has grown steadily through the last few decades. Table 12-1 shows the population growth over time since 1960.

Table 12- 2: Newberg Census Populations

Year	Population
1960	4,204
1970	6,507
1980	10,394
1990	13,086
2000	18,064

Source: U.S. Census Bureau

Newberg's population as of July 1, 2009 was estimated to be 23,150³³. As of July 1, 2009, the Urban Growth Boundary has an estimated population of 23,582³⁴.

Between 1990 and 2000, Newberg's growth rate was 38%. In comparison, Newberg's growth rate was greater than the Portland Metropolitan area's at 27%, the state of Oregon at 20%, and Yamhill County's at 30%³⁵. It should be noted that Yamhill County, where Newberg is located, is part of the Portland Metropolitan Statistical Area (PMSA). While Oregon's population in general is not expected to grow in the foreseeable future as fast as in the 1990s, the Portland metropolitan area should grow faster than the state as a whole.

In 2004, the Newberg City Council appointed an ad hoc advisory committee to look at the community's future land needs. To accomplish this task, the Ad Hoc Committee for Newberg's Future needed to forecast the community's future population. A consultant working with the Committee developed three growth forecast scenarios for the Committee to consider: low, medium, and high. The Committee selected the medium growth scenario as the most likely to occur. These population projections have been adopted into the Comprehensive Plan³⁶, coordinated with Yamhill County as required by ORS 195.036, and acknowledged by the State. The following table shows the forecasted future growth for Newberg:

³² *Industrial Lands Advisory Committee Report*, December 15, 2003

³³ Population Research Center, Portland State University

³⁴ Newberg Planning Division

³⁵ U.S. Census Bureau

³⁶ Adopted by Ordinance 2005-2626, November 21, 2005

Table 12- 3: Population Forecasts - Newberg Urban Area³⁷

Year	2000	2005	2010	2025	2030	2040
Forecasted Population	18,438	21,132	24,497	38,352	42,870	54,097

Source: Newberg Comprehensive Plan

Through 2008, these projections have been remarkably accurate. The 2008 PSU estimates are within 11 persons of the population estimates made in the comprehensive plan. The 2009 estimates are still within about 200 people of the projections, thus the adopted population forecasts can still be considered reliable.

Age characteristics

Table 12- 4 below compares Newberg’s population by age categories with the populations of Yamhill County, the Portland Metropolitan Statistical Area (PMSA), and the state of Oregon. The table also compares the median age for each geographical area.

Table 12- 4: Comparative Age Characteristics

Age Categories	Newberg	Yamhill County	PMSA	Oregon
Under 5 years	7.6%	6.4%	6.7%	6.3%
5 to 9 years	3.5%	5.4%	6.9%	6.4%
10 to 14 years	8.9%	8.0%	6.7%	6.4%
15 to 19 years	9.7%	7.9%	6.5%	6.7%
20 to 24 years	12.1%	8.4%	6.0%	6.6%
25 to 34 years	13.0%	13.9%	14.9%	13.9%
35 to 44 years	15.4%	13.4%	15.3%	13.9%
45 to 54 years	11.9%	14.4%	15.4%	15.1%
55 to 59 years	5.7%	6.4%	6.7%	6.9%
60 to 64 years	2.4%	3.9%	4.5%	4.9%
65 to 74 years	4.4%	5.6%	5.3%	6.5%
75 to 84 years	3.5%	4.2%	3.5%	4.5%
85 years and over	2.0%	1.9%	1.6%	1.9%
Median age (years)	30.6	34.9	36.3	37.6

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

The data shows that Newberg’s population is younger than the comparative populations, especially in the 20 to 24 year old category. This is likely due to the presence of students attending George Fox University. In general, our population over 45 years of age is somewhat lower than the comparative populations.

Educational Attainment and Income

Table 12- 5 below compares the educational attainment of the Newberg population over 25 years of age compared with Yamhill County, the PMSA, and the state of Oregon. Newberg has approximately the same amount of residents with high school diplomas as the comparative areas; however, there are fewer residents with a Bachelor’s degree or higher when compared to the

³⁷ Population forecasts are for the Newberg Urban Growth Boundary.

PMSA and the state. This may indicate that, although Newberg has a strong workforce in many areas, it does not have as many of the highly skilled professional jobs available that would require a Bachelor’s degree.

Table 12- 5: Comparative Educational Attainment

	Newberg	Yamhill County	PMSA	Oregon
Less than 9th grade	3.9%	7.0%	4.1%	4.6%
9th to 12th grade, no diploma	7.4%	8.2%	6.7%	7.9%
High school graduate (includes equivalency)	27.9%	31.8%	24.4%	26.9%
Some college, no degree	29.2%	24.3%	25.2%	25.3%
Associate's degree	7.2%	6.6%	7.7%	7.7%
Bachelor's degree	15.2%	13.8%	20.6%	17.6%
Graduate or Professional degree	9.1%	8.2%	11.3%	10.0%
Percent High School Graduate or Higher	89%	85%	89%	88%
Percent Bachelor's Degree or Higher	24%	22%	32%	28%

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Table 12- 6 compares the household income levels of the Newberg population over 25 years of age compared with the state of Oregon, Yamhill County and the PMSA. Newberg has a high percentage of households in both the \$35,000 to \$49,999 and the \$50,000 to \$74,999 income ranges. As seen below in Figure 12-2, Newberg has high employment in the areas of construction, retail, manufacturing, and educational services; industries whose pay would typically fall into these ranges.

Table 12- 6: Comparative Household Income

Household Income*	Newberg		Yamhill County		PMSA		Oregon	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	483	7.1%	2,378	7.2%	52,888	6.5%	108,551	7.5%
\$10,000 to \$14,999	552	8.1%	2,142	6.5%	39,721	4.9%	87,317	6.0%
\$15,000 to \$24,999	513	7.5%	3,189	9.7%	79,348	9.7%	168,261	11.6%
\$25,000 to \$34,999	819	12.0%	3,748	11.4%	85,031	10.4%	169,167	11.7%
\$35,000 to \$49,999	1,469	21.5%	5,462	16.6%	119,523	14.6%	225,677	15.6%
\$50,000 to \$74,999	1,430	20.9%	6,668	20.3%	166,437	20.3%	287,225	19.8%
\$75,000 to \$99,999	1,087	15.9%	4,480	13.6%	108,932	13.3%	174,531	12.1%
\$100,000 to \$149,999	363	5.3%	3,257	9.9%	103,824	12.7%	145,655	10.1%
\$150,000 to \$199,999	101	1.5%	772	2.4%	32,632	4.0%	42,738	3.0%
\$200,000 or more	20	0.3%	737	2.2%	29,570	3.6%	38,287	2.6%

* In 2007 Inflation Adjusted Dollars

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

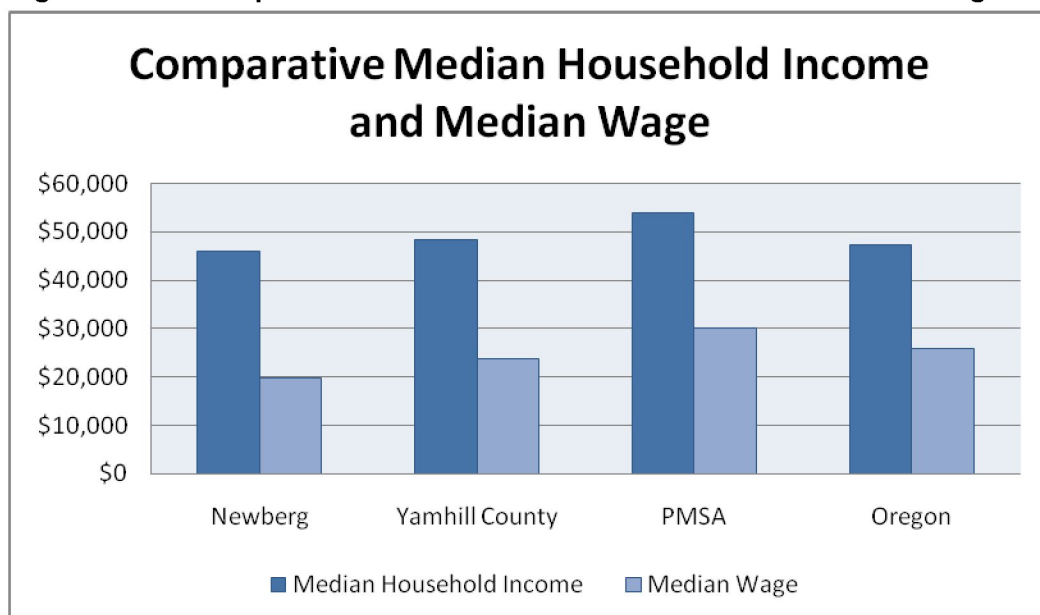
Table 12- 7 compares the median household income and median wages for Newberg, Yamhill County, the PMSA, and the state of Oregon. Figure 12- 1 graphically shows that Newberg is behind Yamhill County and the PMSA in median household income and median wage.

Table 12- 7: Comparative Median Household Income and Median Wages

	Newberg	Yamhill County	PMSA	Oregon
Median Household Income	\$46,066	\$48,485	\$53,935	\$47,385
Median Wage	\$19,821	\$23,848	\$30,094	\$26,002
Male, Full-Time, Year-Round	\$44,205	\$41,148	\$47,803	\$42,676
Female, Full-Time, Year-Round	\$29,063	\$31,680	\$36,563	\$33,017

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Figure 12- 1: Comparative Median Household Income and Median Wage



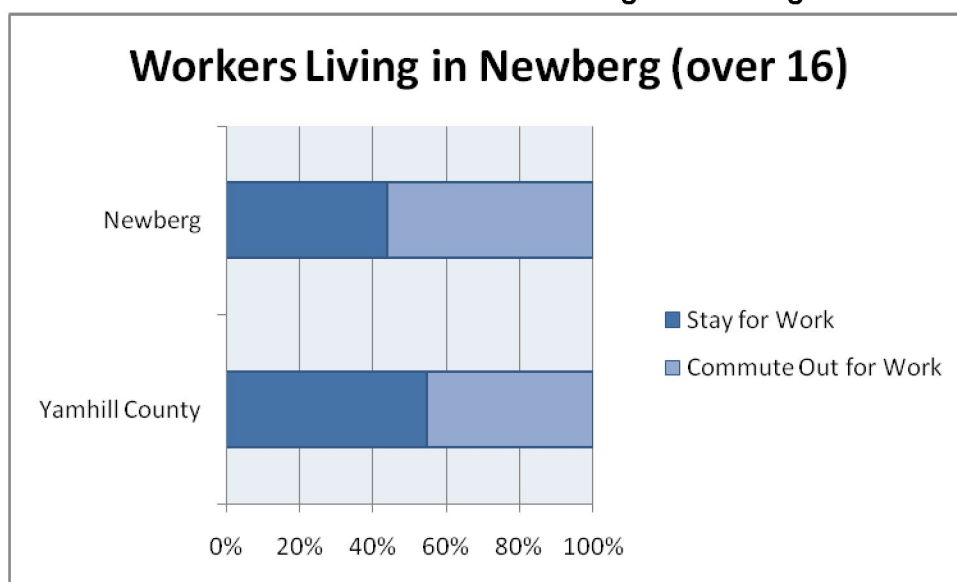
Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Comparing the previous education and income tables reveals a very interesting profile of the Newberg community. The Newberg population has a smaller percentage of 4-year college and graduate degrees than the state or the PMSA; however, Newberg is also home to George Fox University. This indicates that George Fox University graduates are not remaining in Newberg, whether by choice or by other factors such as limited available job opportunities. Newberg also has a lower median household income and median wage than Yamhill County, the PMSA and the state. This may be related to the fact that Newberg has fewer citizens with higher education. As shown in Figure 12-2 on page 12-20, Newberg has a high percentage of workers in educational services and manufacturing jobs, both historically lower-paying professions (with the exception of highly skilled manufacturing jobs).

Commuting Patterns

The 2006-2008 American Community Survey 3-Year Estimates indicate that approximately 56% of workers over age 16 that live in Newberg travel outside of Newberg for work. Of those people that commute outside of Newberg for work, approximately 55% of workers stay in Yamhill County and approximately 45% of workers commute to other counties. The data indicates that the mean travel time for a worker leaving Newberg for work is 21 minutes. Given Newberg’s relatively close proximity to the Portland metropolitan area, it is reasonable to assume that many of the workers leaving Newberg for work are going to one of the nearby Portland suburbs (which are located in Washington, Multnomah and Clackamas Counties). The following table shows this commuting pattern.

Table 12- 8: Place of Work for Workers Living in Newberg



Source: 2006-2008 American Community Survey 3-Year Estimates

The Oregon Employment Department has statistics regarding commuting patterns within Yamhill County. Of all the workers that live in Yamhill County, approximately 12% work in Newberg. Approximately 31% of all workers that live in Yamhill County commute to the nearby Portland metropolitan area counties (Washington, Multnomah and Clackamas Counties); a statistic that is similar to the number of Newberg workers commuting out to these counties. The Newberg number is likely higher due to its proximity to these neighboring counties relative to the rest of the Yamhill County population.

Reasons for these commuting patterns are likely to be manifold, and may include:

- Lower housing costs in Newberg compared to the Portland area.
- More employment opportunities in the Portland area.
- Desire to live in a community like Newberg with a high quality of life and sense of community, rather than a “same as everywhere else” type of Portland area suburb.

Newberg would like to provide more local employment opportunities, thus reducing travel time and distance for existing and future residents. In short, Newberg would like to reverse trends towards “bedroom community” status by providing a greater variety of local employment opportunities. To achieve this objective, Newberg must provide industrial sites with characteristics that capitalize on Newberg’s comparative economic advantages.

Newberg Employment Characteristics

Historic Economy

Settlement of our region by people of European ancestry began a mostly agricultural economy for the area. As the region developed, Newberg slowly became the commercial center for the eastern end of Yamhill County and it remains so to this day. Evidence of this development is

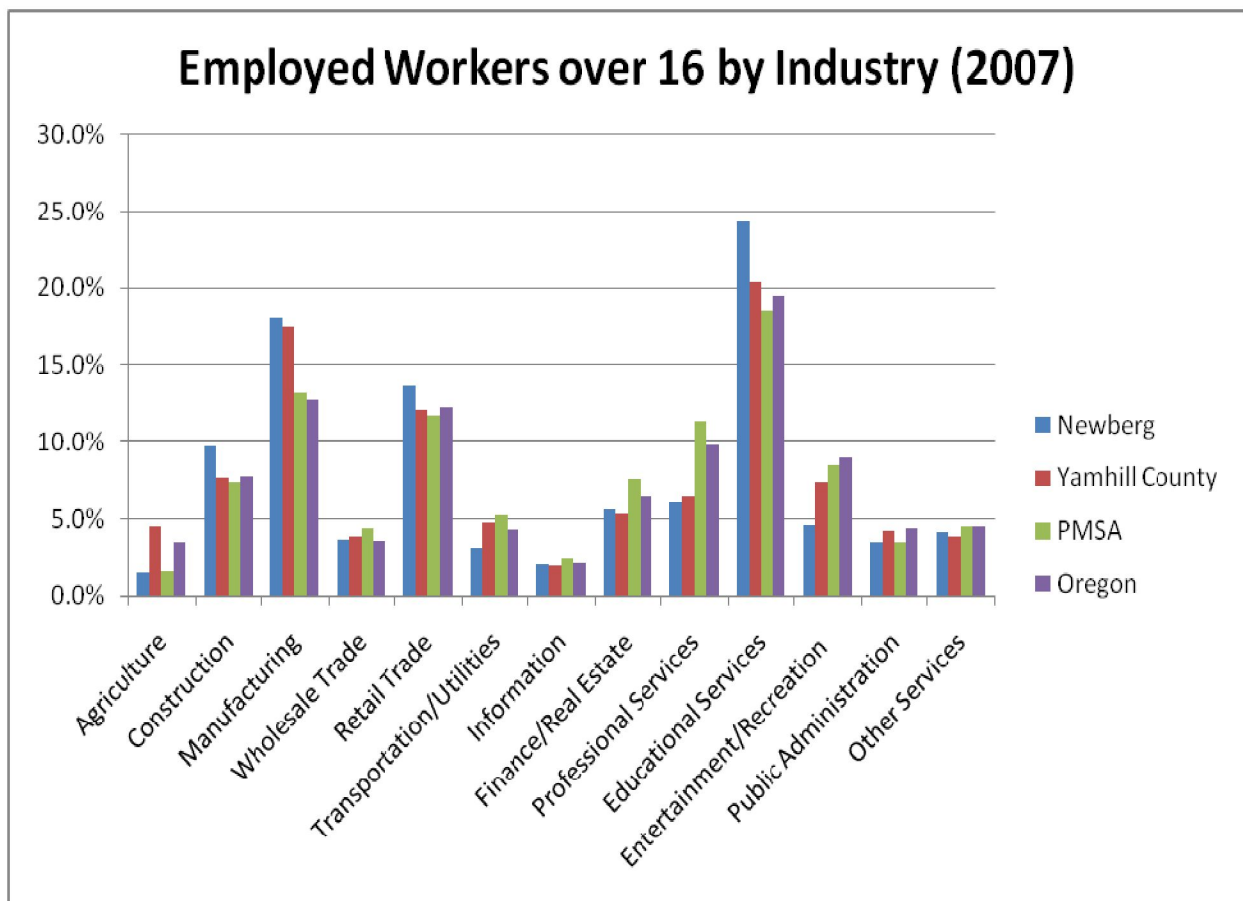
expressed through Newberg’s Central Business District, which consists of many early twentieth century buildings constructed in a high-density pattern.

The advent of the car as a primary mode of transportation for people brought about commercial development pattern of a lower density. Most of this type of development is situated along Highway 99W in the eastern section of the city.

Current Economy

Newberg has a diverse economic base. This diversity, along with the types of businesses, has provided Newberg with a reasonably stable economy. Figure 12-2 shows how Newberg compares with Yamhill County, the PMSA and the state for percentage of workers by industry. As the chart shows, Newberg has a high percentage of workers in construction, manufacturing, retail trade, and educational services.

Figure 12- 2: Employed Workers over 16 by Industry



Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Table 12-9 shows the actual employment by industry for Newberg in 2007, as reported by the Oregon Employment Department.

Table 12- 9: 2007 City of Newberg Annual Average Employment by Industry

Industry	Average Annual Employment	Total Payroll	Average Annual Wage
Agriculture, Forestry, Fishing and Hunting	142	\$4,351,630	\$30,645
Construction	773	\$31,068,987	\$40,193
Manufacturing	2,608	\$135,015,712	\$51,770
Wholesale Trade	103	\$4,869,681	\$47,278
Retail Trade	933	\$25,761,682	\$27,612
Transportation & Warehousing	167	\$4,809,037	\$28,797
Information	57	\$2,148,418	\$37,692
Finance & Insurance	169	\$7,637,067	\$45,190
Real Estate, Rental & Leasing	110	\$2,693,296	\$24,485
Professional, Scientific & Technical Services	199	\$8,025,799	\$40,331
Administrative Support, Waste Management, Remediation	207	\$4,862,935	\$23,492
Education Services	1,349	\$45,973,472	\$34,080
Health Care & Social Assistance	1,304	\$45,422,729	\$34,833
Arts, Entertainment & Recreation	148	\$2,012,923	\$13,601
Accommodation & Food Services	796	\$10,227,414	\$12,849
Other Services	397	\$7,773,184	\$19,580

Source: Oregon Employment Department

While employment data is readily available at the County level, specific employment data at the city level is less available, and has some limitations. The most recent data available for Newberg at the end of 2009 was 2007 data. Certain data is confidential and cannot be reported at the city level, including utility, management, and local government numbers. However, more recent data for Newberg can be derived by using certain data assumptions to estimate employment by

industry through 2009³⁸. Table 12- 10 below shows the estimated Newberg employment by industry for 2007-2009.

Table 12- 10: Estimated Newberg Employment by Industry 2007-2009

Industry	2007	2008	2009
Construction	773	642	390
Manufacturing	2,608	2,557	2,201
Wholesale Trade	103	97	73
Retail Trade	933	930	841
Transportation, Warehousing & Utilities	178	181	181
Information	57	54	45
Financial Activities	279	270	241
Professional & Business Services	430	407	299
Education & Health Services	2,653	2,766	3,285
Leisure & Hospitality	944	1,002	1,018
Other Services	397	413	409
Government	170	174	183
Total	9,169	9,494	9,165

Source: Oregon Employment Department, 2009, Newberg Planning Division

³⁸ The 2007-2009 employment data was derived using the following assumptions:

- Utility employment was derived as being 6.6% of the total “Transportation, Warehousing, & Utility” employment in Newberg. This is equal to the ratio in Region 15, the only region of the three surrounding regions (Region 2, Region 3, and Region 15) where data was available.
- Government employment was derived as the total FTE for the City of Newberg for that year, plus 5% for some County, State or other government jobs in Newberg.
- Management employment was derived as being 11.9% of the total Professional and Business Service employment in Newberg. This is equal to the ratio in Yamhill County, 2008.
- 2008 and 2009 employment estimates were derived by applying the same rate of change to each industry as in Yamhill County for those years.

The following is a list of the top employers located within the urban growth boundary of Newberg in 2009.

Table 12- 11: Newberg Top Employers 2009

Employer	Average Employment	Product Description	Industry Cluster
A-dec	978	Dental equipment	Manufacturing
George Fox University	560	Higher Education	Higher Education
Newberg Public Schools	560	K-12 Education	Education
SP Newsprint Company	324	Newsprint	Manufacturing
Providence Newberg Medical Center	255	Health Care	Health Care
Suntron ³⁹	220	Electronics (circuit boards, modular parts, cable assembly)	Manufacturing
Fred Meyer, Inc.	210	Groceries, retail	Retail
City of Newberg	181	Government	Government
The Allison Inn and Spa	165	Hotel and spa	Wine/Tourism
Friendsview Retirement Center	149	Continuing care retirement community	Health Care
PPM Technologies	109	Food processing machinery	Manufacturing
Hazelden Springbrook	100	Alcohol and drug treatment	Health Care
Climax Portable Machine Tools	95	Portable machine tools	Manufacturing
Safeway	80	Groceries, pharmacy	Retail
Harris Thermal Transfer Products	73	Heat exchanger manufacturing	Manufacturing
Chehalem Youth & Family Services	73	Child and family services	Health Care
Dental Components, Inc.	60	Dental equipment	Manufacturing
Ushio Oregon, Inc.	53	High intensity lamps	Manufacturing
A.R.E. Manufacturing	51	Dental equipment and boat parts	Manufacturing

Source: Chehalem Valley Chamber of Commerce; Reuters

Newberg has a higher than average manufacturing employment base. The list of companies in the table above shows that many of the community's businesses are industrial in nature. Education (e.g. George Fox University) and health care (e.g. Providence Newberg Hospital) are also big components of Newberg's economic structure. With the addition of the Allison Inn & Spa, the wine industry is beginning to make a larger impact, along with the associated tourism

³⁹ Suntron announced plans to close Newberg operations in 2010.

industry: bed and breakfasts, restaurants, art shops, wine-tasting rooms.

Retail Conditions

Newberg’s close proximity to the Portland metro area and relatively low retail opportunities results in retail dollar “leakage” from the community. This means that fewer retail dollars stay in the community and continue to circulate within the local population. Support for this assertion of retail dollar leakage can be demonstrated through some simple calculations. By taking the total annual retail sales numbers of area, divided by the area’s population, one gets a total annual retail spending per capita in that community. Using this formula, the following is a list of the annual retail sales per capita in population centers within Oregon.

Table 12- 12: Population and Retail Sales

Population Center	Annual retail sales per capita
Newberg	\$9,462
McMinnville	\$11,798
Ashland	\$7,495
Medford	\$21,470
Washington County	\$12,386
Salem	\$13,807
Bend	\$22,933
Pendleton	\$12,515
Eugene/Springfield	\$14,132
Oregon	\$10,542

Source: U.S. Census Bureau, 2000

Newberg’s local retail spending is the below the state average. McMinnville’s retail spending is higher than Newberg, but also has more shopping opportunities. Ashland and Medford’s relationship is much like Newberg with the Portland metro area, with many Ashland retail dollars likely to be going to Medford businesses. Many other commercial centers around Oregon, like Salem, Bend, Pendleton and Eugene/Springfield also appear to attract more retail dollars per capita that the state average.

It is acknowledged that this calculation is simplistic. Many other variables would affect a more thorough analysis, such as total income, disposable income, geographic boundaries and population dispersion. However, it is probable that the biggest factor in retail dollar leakage remains the fact that small towns with limited shopping opportunities will always lose retail dollars to nearby urban centers.

Outside of Newberg, agriculture is still an important industry to the area’s economy. The wine/tourism industry has an especially large impact upon Newberg. Many new businesses, such as restaurants, bed & breakfasts, art galleries, and gift shops, have been established with recognition that tourists would be a principal customer. The Yamhill Valley (consisting of portions of Yamhill and Polk County) is the heart of Oregon’s \$576 million wine industry, with

about 200 vineyards and 85 of Oregon’s 200 wineries⁴⁰. The wine industry in Yamhill County has grown exponentially over the last few decades.

III. Assessment of Community Economic Development Potential

Regional Employment Projections

In November 2009, the Oregon Employment Department issued employment projections for 2008-2018. These projections considered the recession in the late 2000’s, and projected a slow recovery over the coming decade. Table 12- 13 shows the combined employment projections for Region 2 (Multnomah and Washington Counties), Region 3 (Marion, Yamhill, and Polk Counties), and Region 15 (Clackamas County). The combined projection was used because Newberg is almost centrally located within this six county region.

Table 12- 13: Combined Employment Projection for Regions 2, 3, and 15, 2008-2018 (Multnomah, Washington, Marion, Polk, Yamhill, & Clackamas Counties)

Industry	2008	2018	% Change
Construction	57,410	58,600	2.07%
Manufacturing	121,270	119,200	-1.71%
Wholesale Trade	55,840	61,100	9.42%
Retail Trade	108,630	117,700	8.35%
Transportation, Warehousing & Utilities	36,480	38,300	4.99%
Information	23,500	24,200	2.98%
Financial Activities	68,970	72,300	4.83%
Professional & Business Services	81,720	88,700	8.54%
Education & Health Services	94,490	107,500	13.77%
Leisure & Hospitality	79,610	86,200	8.28%
Other Services	61,890	65,000	5.03%
Government	114,640	120,300	4.94%
Total	904,450	959,100	6.04%

Source: Oregon Employment Department.

Newberg Employment Projections

Newberg employment projections for 2010-2040 were made consistent with the “safe harbor” methodology described in OAR 660-024-0040(9)⁴¹. This methodology allows a local

⁴⁰ *News-Register*

⁴¹ OAR 660-024-0040 (9) states: *The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.*

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

government to estimate that the current number of jobs in the urban area will grow either at a rate equal to the Oregon Employment Department regional job forecast rates, or at a rate equal to the population growth rate for the urban area. Future employment projections for the Newberg urban area were made using a combination of these allowed methodologies.

Retail trade and leisure & hospitality employment was projected to grow according to Newberg population growth. This was done because the need for retail services typically grows along with population, and also because of Newberg’s strong potential for leisure & hospitality employment growth in its targeted industry cluster of wine/tourism.

For other industries, employment was projected to grow for the 2008-2018 period at the same rate as the projected six-county change shown in Table 12- 13 above. For employment projections beyond 2018, employment was projected to grow at the same rate as the projected population growth. This rate is in accordance with the safe harbor provision stated above, and allows Newberg to plan adequately for the 20-year planning horizon to 2030. This is essential for Newberg to maintain its desired jobs-housing balance into the future and to avoid becoming solely a bedroom community.

Table 12- 14: Projected Newberg Employment through 2040

Industry	2008	2009	2018	2020	2025	2030	2035	2040
Construction	642	390	656	700	798	892	1,005	1,125
Manufacturing	2,557	2,201	2,514	2,685	3,057	3,417	3,851	4,312
Wholesale Trade	97	73	106	113	129	144	162	181
Retail Trade	930	841	1,124	1,201	1,367	1,529	1,723	1,929
Transportation, Warehousing & Utilities	181	181	191	204	232	259	292	327
Information	54	45	56	60	68	76	86	96
Financial Activities	270	241	283	303	345	385	434	486
Professional & Business Services	437	321	474	507	577	645	727	814
Education & Health Services	2,766	3,285	3,147	3,361	3,827	4,278	4,821	5,398
Leisure & Hospitality	1,002	1,018	1,361	1,454	1,655	1,850	2,085	2,335
Other Services	413	409	434	463	528	590	665	744
Government	183	175	192	205	233	261	294	329
Total	9,533	9,180	10,536	11,255	12,815	14,325	16,145	18,077
Cumulative from 2009		-	1,357	2,075	3,636	5,145	6,965	8,897

(B) The population growth rate for the urban area in the adopted 20-year coordinated population forecast specified in OAR 660-024-0030.

Note that the employment projections made are for a longer period than the 20-year period. Thus, employment projections beyond this 20-year period are not currently a “safe harbor” suitable for UGB amendments, though they could become a “safe harbor” for future UGB amendments.

Newberg's Comparative Advantages and Disadvantages

This section, Assessment of Community Economic Development Potential (660-009-0015-4), determines the types and amounts of industrial and other employment uses likely to occur in the planning area, relating to the results of the Trends Analysis and Inventory, and considers the planning area's economic advantages and disadvantages.

Comparative Advantages

1. Small town quality of life
 - a. Relatively affordable housing
 - b. Attractive rural setting in heart of wine country
 - c. Attractive historic downtown
 - d. Full service city separate from Portland metropolitan area with deep sense of community and history.
 - e. High level of community engagement

2. Access to quality education and skills training
 - a. George Fox University is very highly regarded. George Fox is listed among the top 100 colleges in the United States in *Forbes'* 2009-10 ranking of "America's best colleges." *U.S. News and World Report* named the University on its list of "Best National Universities," and was the only Christian college in the Pacific Northwest to make this list. The *Report* also cited an academic reputation survey of high school counselors that ranked George Fox University among the top 100 national universities. Moreover, it reported that more Portland-area valedictorians and straight-A seniors enroll at George Fox University than at any other private college in Oregon. *The Princeton Review* lists George Fox as a "Best in the West" selection.
 - b. Portland Community College recently passed a bond measure that will fund the construction of a branch campus in Newberg. The College will offer classes in the community in the fall of 2010. The College is expected to offer a wide range of academic and technical skills training that will serve the needs of local citizens and businesses alike.
 - c. The Newberg School District has a higher percentage of Newberg students that meet or exceed state standards in reading, mathematics, writing and science than state averages. Average student SAT scores are 1567 compared to Oregon average of 1550 and national average of 1511.

3. Established and growing industry clusters
 - a. The percentage of employment in the manufacturing sector in Newberg is higher than state average. Average wage is high in this sector.
 - b. Dental equipment manufacturing cluster is very strong, including a world leader in this industry.
 - c. The new \$68.5 million Providence regional medical center has created hundreds of highly-skilled, well-paying job and solidified health care as one of Newberg's target industries. The hospital has also spurred development of retirement and health care facilities for seniors.

- d. The wine/tourism industry in Yamhill County is world-renowned. Given Newberg’s strategic location as the eastern gateway to the area’s wine country from the Portland metropolitan region, this industry is expected to experience continued strong growth. Total direct spending for tourism in Yamhill County has gone from \$29.1 million in 1991 to \$60.7 million in 2003 ⁴². Businesses such as restaurants, bed and breakfasts, wine shops, and art galleries are benefiting from this rising industry and are actively pursuing these customers. In particular, Newberg’s historic downtown has experience significant revitalization in recent years, much of it due to the increasing impacts of this industry. In 2009, the Allison, a large luxury inn and spa targeting wine tourists, was opened. This development was a significant investment in this local industry and a very demonstrative statement in its future.
- 4. Strong local support for business and employment opportunities
 - a. Newberg commits staff resources to retain existing business and recruit new businesses .
 - b. Newberg is commitment to planning “shovel ready” industrial sites.
 - i. Sportsman Airpark Master Plan preserves the functional aspects of this airport. It also reserves developable industrial land for businesses that would benefit from having close access to airport services.
 - ii. South Industrial Area Master Plan provides for the development of new industrial sites of various sizes that have good transportation access, especially to Interstate 5.
 - c. The Chehalem Valley Chamber of Commerce has high membership and very active in supporting members, business, and industry.
 - d. Coordination with County ensures that land outside city limits is reserved for intended employment uses and not converted to residential or commercial uses
 - 5. Proximity to Portland metropolitan region
 - a. Newberg has access to large market area, including the Portland-Vancouver area. This also provides access to other regions, including the Seattle, the Bay area and even Asian markets.
 - b. Newberg has access to major state highways: Highway 99W and 219, and as little as 15 minute access to I-5.
 - c. Newberg has access to national/international transportation facilities, including air and water transportation facilities at the Port of Portland.
 - d. Newberg has strong relationships with other economic development organizations in the region.
 - 6. Future Newberg-Dundee Bypass
 - a. The Newberg-Dundee Bypass is included in Oregon’s Highway Plan. The location EIS has been approved. Plans are currently underway to construct a first segment of the bypass within 5-10 years.
 - b. The Bypass will provide improved transportation facilities that will benefit existing industrial users (airport, Highway 219) in south Newberg by allowing

⁴² Dean Runyan Associates

traffic from those areas to access Highway 99W and SW Portland area markets without routing truck traffic through downtown.

- c. The Bypass will provide improved access to Newberg and the Portland region from I-5 (via Highway 219).
 - d. The Bypass will reduce traffic in downtown Newberg and facilitate the objective of having a pedestrian-oriented city and retail and service center.
 - e. The Bypass will provide improved transportation facilities near flat serviceable land in south Newberg.
7. Oregon's Statewide Planning Goals. Economic development in Oregon is strongly influenced by many of these goals. In particular, Goal 9 requires cities to identify comparative advantages, targeted employment opportunities and site requirements and to reserve land for long-term industrial uses. Compared to national and international competitors, this required planning work can help ensure that Newberg's efforts in the retention and recruitment of businesses is targeted, efficient and effective.

Comparative Disadvantages

The global economy provides strong competition for local, regional and national manufacturers. Many other countries, such as China and India, are attracting manufacturing facilities through a growing, trained workforce with lower, average wages than this region. Some of Newberg's disadvantages in competing in a regional and national marketplace include:

- 1) Transportation and access issues:
 - a. Congestion on Highway 99W and travel times to Metro area markets slows shipments of goods and material, employees, and customers.
 - b. Truck traffic on Highway 99W prevents Newberg's historic downtown from achieving its full potential by creating an environment that is less-than pedestrian friendly.
 - c. Although Newberg has easy access to I-5 via Highway 219 and McKay Road, the Donald/Aurora Interchange at I-5 has access and capacity issues that will likely require a reconfiguration or some other interchange redesign to handle increased traffic capacity from future development in the region.
 - d. The Newberg-Dundee Bypass is a significant future advantage to Newberg. However, ODOT may want to limit development near the Bypass interchange with Highway 219 in the future to ensure that adequate volume and capacity standards are met. Development limitations may require trip caps or a restriction on certain high-traffic generating uses.
- 2) In 2009, Newberg lacks suitable industrial sites to meet needs of targeted employment opportunities:
 - a. Many existing industrially zoned parcels are constrained by size, topography, or height restrictions.
 - b. Some formerly viable sites have been lost due to needs for Bypass right-of-way acquisition.
 - c. Some existing sites are being reserved for future expansion of adjoining industrial users.

- d. Cost of infrastructure to serve sites can be prohibitive.
 - e. Newberg lacks master planned industrial and business parks that allow for immediate development when industrial firms consider location in Newberg area
- 3) Highly parcelized land outside the UGB limits alternatives for meeting identified site requirements. Prior to the full implementation of Goal 3 and 4 measures to protect agricultural land outside of the Newberg UGB, considerable rural residential development was permitted outside the Newberg city limits. As such, the small parcel sizes and rural homes and businesses outside of the Newberg UGB limit the availability of suitable employment sites in rural residential exception areas.
- 4) Newberg’s commercial sector has been under considerable stress as retail paradigms have changed over the last few decades. Regional malls and the more recent development of “big-box” stores are strong competitors to Newberg businesses. While the volume sales model of these types of stores bring lower costs to consumers for goods, this pattern has had a negative impact on the relatively smaller retailers of the local economy. In addition, the ease of shopping through internet sales is being utilized by growing number of customers. Many locally-owned businesses find it difficult to compete under this new paradigm, a situation that has forced many of them to go out of business.
- 5) In addition, Newberg’s close proximity to the Portland metro area and relatively low retail opportunities results in retail dollar “leakage” from the community. This means that fewer retail dollars stay in the community and continue to circulate within the local population.
- 6) Despite major investments in the last few years, SP Newsprint is experiencing financial pressures due to changing market conditions. The financial pressures on SP Newsprint are mostly on the macroeconomic scale, significantly reducing Newberg’s ability to positively impact this situation.
- 7) Oregon’s Statewide Planning Goals. Economic development in Oregon is strongly influenced by many of these goals. Balancing of these goals often creates a planning process for local economic development that is long, expensive, and uncertain: a process that is frequently incompatible with needs of an ever-increasingly fast-paced business world. It can prevent including suitable industrial and employment sites when needed.

Special Opportunities

Beyond the regional economic markets, Newberg has several special opportunities to capitalize on its unique niche geographically and in the market place. These are discussed below.

Dental Equipment Cluster

Newberg is the home of A-dec, one of the largest dental equipment manufacturers in the world. This also has spurred other dental equipment companies, such as DCI International and Beaverstate Dental, and several other industries that supply machined parts, electrical supplies,

or other equipment. The dental industry is an expanding market, especially in Asian markets where dental care is increasing. There are over 30 billion teeth in China: if Newberg suppliers can capitalize on even a small part of this market, they could expand substantially.

Alternative Energies

As concerns of peak oil, global warming, and carbon emissions rise, so do opportunities for the alternative energy industry. Several Newberg firms already have begun to capitalize on this industry. Harris Thermal constructs heat exchange equipment that is used in the manufacture of biofuels. Climax Portable Machine Tools constructs equipment that is used in the maintenance of wind power turbines. Local companies such as Voltair are manufacturing wind turbines for private sale. The Newberg area has an expanding wind energy cluster of suppliers, manufacturers, and technicians. Newberg has excellent opportunities to capitalize on this market.

South Industrial Area

As noted in the discussion of regional industrial land availability on page 13, the region has a significant lack of suitable industrial sites. In particular, the region lacks large, flat industrial sites with good transportation access and available utilities. In addition, the state's Industrial Lands Advisory Committee found,

*Land located at existing freeway interchanges, such as the Stafford District at I-205 and Stafford Road, Langdon Farms at the I-5 and Charbonneau exit, and the I-5 Donald/Aurora exit are logical market driven locations for large scale industrial and employment intensive development.*⁴³

However, they also found:

*Donald-Aurora I-5 Interchange—The Donald-Aurora interchange on I-5 is approximately 20 miles south of Portland. Although this is a prime location for industrial development when viewed from a market perspective, the land surrounding the interchange is zoned Exclusive Farm Use (EFU) and is in not within any jurisdiction's UGB. Given current land use laws these are substantial obstacles to development.*⁴⁴

Newberg's South Industrial area is along Wynooski Road and Highway 219. Newberg recently prepared the *South Industrial Area Master Plan*, which envisions utilizing the area along Highway 219 south of Wynooski Road by including several large, flat parcels for future industrial use. The South Industrial Area is uniquely posed to accommodate industrial users in the region:

⁴³ *Industrial Lands Advisory Committee Report, December 15, 2003*

⁴⁴ *Industrial Lands Advisory Committee Report, December 15, 2003*

- It contains large, level sites. The area can accommodate employers needing sites of 10 acres up to 100 acres.
- The area is adjacent to Newberg’s existing industrial areas, and is a logical extension of that area.
- It has excellent access. The area is about a 10-15 minute drive to I-5 without traveling through any intervening urban areas. The future Newberg-Dundee bypass will travel east to the Portland metro area through no traffic lights until the Portland UGB. It will allow travel west to the Oregon Coast through only one stop light, and to the Mid-Willamette Valley with few stops.
- Newberg has the utility capacity to serve the area with relatively short extensions.
- The area has excellent riparian buffers consisting of two stream corridors between the proposed future industrial area and conflicting uses. No travel would be required through residential or commercial areas.

Were the area included in the Newberg Urban Growth Boundary, it certainly would attract the target industries Newberg is seeking.

Aviation Related Industry

Newberg is home to the Sportsman Airpark. This is a private/public use airport in the Urban Growth Boundary. The Sportsman Airpark Industrial District is situated next to the landing strip. The Sportsman Airpark District has three important advantages over other airport related industrial areas:

- Industrial land can be owned by individual users. In most industrially zoned districts near airports, land can only be leased to users, and “through the fence” use of adjacent industrial land is not allowed.
- All adjacent land is within the UGB.
- The airpark is adjacent to the Airpark Residential Zone, which allows business owners and entrepreneurs to live in close proximity to their planes.

With these advantages, the airpark presents excellent opportunities for small to medium industrial users. It can accommodate aircraft related industries, such as manufacture of airplane parts or aircraft maintenance. It can also attract entrepreneurial businesses that need to use a plane for business travel, visiting clients, or delivering goods. A good example of this is a new company in town, Voltair, which is constructing a new facility in the Airpark Industrial area. Voltair is a manufacturer of wind turbines and their location in the Airpark Industrial area will allow for quick access for maintenance crews to fly to eastern Oregon to service turbine installations.

Nursery and other Agricultural Products

As noted in the section *Yamhill County Agri-Business* on page 10, Yamhill County has developed the *Yamhill County Agri-Business Economic and Community Development Plan*. Of particular note in the plan is the predominance of the nursery and greenhouse

crop industry in Yamhill County, following by the grass seed and fruit and nut products. All of these are present in the Newberg area. The plan identified needs for processing facilities in the County for these and other agricultural products. The plan includes several strategies to promote the agricultural industrial. Of particular relevance to Newberg are the following recommended strategies:

Rezoning to accommodate prototype development projects. Analysis has revealed the types of representative projects needed to support agriculture and tourism lack adequate sites. Rezoning enables communities to place these projects where they “fit” and provide benefits to the community.

Site assembly. Preparing land for development, from initial site selection through planning and marketing, is site assembly. To assure job growth and allow for new investment, communities will need to be proactive in identifying an adequate supply of properly sized, suitably zoned development sites and be active participants in the development process.

County-wide infrastructure strategy. The most pressing problem for every community is infrastructure. Regional cooperation in Yamhill County to jointly plan for the future and secure adequate drinking water supplies can be a model for cost saving inter-agency arrangements for other services. Moving ahead with a reprisal solution for drinking water is critical for many Yamhill County communities.⁴⁵

Newberg has the infrastructure capable to support such processing facilities. The South Industrial area provides adequate sized sites that would accommodate small and large processing facilities.

Of course converting agricultural land to other uses should not be taken lightly, as that land is important to the agricultural industry. Newberg can assist in this respect by maintaining an urban growth boundary and providing adequate land within that boundary to meet urban land needs at relatively dense development levels. Agricultural land only should be included in the urban area where there is a demonstrated need.

Wine/Tourism Industry

The Chehalem Valley Chamber of Commerce recently branded the area as “the Gateway to Oregon Wine Country.” Vineyards and wine productions is a booming business in the Chehalem Valley. This is attracting a great number of tourists, most with money to spend. This has spurred a number of associated economic opportunities, including:

- Accommodation and Hospitality services. Newberg is home to Oregon wine country’s premiere facility: The Allison Inn and Spa. It also is home to several bed and breakfast inns and other hotels.

⁴⁵ Barney & Worth, Inc., page 43.

- Restaurant and wine tasting. Newberg features several opportunities for fine dining, including the Painted Lady and the Jory at the Allison. Downtown Newberg features several wine bars. There are many opportunities to expand fine and casual dining and wine tasting.
- Arts and Culture. Newberg's downtown has a strong and growing arts community. The Chehalem Cultural Center is set to open soon and will allow art creation and exhibits. This is a strongly growing sector with a lot of opportunity.
- Golf and Recreation. Newberg is home to the Chehalem Glenn Golf Course, one of Oregon's best. This publicly owned course attracts tourists from around the region. A third nine holes is planned, which will further promote the tourism in the area. Additional recreation opportunities, such as for bowling or a family fun center, are desired in the community.
- Riverfront commercial. Newberg has an adopted Riverfront Master Plan for areas along the Willamette River. This future development area will allow views of the Willamette while one shops, dines, or stays. The riverfront area provides access to Roger's Landing, one of the best and most used accesses to the Willamette River.

Retail

Newberg's retail objectives, beyond promoting the wine and tourism industries, focus on providing opportunities for local residents and businesses to obtain the goods they need without travel outside the community. Newberg does have strong retail areas, but sales of certain retail goods are either missing or undersupplied. In many cases the goods are available regionally, but Newberg residents must drive to other areas, such as Washington Square, Wilsonville, Sherwood, or McMinnville. As of 2009, the following retail services are either missing or undersupplied in Newberg: office supplies; electronics; clothing and footwear; sewing supplies; sporting goods; appliances; whole and natural foods. Additional retail services in these areas would be welcome.

IV. Newberg’s Economic Development Strategy

Capitalizing on Comparative Advantages & Addressing Comparative Disadvantages

Table 12- 15: Strategies to Capitalize on Comparative Advantages

Advantage	Strategy / Action
1. Small Town Quality of Life	<ul style="list-style-type: none"> • Continue to provide relatively affordable housing opportunities. • Minimize adverse impacts on existing and planned residential neighborhoods from conflicting employment opportunities. • Continue revitalization efforts of historic downtown. • Support organizations that foster “social capital”. • Work to improve the pedestrian/bicycle network in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.p., 1.q., 3.a.)</i></p>
2. Access to Quality Education and Skills Training	<ul style="list-style-type: none"> • Continue to support the Newberg School District, George Fox University, Portland Community College, and other public and private schools in their efforts to train and motivate the kind of workforce required by existing and future employers in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.q.)</i></p>
3. Strong Established and Growing Industry Clusters	<ul style="list-style-type: none"> • Provide sufficient land near existing industrial areas to allow for expansion. • Provide suitable sites with characteristics required by such industries to take advantage of industrial clusters in Newberg. • Encourage the reuse/redevelopment of properties in zones allowing business. <p><i>(Applicable Comprehensive Plan policies: 1.b., 2.e., 2.g.)</i></p>
4. Strong Local Support for Business and Employment Opportunities	<ul style="list-style-type: none"> • Continue to plan for future employment opportunities by providing suitable sites for industrial (export) and commercial uses. • Continue to work collaboratively with the State, Yamhill County, and local businesses to fund infrastructure and planning necessary to maintain and attract desired employment. • Continue to work with and support the Chehalem Valley Chamber of Commerce. <p><i>(Applicable Comprehensive Plan policies: 1.m., 1.n., 1.o., 3.b.)</i></p>
5. Proximity to Portland Metropolitan Region	<ul style="list-style-type: none"> • Continue to work with Metropolitan area partners in promoting the economic advantages of the region. • Provide opportunities for identified regional employment clusters in Newberg. • Continue to advocate for improved access to regional markets, via Highways 99W and 219 and the Interstate. • Continue to maintain rail and air access opportunities. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.o., 2.g.)</i></p>
6. Future Newberg-Dundee Bypass	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to build political support and ensure funding for the Bypass. • Encourage support, funding and construction of the full Bypass project. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
7. Oregon’s Statewide Planning Goals	<ul style="list-style-type: none"> • Newberg has taken advantage of Oregon’s Economic Development Program (Goal 9) by identifying comparative advantages (and disadvantages), targeting export-based employment clusters, identifying and providing for the site requirements necessary to maintain and attract such clusters in Newberg, and coordinating with Yamhill County and affected state agencies to retain and provide services to suitable employment sites. Newberg will continue to coordinate with these agencies. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Table 12- 16: Strategies to Address Comparative Disadvantages

Disadvantage	Strategy / Action
1. Transportation and Access Issues	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to ensure funding for the Newberg-Dundee Bypass. • Continue to advocate for Highway 99W improvements to reduce congestion and maintain regional connectivity. • Continue to work with ODOT for review of all development proposals in areas that may impact a state highway facility. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
2. Lack of Suitable Employment Sites	<ul style="list-style-type: none"> • Newberg has considered local, regional, state and national economic trends and identified industry clusters that the City has a reasonable likelihood of attracting to the community. • Newberg has also researched and identified the site characteristics demanded by firms within these industry clusters. Newberg is actively planning for a future industrial area that will meet both the industrial site characteristics and the land needs of the city’s population over the next 30 years. <p><i>(Applicable Comprehensive Plan policies: 2.h., 2.g.)</i></p>
3. Limited Suitable Land Supply Outside UGB	<ul style="list-style-type: none"> • After considering the potential for rural residential exception areas to meet identified site requirements, the City has selected sites on agricultural land that will be reserved for identified employment needs. <p><i>(Applicable Comprehensive Plan policies: 2.e., 2.g.)</i></p>
4. and 5. Stressed Commercial Sector and Retail Dollar Leakage	<ul style="list-style-type: none"> • Recruit businesses that can fulfill commercial needs that are currently being unmet locally. • Support small businesses that are adjusting these new retail realities by either focusing on high quality customer service and/or gearing their business plans toward niche markets. • Encourage local retail businesses to improve their online presence. <p><i>(Applicable Comprehensive Plan policies: 1.c., 1.i.)</i></p>
6. Market Pressures on SP Newsprint	<ul style="list-style-type: none"> • Newberg will continually look for opportunities to work with SP Newsprint to help reduce their operational costs. <p><i>(Applicable Comprehensive Plan policies: 2.d.)</i></p>
7. Oregon’s Statewide Planning Goals	<ul style="list-style-type: none"> • Newberg will continue to pursue Urban Growth Boundary amendments and Urban Reserve expansions to provide adequate land for future uses. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Regional Focus

Newberg has recognized the importance of being part of a shared, regional economic vision. *Beyond the Vision: A Strategic Plan for the Chehalem Valley* is a document that was created cooperatively between five governmental entities located within the Chehalem Valley. This document was adopted by the Newberg City Council in January 2005. One section of this document, called *Economy and Employment*, describes the economic future of the area as follows:

A diversified economy provides balanced economic opportunities for the residents of the Chehalem Valley. Agriculture and agribusinesses are an important component of the local economy. The natural beauty of the area encourages

tourism and the wine industry. A carefully targeted retail recapture strategy has encouraged more local shopping and minimized buying outside of the area. Downtown areas are vibrant commercial areas that support the local economy.

Clean industries have been developed using a “campus” design. Plenty of family wage jobs are available for citizens of the area. Tourism is a major economic force, its strengths based on the premise that the Chehalem Valley is 1) the gateway to the wine country; 2) characterized by a clean and comfortable environment; and, 3) offers the historical experience of a friendly, small town and village America in the earlier period of the 20th century. As a destination location for visitors, the community of Dundee now has two small exclusive hotels and bed and breakfast inns. The service industry has expanded, with the health industry and health research being a major provider of employment in this sector of the economy.⁴⁶

Key strategic steps laid out for the *Economy and Employment* section of the plan are as follows:

- Hold a broad community forum on economic development to build consensus.
- Invigorate the Chamber of Commerce Economic Development Committee.
- Seek financial aid in the form of grants.
- Develop community college training programs tailored to the labor force needs of prospective employers.

The regional economic development paradigm is expected to continue in the foreseeable future. Newberg has worked extensively with the Mid-Willamette Valley Council of Governments and the Oregon Business Development Department for many years. With an understanding that Newberg’s economic future is likely to be strongly linked with fortunes of the Portland region, the City has recently developed relationships with economic development organizations in the metropolitan area. In the summer of 2004, the City of Newberg joined the Association of Regional Economic Development Partners, Inc. (now the Portland-Vancouver Regional Partners Council for Economic Development.). The Partners is “a public-private partnership that focuses on shared economic priorities and works to implement business retention, expansion, and recruitment as well as marketing strategies and recommendations for policy development. The members are public and private sector economic development professionals in the region who have worked collaboratively for more than 10 years to retain and recruit businesses, and promote the metropolitan region as a vital economic center.”

On January 3, 2005, the Newberg City Council passed Resolution No. 2005-2554, which stated the city’s support for the framework of the Portland Regional Business Plan of the Regional Economic Development Partners.

⁴⁶ *Beyond the Vision: A Strategic Plan for the Chehalem Valley*

Locally Targeted Economic Development Industry Clusters (Target Industries)

The majority of Newberg's economic development efforts should continue to be focused upon supporting existing local businesses. In the economic development profession, there is a general principle call the "80/20 rule", which means that 80 percent of an area's economic development efforts should be dedicated towards the retention and expansion of existing local businesses. In addition, it is often said that "Your good businesses are your competitor's best recruitment prospects!" Therefore, a community should ensure, as much as possible, that their local businesses are content and prosperous, or else they may look elsewhere to do business. In summary, it is far easier, effective and efficient to try to maintain and expand your economy through one's local industries than to attract new ones.

As important as Newberg's retention efforts are for its economic health, recruiting specific new businesses to Newberg such as those listed in the Portland-Vancouver Regional Business Plan and the Newberg EOA is a critical aspect of Newberg's economic development strategy. Some of these businesses can be recruited to strengthen existing clusters within the community. Others are new types of businesses that can be attracted based on combination of three factors: a business' cluster strength in the Portland region; Newberg's close proximity to the metro area, and Newberg's unique high quality of life compared to other communities in the region. The City's business recruitment efforts should be focused on identified strong, traded-sector clusters. These types of businesses will bring new wealth to the community and diversify the local economy, thereby creating an economic base that is stronger and more stable. Table 12- 17 on page 39 lists industries on which Newberg should focus its economic development efforts.

Table 12- 17: Newberg Targeted Industries

Business Cluster	Targeted business types
Manufacturing and Industry	
High Tech Manufacturing	Semiconductors/silicon, imaging & display technology
	Nano & micro technology, cyber-security, health/medical information technology
	Biotech/bioscience (medical devices, bioinformatics, pharmaceuticals, genomics, anti-virals)
General Manufacturing	Dental equipment
	Metals, machinery, transportation equipment
	Lumber and wood products (value added)
	Sustainable industries (renewable energy, resource efficiency technologies, sustainable building materials, green chemistry)
	Distribution & logistics
	Sports apparel/recreation-related products
Aviation related	Specialty aircraft equipment, aircraft repair, machine shops, small entrepreneur business
Agriculture	Wineries
	Specialty foods and food processing
	Nursery and agricultural products (value added)
Services	Professional services architecture, engineering, legal and financial services, etc.
	Creative services (advertising, public relations, film and video, web/internet content and design)
Health Care	
	Providence Medical Center Expansion, medical offices, senior services
Higher Education	
	Portland Community College campus, George Fox University expansion, high school vocational training and college preparedness, private post-secondary training
Wine/Tourism	
	Wineries and tasting rooms, restaurants, art studios, theater and entertainment, recreation (golf, bowling), conference facilities, specialty retail

Source: Newberg Planning Division

Comprehensive Plan Policies and Recommended Supportive Economic Development Actions

Newberg has developed a vision for the community’s economic future. The City of Newberg’s adopted Comprehensive Plan includes a list of goals and policies that help shape Newberg’s future economy (Section H. The Economy). The following is a list of Newberg’s recommended economic development actions and the applicable Comprehensive Plan policies they support. All of the Comprehensive Plan policies are from Section H (The Economy) and support the larger goal “To develop a diverse and stable economic base”.

1. Work with the State to “certify” industrial sites to shorten the development time of projects and provide certainty to a business that regulatory and permitting issues will not delay the project’s timeline.
Applicable Comprehensive Plan policies: 1.f., 2.g.
2. Identify and implement cost and time saving measures that improve the development permitting process.
Applicable Comprehensive Plan policies: 2.d.
3. Develop a financial incentives “toolbox” to recruit new businesses and encourage existing business expansions. The incentives should be applied only after a proposed project has been reviewed by a rigorous analysis that demonstrates a clear benefit to the City.
Applicable Comprehensive Plan policies: 1.b., 1.g.
4. Maintain a useful economic development website that is easy to navigate and contains substantive content that meets the needs of business.
Applicable Comprehensive Plan policies: 1.a., 1.g.
5. Work with local, regional and state educational and training resources (private and public) to assist with the workforce training needs of businesses and provide opportunities for workers to voluntarily upgrade their skills. The available workforce pool in the Newberg region is approximately 223,000. The regional workforce is estimated by using the assumption that a 23 minute mean commute time (2000 Census) draws workers from an approximately 15 mile radius from the center of Newberg Oregon is recognized for having an educated workforce, one with good basic work skill sets that allows them to be relatively easily trained.
Applicable Comprehensive Plan policies: 1.c., 1.f.
6. Gauge the health of local businesses regularly and identify how the City can help resolve issues, when feasible. Focus should be on businesses of the traded-sector and local clusters. Anticipate local problem areas by keeping abreast of regional, national, and international business trends.
Applicable Comprehensive Plan policies: 1.p.
7. Develop closer ties to organizations/businesses located within the Portland area with a similar interest in regional economic development (e.g. Regional Economic Development Partners, future Portland Economic Development District, etc). However, joining METRO will not be considered. Reevaluate current relationship with Mid-Willamette Valley Community Development Partnership.
Applicable Comprehensive Plan policies: 1.f.
8. Develop a Downtown Revitalization Master Plan prior to the construction of the Newberg-Dundee Bypass. Identify funding sources necessary to implement the plan.
Applicable Comprehensive Plan policies: 3.a.

V. Industrial and Commercial Land Needs and Supply

To encourage and accommodate future commercial and industrial growth, Newberg must have developable land readily available with characteristics necessary to be competitive in the regional economic development market. Newberg’s Ad Hoc Committee on Newberg’s Future recently completed an analysis of the community’s future land use needs. That analysis is described in the *Report to Newberg City Council; Recommendations for Newberg’s Future*, which was accepted by the Newberg City Council on July 21, 2005. On August 1, 2005, the City Council initiated the amendment process for the comprehensive plan changes recommended in the Report. The following are the Committee’s recommendations for commercial and industrial land needs for Newberg’s future. These also include updates made in 2009 to reflect development since the time of the report.

Industrial Land Need

Industrial Employment Projections

Table 12- 18 below projects the future industrial space utilizing employment in Newberg through 2040. The table uses the total employment projected in Table 12- 14 on page 26. The table then calculates the percent of that employment that will utilize industrial space using the same percentages from Johnson-Gardner’s 2004 *City of Newberg – Demand for Commercial and Industrial Land* report.

Table 12- 18: Industrial Space Utilizing Employment Projection through 2040

Industry	% Industrial Space Utilizing	2009	2018	2020	2025	2030	2035	2040
Construction	30%	117	197	210	239	267	301	337
Manufacturing	91%	2,003	2,287	2,443	2,782	3,110	3,505	3,924
Wholesale Trade	82%	60	87	93	105	118	133	149
Retail Trade	0%	-	-	-	-	-	-	-
Transportation, Warehousing & Utilities	93%	169	177	189	216	241	272	304
Information	88%	39	49	53	60	67	76	85
Financial Activities	0%	-	-	-	-	-	-	-
Professional & Business Services	18%	58	85	91	104	116	131	146
Education & Health Services	0%	-	-	-	-	-	-	-
Leisure & Hospitality	0%	-	-	-	-	-	-	-
Other Services	93%	380	403	431	491	549	618	692
Government	0% ⁴⁷	-	-	-	-	-	-	-
Total		2,825	3,286	3,510	3,997	4,468	5,035	5,638
Cumulative from 2009		-	461	685	1,172	1,642	2,210	2,812

⁴⁷ Johnson-Gardner estimated 35% of government employment would be industrial space utilizing. The amount of government related industrial land is accounted in the “Public/Quasi-Public” category, thus is not included here.

Industrial Site Requirements

A variety of parcel sizes, building types, and land use designations are required to provide suitable sites to attract targeted industry clusters. In 2005, the *Report to Newberg City Council; Recommendations for Newberg's Future* documented that there was a general lack of suitable large (20+ acre) industrial sites with access to a state highway and physical separation or transitional buffering from residential neighborhoods. The report documented an additional need for 4-5 large (20+ acre) industrial sites for the period 2005-2025. Industrial land needs for the 2005-2025 period totaled about 216 acres, with an additional 6 sites needed for the period 2026-2040. The assumption was that approximately 50 percent of future industrial employment will take place on large parcels.

In 2009, the Department of Land Conservation and Development (DLCD) encouraged the City to refine its target industries analysis and site needs requirements to determine whether a UGB amendment could be justified. The City has since worked closely with OBDD to refine its industrial site requirements.

This section includes four tables:

1. Table 12- 19 describes average site sizes for targeted industry sectors and clusters;
2. Table 12- 20 arranges targeted industry sectors and clusters into site size ranges and provides examples of existing Newberg industries in those clusters and ranges; and
3. Table 12- 21 associates projected employee growth with site sizes, including redevelopment assumptions, to project a number of needed sites within each site size category.
4. Table 12- 22 describes the site suitability characteristics required for light industrial and Airport-related developments.

Table 12- 19 links targeted industry clusters discussed in this EOA with uses identified in the 2005 *Report to Newberg City Council*. These clusters and uses were allocated site size ranges based on ECONW and a meeting with Oregon Business Development Department (OBDD) representative Tom Fox on September 10, 2009. Site size ranges were verified against OBDD data relating to real firms seeking sites in Oregon, in the targeted industry clusters. Industry clusters containing firms that could potentially require large sites – 10-30 acres or 30-50 acres in size – are identified by the Potential Large Site Category columns. Thirteen industry clusters include firms that could potentially require 10-30 acre sites, and nine include firms that could potentially require 30-50 acre sites.

OBDD reviewed the site size ranges by targeted industry cluster in Table 12- 19 and supports the estimated site sizes and ranges as viable and marketable for Newberg's targeted industries.

Table 12- 19: Site Size Ranges by Targeted Industrial Cluster and Sector

Industry Cluster	Uses	ECO/WB* (Acres)	OBDD** (Acres)	Newberg Examples (Acres)	Potential Large Site Categories	
					10 - 30	30 - 50
High Tech Manufacturing	Electronics, Other	10 - 30	10 - 60	6 - 55	X	X
	Health, Nano/Micro Tech, Cyber Security	5 - 20		6 - 55	X	X
	Bio-Tech/Bioscience/ Pharmaceuticals, Health Services	5 - 40	2 - 60		X	X
General Manufacturing	Dental Equipment	5 - 40		2 - 55	X	X
	Fabricated Metals, Plastics	10 - 20	10 - 20	3 - 7	X	
	Transportation Equipment	10 - 30	10	1	X	
	Industrial Machinery	10 - 20	10 - 20	3 - 6	X	
	Lumber and Wood Products (Value Added)	1 - 10	10	243	X	X
	Sustainable Industries	5 - 25	25 - 200	1 - 7	X	X
	Distribution and Logistics Sports and Recreational Campus	5 - 60	30 - 60		X	X
Airport Related Industrial	Specialty Aircraft Equipment, Aircraft Repair, Machine Shops, Small Entrepreneur Business	1 - 70	70	1 - 3		
Agriculture	Winery			3 - 5		
	Specialty Foods and Food Processing	1 - 10	10 - 150	5	X	X
	Nursery and Ag Products (Value Added)	1 - 10		2 - 13	X	
Services	Professional Services	1 - 5		1 - 2		
	Creative Services, Printing, Publishing	1 - 10		1 - 2		

*ECO/WB: EcoNorthwest and Winterbrook Planning

**Outside Investment Prospects, OECDD (OBDD), Oct 2008

Table 12- 20 below arranges the identified target industry clusters and sectors by potential site sizes, and associates those sizes with existing Newberg industries. As shown in Table 12- 19, some industry clusters and sectors appear in multiple site size categories due to wide potential ranges. Of note, Newberg’s existing large industrial sites (A-Dec and SP Newsprint) are over 50 acres in size.

Newberg has an excellent example of a high tech traded-sector manufacturing cluster – three large firms in the dental industry. A-Dec, A.R.E. Manufacturing, and Dental Components Inc. employ slightly over 1,000 people on 67 acres of industrial land. It is not unreasonable for Newberg to assume similar success with another targeted-industry cluster. As such, 10-30 and 30-50 acre sites should be included to provide the City with this opportunity.

Table 12- 20: Targeted Industry Clusters and Sectors by Site Size Ranges and Existing Newberg Industrial Firm Examples

Site Size Range	Industry Clusters/Uses	Newberg Industry Examples
<10 Acres	<ul style="list-style-type: none"> • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Fabricated Metals, Plastics • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Airport Related Industrial • Winery • Specialty Foods and Food Processing • Nursery and Ag Products (Value Added) • Professional Services • Creative Services 	<ul style="list-style-type: none"> • Climax Portable Machine Tools • PPM Technologies • A.R.E. Manufacturing • Dental Components Inc. • Ushio Oregon • Harris Thermal Transfer Products • Airpark Business Complex
10 – 30 Acres	<ul style="list-style-type: none"> • Electronics • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Fabricated Metals, Plastics • Transportation Equipment • Industrial Machinery • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Sports and Recreational Equipment Campus • Specialty Foods and Food Processing • Nursery and Ag Products 	<ul style="list-style-type: none"> • Suntron Corporation⁴⁸
>30 Acres	<ul style="list-style-type: none"> • Electronics • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Sports and Recreational Equipment Campus • Specialty Foods and Food Processing 	<ul style="list-style-type: none"> • SP Newsprint Company • A-dec, Inc.

⁴⁸ Suntron announced plans to close operation in Newberg in 2010.

Table 12- 21 links projected 2030 industrial employment from Table 12- 18 on page 41 with potential site size ranges. While examples can be found of large sites with few employees, and small sites with many employees, larger employers generally require larger sites. This table is one way to address that dynamic while relating projected industrial site needs to adopted employment projections.

The data is based on the assumption that most sites under 10 acres will be located in industrial parks, which will require dedication of an average of 15% right-of-way for streets and utilities. For sites over 10 acres, the table assumes 5% of the area for streets and utilities. The table also includes assumptions that most (55%) of Newberg’s future industrial employment will be located on sites 10 acres or less, and that one-third of those future new industrial firms under 10 acres in size, and one-half of firms under 2 acres in size, will find a site through infill redevelopment or intensification of existing employment land uses.

Table 12- 21 shows the 2030 need for approximately 24 acres of very small (under 2 acre) sites, 75 acres of small (2- to 10-acre) sites,⁴⁹ two sites in the 10-30 acre range, and one site in the 30- to 50-acre range, for a total industrial site need of 183 gross buildable acres by 2030. These needs for small and medium sites are consistent with recent demand for industrial land in Newberg. From 2005 to 2009, there were 24 acres of industrial land developed. A number of industrial employers expanded or constructed new facilities over that time, including Action Equipment, Climax Portable Machine Tools, Harris Thermal, A-dec, and Freeman Manufacturing. The total land needs equate to approximately 10 employees per developed acre, which reflects the reality that many firms look for sites that allow for future expansion, and is consistent with the site size per employee ratio of many of Newberg’s largest industrial employers.⁵⁰

Table 12- 21: Site Size Distribution by Firm Employment (2010-2030)

Employees per Firm	Percent of Employment	Number of Employees	Number of Firms	Sites Needed	Size Range (Acres)	Average Site Size (Acres)	Average ROW Need (Acres)	Gross Buildable Acres Needed
0-9	15%	246	41	21	<2	1	0.15	24
				20	<i>infill & redevelopment</i>			0
10 to 74	40%	657	19	13	2 - 10	5	0.75	75
				6	<i>infill & redevelopment</i>			0
75 to 150	15%	246	2	2	10 - 30	20	1.00	42
150+	30%	493	1	1	30 - 50	40	2.00	42
Total	100%	1,642	63	63				183

Source: Winterbrook Planning 2009, Newberg Planning Division

In addition, there is a projected need for 1,170 industrial employees for the period 2031-2040.

⁴⁹ Much of this site size need can be most efficiently accommodated by master planned business parks.

⁵⁰ Review of site sizes for existing industrial firms with over 50 employees in Newberg determined an average of 4.75 employees per acre. A fully developed site for an employee-rich industrial firm like A-Dec is able to achieve about 16 employees per acre. Firms like A.R.E. Manufacturing, Dental Components Inc., Ushio Oregon Inc., and Harris Thermal Transfer Products come in around 7-11 employees per acre.

At an average of 11 employees/acre, which represents a 10% increase in future industrial density as a further efficiency measure, plus 10% of the land area for right-of-way (based on an a mix of small and large sites), this will generate an additional need for 117 gross buildable acres of land for the period 2031-2040.

Table 12- 22 shows the site suitability characteristics needed for these targeted industries.

Table 12- 22: Required Industrial Site Suitability Characteristics

Required Site Characteristic	Description	Statutory, Rule or Plan Basis
Site Size	<ul style="list-style-type: none"> • Minimum parcel size 5 vacant acres (or vacant with less than ½ acre occupied by permanent structures) • Group of at least 20 suitable acres as defined below • May include parcels with less than 5 vacant acres if site is currently an industrial use or is vacant and adjacent to industrial use or group of 20 suitable acres • Inventory to include sufficient large sites (10-30 acre and 30-50 acre categories) 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Topography	Exclude: <ul style="list-style-type: none"> • Slopes of 10% or greater • Inventoried and protected riparian corridors / wetlands • Areas within the designated Stream Corridor Overlay (which include the 100-year floodplain) • Remaining suitable area contiguous and generally rectangular in shape for efficient development 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Proximity to Transportation and Services	Include parcels (or group of parcels): <ul style="list-style-type: none"> • Within, or contiguous to existing UGB to allow for efficient extension of urban services, or as part of group of parcels that could immediately be added to UGB • Adjacent to or within 1/8 mile of a major arterial or state highway access without travel through non-industrial properties. • Provides connection to I-5 via Highway 219 • Site adjacent to Sportsman Airpark necessary for airport-related industrial uses • Adjacent to existing industrial areas, or agglomeration of at least 100 new acres to facilitate agglomeration economies and minimize adverse impacts 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Compatibility (residential, downtown and resource land)	Exclude sites that: <ul style="list-style-type: none"> • Abut residential neighborhood on more than 25% of the site perimeter unless effective topographical or road buffers present or planned • Abut large contiguous tracts of agricultural land unless effective topographic or road buffers are present or planned • Result in truck traffic through downtown 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA; Goal 14 Locational Factors

Industrial Land and Sites

The comprehensive plan inventory of buildable industrial land was updated in 2009, consistent with the requirement in OAR 660-009-0015 (3) for an inventory of industrial and other employment land. The term “buildable industrial land” as used in this plan is consistent with the terms defined in OAR 660-009-0005 as “total supply” of “vacant” or “developed” industrial land that is “suitable” and “serviceable.” Buildable land:

1. Includes lots that have any “Industrial” comprehensive plan designation. This includes land in the “Employment” Springbrook District, specific plan industrial districts, and land in the MIX comprehensive plan district zoned industrial. It excludes publicly owned properties intended for city facilities such as the wastewater treatment plant expansion, which are counted in the “public/quasi-public” category.
2. Includes lots that are:
 - a. equal to or larger than one half-acre not currently containing permanent buildings or improvements; or
 - b. between one-half and five acres that are likely to be redeveloped during the planning period.
 - c. equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.
3. Excludes portions of lots within stream corridors, with slopes over 10 percent, or currently occupied by buildings or industrial uses, or contained within the Newberg-Dundee bypass “build design alternatives options” published August 2008.

Table 12- 23 shows the existing buildable industrial land in the UGB as of 2009. Figure 12- 3 is a map of the buildable industrial land in the UGB in 2009.

Table 12- 23: Buildable Industrial Land in Newberg UGB (2009)

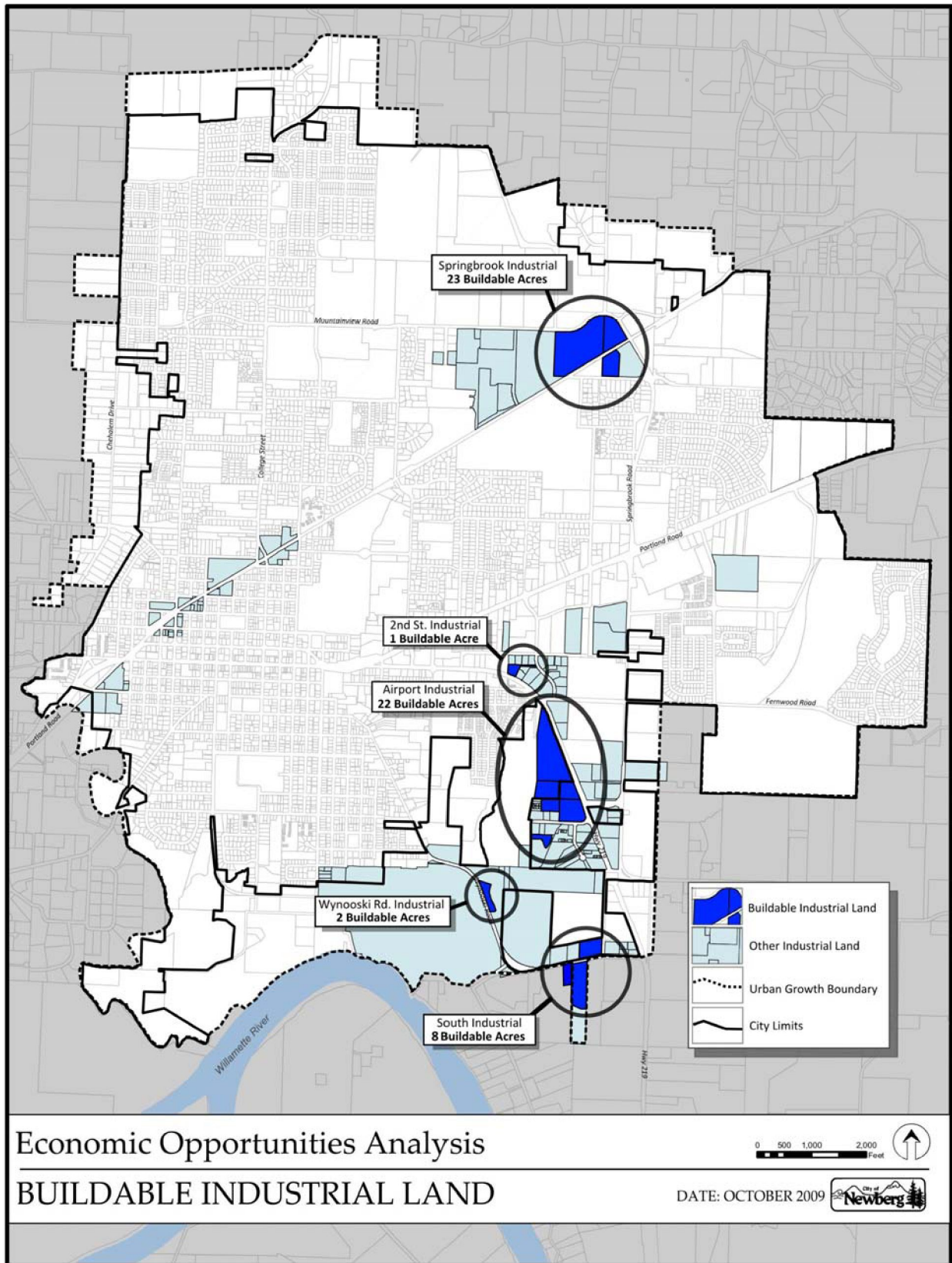
Location	Potential Uses	Buildable Acres	Site Sizes				
			< 2 ac.	2-10 ac.	10-30 ac.	30-50 ac.	Total
Springbrook Employment	Light Manufacturing or Industrial Office	23		1	1		2
Sportsman Airpark ⁵¹	Airport Industrial	22	2	4			6
Wynooski Industrial	Light Industrial	10	1	2			3
Elliot Road Industrial	Light Manufacturing or Industrial Office	1	1				1
Total		56	4	7	1		12

Source: Newberg Planning Division

The current UGB has approximately 56 buildable industrial acres. Newberg’s existing industrial land supply is mostly contained within two industrial/employment park areas: approximately 23 buildable acres zoned SD/E (Springbrook District Employment) in the Springbrook area and approximately 22 vacant acres near the Sportsman Airpark. There are also about 10 acres of buildable industrial land scattered throughout the City on individual lots.

⁵¹ The Sportsman Airpark contains one large 55-acre property that contains the existing airport, plus approximately 10.8 acres of buildable industrial land. The approved Sportsman Airpark Master Plan includes a plan for developing the buildable industrial land into an industrial park with aviation related uses. This site was counted in the 2-10 acre category, even though it contains slightly over 10 acres of buildable land, because the approved master plan envisions further division, and the aviation related uses are more likely to be separate smaller firms rather than one large firm.

Figure 12- 3: Buildable Industrial Land, Newberg UGB 2009



2030 Industrial Site Need vs. Supply

As shown in Table 12- 24, Newberg has an unmet need for one 30- to 50-acre site, two 10- to 30-acre sites, 45 acres of 2- to 10-acre sites, and 18 acres of sites under 2 acres in size.

Table 12- 24: 2010-2030 Industrial Land Supply and Need

Size Range (Acres)	Number of Sites - 2009 UGB	Buildable Acres - 2009 UGB	2010-2030 Needed Sites	2010-2030 Needed Gross Buildable Acres	2010-2030 Deficit # of Sites	2010-2030 Deficit Gross Buildable Acres
<2	5	6	21	24	(16)	(18)
2 to 10	7	30	13	75	(6)	(45)
10 to 30	1	20	2	42	(1)	(22)
30 to 50	0	0	1	42	(1)	(42)
Total	13	56	37	183	(24)	(127)

Source: Winterbrook Planning, City of Newberg

This means that Newberg’s UGB should be expanded by approximately 127 buildable industrial acres to include:

- 1) A 30- to 50-acre site;
- 2) A 10- to 30-acre site; and
- 3) Industrial park sites totaling approximately 63 buildable acres.

In addition, for the period 2031-2040, Newberg will need an additional 117 gross acres of buildable industrial land. This need has not been divided by site size, but is likely to be similar to the site needs distribution for the 2010-2030 period. The best approach would be to reserve sufficient land in the urban reserve to meet this acreage need, then include suitable land in the UGB as needs arise.

Commercial Land Need

Commercial Land Need

As Newberg’s population grows, so will its needs for commercial land. Additional population will bring additional retail, office, and other commercial opportunities. In 2004, Johnson-Gardner prepared a preliminary forecast for the need for office and retail commercial land. The office land need is a function of employment growth based on long-range forecasts by the Oregon Employment Department. The retail land need is a function of household growth and typical household spending patterns. In November 2009, the Oregon Employment Department issued new employment growth forecasts for the 2008-2018 period. The Newberg Planning Division then updated the commercial land need projections for the 2010-2040 period based on this new data, as detailed below.

Office Land Need

Table 12- 25 projects office space utilizing employment for 2010-2040. The table uses the total employment projections from Table 12- 14 on page 26. The table then determines the percentage of that employment that will utilize office space using estimates from the 2004 Johnson-Gardner *City of Newberg – Demand for Commercial and Industrial Land* report.

Table 12- 25: Office Space Utilizing Employment through 2040

Industry	% Office Space Utilizing	2009	2018	2020	2025	2030	2035	2040
Construction	2%	8	13	14	16	18	20	22
Manufacturing	5%	112	126	134	153	171	193	216
Wholesale Trade	5%	4	5	6	6	7	8	9
Retail Trade	5%	42	56	60	68	76	86	96
Transportation, Warehousing & Utilities	30%	54	57	61	70	78	88	98
Information	90%	40	50	54	61	69	77	87
Financial Activities	90%	217	255	273	310	347	391	438
Professional & Business Services	90%	289	427	456	519	580	654	732
Education & Health Services	40%	1,314	1,259	1,344	1,531	1,711	1,929	2,159
Leisure & Hospitality	40%	407	554	582	662	740	834	934
Other Services	40%	164	174	185	211	236	266	298
Government	35%	61	67	72	82	91	103	115
Total	28%	2,710	3,033	3,240	3,689	4,124	4,648	5,204
Cumulative from 2009		-	323	530	979	1,414	1,938	2,494

Table 12- 26 converts the office employment projections to land needs. The table uses the assumptions from the 2004 Johnson-Gardner report for office area per employee and floor-to-area ratio (FAR). The table also included a 15% allowance for right-of-way, utilities, and other unbuildable areas.

Table 12- 26: Office Land Needs through 2040

Industry	Office Sq. Ft. per Emp.	FAR	ROW	2009	2018	2020	2025	2030	2035	2040
Construction	225	40%	15%	0.1	0.2	0.2	0.2	0.3	0.3	0.3
Manufacturing	200	40%	15%	1.5	1.7	1.8	2.1	2.3	2.6	2.9
Wholesale Trade	200	40%	15%	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retail Trade	200	40%	15%	0.6	0.8	0.8	0.9	1.0	1.2	1.3
Transportation, Warehousing & Utilities	225	40%	15%	0.8	0.9	0.9	1.1	1.2	1.3	1.5
Information	200	40%	15%	0.5	0.7	0.7	0.8	0.9	1.0	1.2
Financial Activities	200	40%	15%	2.9	3.4	3.7	4.2	4.7	5.3	5.9
Professional & Business Services	200	40%	15%	3.9	5.8	6.2	7.0	7.8	8.8	9.9
Education & Health Services	200	40%	15%	17.7	17.0	18.2	20.7	23.1	26.0	29.2
Leisure & Hospitality	200	40%	15%	5.5	7.4	7.9	8.9	10.0	11.3	12.6
Other Services	200	40%	15%	2.2	2.3	2.5	2.9	3.2	3.6	4.0
Government	200	40%	15%	0.8	0.9	1.0	1.1	1.2	1.4	1.6
Total (Gross Buildable Acres)	201	40%	15%	36.7	41.1	43.9	50.0	55.9	62.9	70.5
Cumulative from 2009					4	7	13	19	26	34

Retail Land Needs

Table 12- 27 projects the need for retail land in Newberg for the 2010-2040 period. The table uses the methodology outlined in the 2004 Johnson-Gardner *Demand for Commercial & Industrial Land Report*. That report uses a five step process to determine commercial land needs:

1. Project future household growth.
2. Estimate Newberg per-household spending in a number of retail categories.
3. Project Newberg retail sales per retail category.
4. Project demand for retail space based on projected sales in each retail category.
5. Convert retail space demands into acreage needs for retail land.

The result of the report’s calculations is that for every 1,000 new households, there will be a need for 14.8 net buildable acres of retail land. Thus, using this simple factor, we can project future retail land needs based on the projected household growth. Household growth was updated using the 2009 population estimates for the Newberg urban area as a base.

The table also made three other adjustments to the retail land needs. First, the table includes a 15% allowance for right-of-way, utilities, and similar unbuildable land. Second, as an efficiency measure, the table assumes that 5% of retail land needs will be met through infill or redevelopment of existing commercial land, such as in downtown Newberg. Third, the table includes an allowance for one acre of commercial land inside the UGB estimated to be displaced by construction of the Newberg-Dundee Bypass.

Table 12- 27: Retail Land Needs through 2040

Category	2009	2015	2020	2025	2030	2035	2040
Population	23,582	28,559	33,683	38,352	42,870	48,316	54,097
Households ⁵²	7,799	9,445	11,140	12,684	14,178	15,980	17,892
New Households (from previous column)	-	1,646	1,695	1,544	1,494	1,801	1,912
Net Buildable Acres per 1,000 households	-	14.8	14.8	14.8	14.8	14.8	14.8
Right-of-Way	-	15%	15%	15%	15%	15%	15%
Infill/Redevelopment	-	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)
Displaced by Bypass	-	-	-	1	-	-	-
Total Gross Buildable Acres Needed	-	27	28	25	25	30	31
Cumulative from 2009	-	27	55	80	105	135	166

Total Commercial Land Needs

Table 12- 28 below sums the office land needs projected in Table 12- 26 on page 52 and the retail land need projected in Table 12- 27 on page 53 to yield total commercial land needs. These land needs are categorized by the 2010-2030 timeframe, and by the 2031-2040 timeframe.

Table 12- 28: Commercial Land Needs, 2010-2040

Type	2010-2030	2031-2040
Office	19 ac	15 ac
Retail	105 ac	61 ac
Total	124 ac	76 ac

Note: All acreages are gross buildable acres.

⁵² Projected population was converted to projected households using a conversion factor of 3.024 population per household. This factor was determined using the 2007 Census population estimate for Newberg city of 22,541, and dividing it by the 2006-2008 American Community Survey estimate of 7,455 households. Note that this factor is different than the 2006-2008 ACS estimated population per household of 2.7, because total population includes non-households.

Commercial Site Requirements

In 2004-05, Newberg prepared the *Report to Newberg City Council; Recommendations for Newberg's Future*, which documented the development form necessary to accommodate identified commercial land needs. As can be seen, most of the commercial growth is expected to occur within Newberg's existing commercial areas. Newberg has many commercial opportunities in its downtown core. The Newberg Downtown Revitalization Committee is actively working on projects to revitalize the downtown commercial core, including the addition of a new downtown gateway sign, a downtown demonstration block, and efforts to publicize available public parking areas. There is currently approximately 1 buildable acre in the downtown core; however, it can be assumed that redevelopment, infill, and intensification of uses in the downtown core and other commercial areas will contribute an additional 5% of buildable land supply through 2040.

In addition, Newberg will need to provide large parcels for shopping centers. The Urban Land Institute has identified three types of shopping centers that potentially could be developed in communities such as Newberg: neighborhood centers, community centers and regional centers. A large regional shopping center is not consistent with Newberg's desire to maintain a small town feeling and have a complete community rather than a bedroom suburb; therefore, smaller neighborhood and community shopping centers are preferred.

Newberg needs to ensure that there is an adequate supply of sites with appropriate characteristics for smaller neighborhood and community shopping centers in terms of size, access, and location. Under this approach, future land needs will include needs for 2-3 community centers (10-15 acres each) and 2-3 smaller neighborhood centers (3-5 acres) through 2040. The smaller neighborhood commercial centers should be scattered throughout the community to provide goods and services near where people live and reduce the need to drive into the central area for basic needs.

Table 12- 29: Required Commercial Site Suitability Characteristics

Required Site Characteristic	Description
Site Size	<ul style="list-style-type: none"> For neighborhood centers – 3 acres minimum For community centers – 10 acre minimum No more than two separate ownerships
Topography	Exclude: <ul style="list-style-type: none"> Slopes of 10% or greater Inventoried and protected riparian corridors / wetlands Areas within the designated Stream Corridor Overlay (which include the 100-year floodplain) Remaining suitable area contiguous and generally rectangular in shape to enable efficient development
Proximity to Transportation and Services	<ul style="list-style-type: none"> For neighborhood centers – access to major collector or minor arterial street at a minimum. For community centers – access to minor or major arterial.
Compatibility	Exclude sites that: <ul style="list-style-type: none"> For community centers, abut residential neighborhood on more than 50% of the site perimeter unless effective topographical or road buffers present or planned

Commercial Land and Sites

The commercial buildable land inventory inside the 2009 Newberg UGB has approximately 120 buildable acres. Newberg has seven main commercial areas. These are shown on Figure 12- 4 on page 57. Table 12- 30 shows the location and amount of buildable land in each area.

Table 12- 30: Buildable Commercial Land in Newberg UGB (2009)

Location	Potential Uses	Buildable Acres	Parcels over 5 Acres Buildable
Downtown	Infill Retail and Office Uses	1	0
College/Mountainview Neighborhood Center	Neighborhood or Community Commercial Center	12	1
Springbrook Hospitality and Village	Tourist Retail and Hospitality	25	2
East Portland Road	Community Commercial Center	28	2
Portland Road	Retail and Office	19	1
Riverfront	Tourist Retail and Hospitality	10	0
Providence Drive	Medical Offices	25	2
Total		120	8

2030 Commercial Site Need and Supply

Overall, Newberg has nearly an adequate supply of commercial land to meet needs through 2030. The overall land supply is weighted toward medical office land (Providence Drive) and tourist commercial land (Springbrook and Riverfront), and less toward general retail land. There is land for two community commercial centers. There is an overall deficit of 10 acres of retail commercial land.

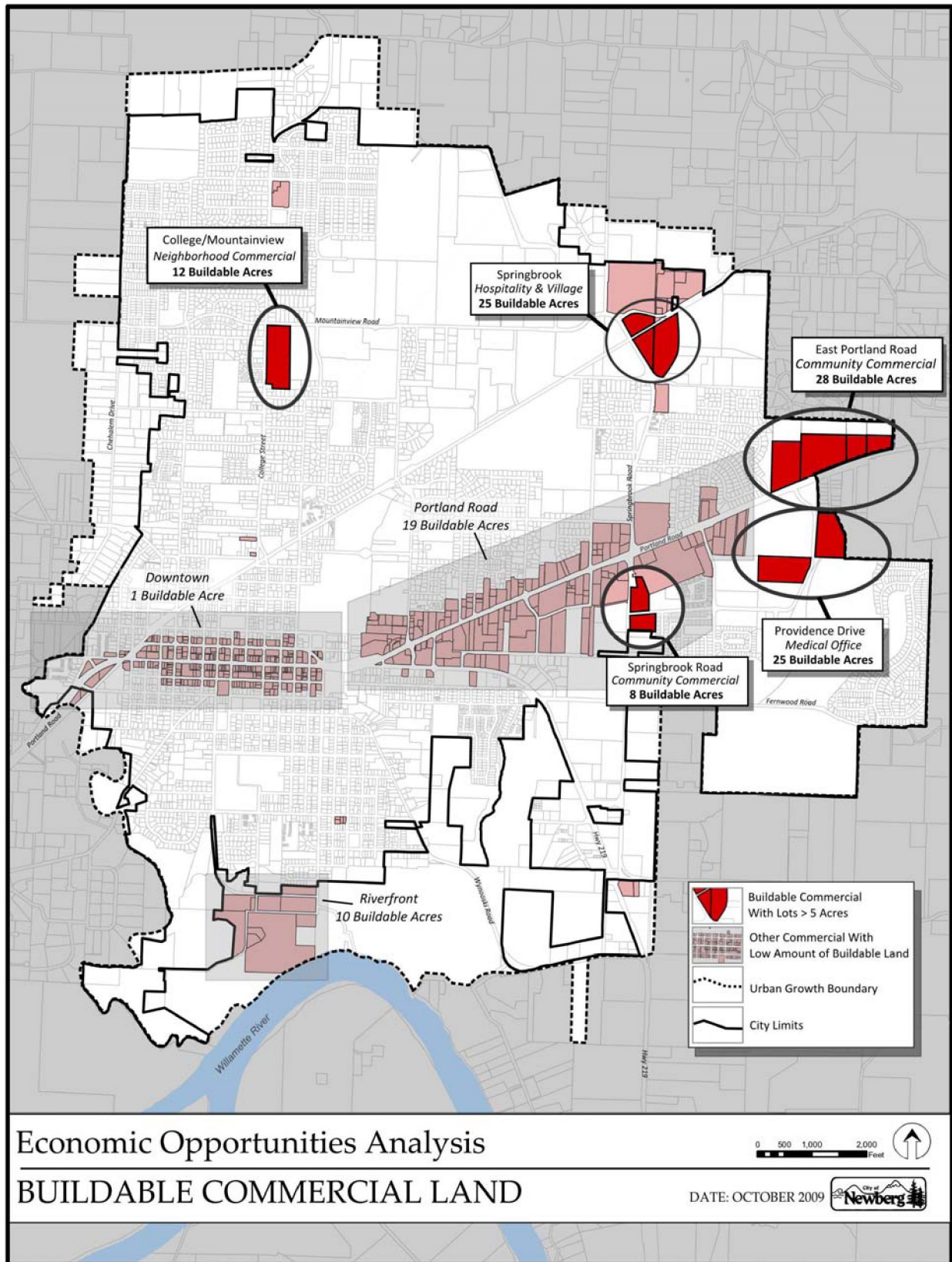
Table 12- 31: Commercial Land Supply and Need

Type	Buildable Acres Needed 2010-2030	Buildable Acres in 2009 UGB	Surplus or (Deficit)	Buildable Acres Needed 2031-2040
Office	19	25	6	15
Retail	105	95	(10)	61
Total	124	120	(4)	76

Note: All figures are gross buildable acres.

There is a need for 76 buildable acres for the time period from 2031-2040. There is a built in assumption that approximately 5 percent of the commercial land need will be made up by downtown redevelopment and infill. The remainder of the future commercial land supply should include an additional community commercial center and 2-3 neighborhood commercial centers.

Figure 12- 4: Commercial Areas and Buildable Commercial Land, Newberg UGB 2009



VI. Conclusion

Newberg’s economic base has diversified over time and several of its home-grown industries have become national and international leaders in their respective fields. The City is slowly transitioning into more of an urban center for east Yamhill County as the population grows. However, Newberg citizens have made it clear that they value the “live here, work here, shop here” values and way of life. To keep up the City’s commitment to the values of its residents, Newberg must strengthen its economic base and provide adequate industrial and commercial land for current and future populations.

The industrial and commercial buildable land supply tables in this report indicate a shortage of both types of land within the current Newberg Urban Growth Boundary. It is critical for economic development efforts to have adequate buildable land available that meets the identified site suitability requirements for both industrial and commercial areas. The City cannot help provide enough jobs for current and future residents without adequate land to locate new businesses on, and without adequate land for existing businesses to expand onto.

Fortunately, Newberg has many advantages that make it stand out in the regional marketplace, including the following:

- Small town quality of life
- Access to quality education and skills training
- Strong established and growing industry clusters
- Strong local support for business and employment opportunities
- Proximity to the Portland Metropolitan Region
- Future Newberg-Dundee Bypass
- Compliance with Oregon’s statewide planning goals

In addition, Newberg has easy access to Interstate 5 on its south side for easy access to industrial locations. One of the most important advantages on the list is that Newberg has strong existing and growing industry clusters in the areas of manufacturing, health care, higher education, and wine tourism. Providing additional adequate land for industrial and commercial businesses that are in these same sectors and other compatible sectors will help strengthen Newberg’s economic base for the future.

By following the recommended actions in the plan, Newberg can maintain and build a strong economic base to benefit all its citizens.

Exhibit B:

Proposed Comprehensive Plan Amendments

Ordinance 2010-2723

The following are Comprehensive Plan revisions to implement the revised Economic Opportunities Analysis. Additions to the text are shown as underlined, deletions are shown as ~~strikethrough~~.

SECTION 1 – Amend the C. SIGNIFICANCE section as follows:

The Urban Growth Boundary will also have an important effect on local residents. The UGB, although only a guide, is intended to provide adequate space for land use needs over a 20-year planning horizon ~~to the year 2010~~ and defines the area within which urban services can be provided. The purpose of the UGB is to contain urban growth within a reasonable area while providing adequate choices for new development locations.

SECTION 2 – Add the following to section H. THE ECONOMY:

GOAL: To develop a diverse and stable economic base.

POLICIES:

1. General Policies

- m. The City shall collaborate with project developers to construct and maintain the best utility systems possible (e.g. water and sanitary sewer), both from a quality as well as quantity (capacity) standpoint.
- n. The City, in cooperation with public and/or private entities, shall invest in the best telecommunications infrastructure possible.
- o. The City shall collaborate with other public and private entities and project developers to construct and maintain the best surface transportation infrastructure possible (e.g. roads, airpark, railroad).
- p. The City shall strive to develop and promote a high quality of life in the community in order to attract and retain a diverse and highly skilled workforce.
- q. The City shall foster an environment of business innovation so that the community may remain economically competitive.

SECTION 3 – Amend the POPULATION GROWTH section as follows:

A. HISTORIC POPULATION

Newberg grew over ~~400~~ 450 percent from 1960 to 2004⁹. This population growth was due to a variety of factors: regional population growth, expansion of industry and business in the area, proximity to other employment centers, and the high quality of life in the area.

Table III-1. Newberg City Population – 1960-~~2004~~2009

Year	Population
1960	4,204
1970	6,507
1980	10,394
1990	13,086
2000	18,064
2004 <u>2009</u>	19,910 <u>23,150</u>

Sources: U.S. Census, Population Research Center, Portland, State University

~~In addition, approximately 374 people live in the area between the city limits and the urban growth boundary, making the 2004 Newberg UGB population about 20,284. The Portland State University Population Research Center estimated Newberg’s population as of July 1, 2009 to be 23,150. As of July 1, 2009, the Urban Growth Boundary has an estimated population of 23,582.~~

SECTION 4 – Amend the LAND NEED AND SUPPLY section as follows:

A. BUILDABLE LAND INVENTORY

The Newberg Planning Division prepared an inventory of buildable land in the Newberg UGB in 2004, which was updated in November 2009. The buildable land inventory includes vacant and redevelopable land in the existing (2009⁴) UGB. This land base is the starting point for determining how much future growth can be accommodated inside the existing UGB and the size of the unmet land need that must be accommodated through zone changes or UGB expansion. Physical constraints such as steep slopes (greater than 25%) and stream setbacks have been deducted from the parcel size, so the buildable land inventory is based on buildable acres, not total acres. In addition, lands that are under development (where a building permit has been issued) are not considered buildable. This inventory also does not include land located within the future right-of-way of the proposed Newberg-Dundee Bypass. In November 2009⁴, the Newberg UGB had approximately ~~778~~ 1,071 acres of buildable land ~~inside the UGB~~ (Table IV-1).

Table IV-1. Newberg UGB Buildable Land Inventory (Nov. 2009 ~~2004~~)

Plan Designation	Buildable Land
Low Density Residential	359 <u>ae 585 ac.</u>
Medium Density Residential	142 <u>ae 132 ac.</u>
High Density Residential	13 <u>ae 45 ac.</u>
Commercial	105 <u>ae 120 ac.</u>
Industrial	159 <u>ae 56 ac.</u>
Park	41 ac.
Institutional	92 ac.
TOTAL	778 <u>ae 1,071 ac.</u>

Source: ~~Ad Hoc Committee on Newberg’s Future (2005), Report to City Council~~ Newberg Planning Division, Buildable Lands Inventory, November 2009

In addition, there is approximately ~~467~~ 381 acres of buildable land within the Newberg Urban Reserve Area. This area does not have any urban comprehensive plan district designations assigned.

C. COMMERCIAL LAND NEED AND SUPPLY

1. Commercial Land Need

As Newberg grows, so will its needs for commercial land. Additional population will bring additional retail, office, and other commercial opportunities. In 2004, Johnson-Gardner prepared a preliminary forecast for the need for office and retail commercial land. ~~Johnson-Gardner prepared a forecasts the need for office and retail commercial land (Table IV-6).~~ The office land need is a function of employment growth based on long-range forecasts by the Oregon Employment Department. The retail land need is a function of household growth and typical household spending patterns. In November 2009, the Oregon Employment Department issued new employment growth forecasts for the 2008-2018 period. The Newberg Planning Division then updated the commercial land need projections for the 2010-2040 period based on this new data. Table IV-8 below updates adopted commercial land needs for the 2010-2040 timeframe. As an efficiency measure and in support of efforts to promote and redevelop downtown, total retail land needs have been reduced by 5%, assuming infill and redevelopment will occur in the downtown core and other commercial areas.

Table IV-8. Commercial Land Need

Type	2005-2025	2026-2040
Office	15 ae	27 ae
Retail	96 ae	82 ae
Total	111 ae	109 ae

Source: Johnson-Gardner

Table IV-8: Commercial Land Need 2010-2040

Type	2010-2030	2031-2040
Office	19 ac	15 ac
Retail	105 ac	61 ac
Total	124 ac	76 ac

Note: All acreages are gross buildable acres

2. Commercial Land and Sites

The commercial buildable land inventory inside the 2009 Newberg UGB has approximately 120 buildable acres. Newberg has seven main commercial areas. Table IV-9 shows the location and amount of buildable land in each commercial area.

Table IV-9: Buildable Commercial Land in Newberg UGB (2009)

<u>Location</u>	<u>Potential Uses</u>	<u>Buildable Acres</u>	<u>Parcels over 5 Acres Buildable</u>
<u>Downtown</u>	<u>Infill retail and office uses</u>	<u>1</u>	<u>0</u>
<u>College/Mountainview Neighborhood Center</u>	<u>Neighborhood or community commercial center</u>	<u>12</u>	<u>1</u>
<u>Springbrook Hospitality and Village</u>	<u>Tourist retail and hospitality</u>	<u>25</u>	<u>2</u>
<u>East Portland Road</u>	<u>Community commercial center</u>	<u>28</u>	<u>2</u>
<u>Portland Road</u>	<u>Retail and office</u>	<u>19</u>	<u>1</u>
<u>Riverfront</u>	<u>Tourist retail and hospitality</u>	<u>10</u>	<u>0</u>
<u>Providence Drive</u>	<u>Medical Offices</u>	<u>25</u>	<u>2</u>
<u>Total</u>		<u>120</u>	<u>8</u>

2.3. Commercial Land Supply

Overall, Newberg has nearly an adequate supply of commercial land to meet needs through 2030. The overall land supply is weighted toward medical office land (Providence Drive) and tourist commercial land (Springbrook and Riverfront), and less toward general retail land. There is land for two community commercial centers. There is an overall deficit of 10 acres of retail commercial land.

Table IV-10: Commercial Land Supply and Need

<u>Type</u>	<u>2010-2030</u>	<u>Land in 2009 UGB</u>	<u>Surplus or (Deficit)</u>	<u>2031-2040</u>
<u>Office</u>	<u>19</u>	<u>25</u>	<u>6</u>	<u>15</u>
<u>Retail</u>	<u>105</u>	<u>95</u>	<u>(10)</u>	<u>61</u>
<u>Total</u>	<u>124</u>	<u>120</u>	<u>(4)</u>	<u>76</u>

Source: Newberg's Ad Hoc Committee on Newberg's Future, Newberg Planning Division

There is a need for 76 buildable acres for the time period from 2031-2040. There is a built in assumption that approximately 5% of the commercial land need will be made up by downtown or other commercial area redevelopment and infill. The remainder of the future commercial land supply should include an additional community commercial center and 2-3 neighborhood commercial centers.

The commercial buildable land inventory inside the current Newberg UGB has approximately 105 acres, but consists mostly of small, scattered sites, with only 3 parcels larger than 5 acres. Overall, Newberg has a deficit of commercial land through 2025. Appropriate land will need to be designated commercial to meet future needs, through some combination of changing the plan designation of lands within the UGB and/or adding additional land to the UGB. To meet the commercial land needs through 2040, additional land will need to be designated commercial.

Table IV-9. Commercial Land Need and Supply

Commercial Land Need 2005-2025 (acres)	Commercial Land in UGB (2004)	2025 Surplus (Deficit) (acres)	Commercial Land Need 2026-2040 (acres)
111	105	(6)	109

D. INDUSTRIAL LAND NEED AND SUPPLY

1. Industrial Land Need

In November 2009, the Oregon Employment Department issued new employment growth forecasts for the 2008-2018 period. The Newberg Planning Division then updated the industrial land need projections based on this new data. For employment projections beyond 2018, employment was projected to grow at the same rate as the projected population growth. This rate is in accordance with the safe harbor provision described in OAR 660-024-0040(9). Johnson Gardner prepared future industrial land forecasts based on long range employment forecasts and converted the new jobs to space needs for each employment sector (Table IV-10). This forecast is based on a high employment growth scenario. The employment projections are also consistent with Newberg’s economic development goals to bring more family-wage jobs to the area and to avoid becoming a bedroom community.¹

Newberg has identified four “target” industry clusters that are the foundation of its economy: manufacturing, health care, higher education, and the wine/tourism industry. In addition, there are regional “target industries” that can reasonably be attracted to our community. Newberg’s Economic Opportunities Analysis considers the size and type of sites needed by these target industries. In addition to an As part of the overall supply of buildable land, Newberg needs to have sites available that meet the specific needs of potential industrial users, so-called “target industries” these industries. A variety of parcel sizes, building types, and land use designations are required to attract target industries and provide market choice. Economic trends indicate that just over half of Newberg’s future industrial employment will be located on sites of 10 acres or less. Of those, one-third of the future new industrial firms under 10 acres in size, and one-half of firms under 2 acres in size, will find a site through infill redevelopment or intensification of existing employment uses. The remainder of Newberg’s future industrial employment will require larger parcels over 10 acres in size. Table IV-10 below shows that Newberg has a need for 183 gross buildable acres through 2030.

Table IV-10: Site Size Distribution by Firm Employment (2010-2030)

Employees per Firm	Percent of Employment	Number of Employees	Number of Firms	Sites Needed	Size Range (Acres)	Average Site Size (Acres)	Average ROW Need (Acres)	Gross Buildable Acres Needed
0-9	15%	246	41	21	<2	1	0.15	24
				20	infill & redevelopment			0
10 to 74	40%	657	19	13	2 - 10	5	0.75	75
				6	infill & redevelopment			0
75 to 150	15%	246	2	2	10 - 30	20	1.00	42
150+	30%	493	1	1	30 - 50	40	2.00	42
Total	100%	1,642	63	63	-	-	-	183

¹ Johnson-Gardner (2004), City of Newberg – Demand for Commercial and Industrial Land

Source: Winterbrook Planning 2009, Newberg Planning Division

Table IV-10. Industrial Land Need

	2005-2025	2026-2040
Industrial	87 acres	75 acres

Source: Johnson Gardner

~~In 2005, there is a general lack of suitable large (20+ acre) industrial sites with access to a state highway and physical separation or transitional buffering from residential neighborhoods. Therefore, Newberg needs 4 large (20+ acre) industrial sites for the period 2005-2025 and an additional 6 sites for the period 2026-2040. The assumption is that approximately 50 percent of the future industrial employment will take place on large parcels.~~

2. 2025-2030 Industrial Land Supply and Need

The city reviewed and updated the buildable industrial land inventory in 2009, consistent with the requirement in OAR 660-009-0015(3) for an inventory of industrial and other employment land. The term “buildable industrial land” as used in this plan is consistent with the terms defined in OAR 660-009-0005 as “total supply” of “vacant” or “developed” industrial land that is “suitable” and serviceable”. Table IV-11 shows the existing buildable land in the UGB as of 2009.

Table IV-11: Buildable Industrial Land in Newberg UGB (2009)

<u>Location</u>	<u>Potential Uses</u>	<u>Buildable Acres</u>	<u>Site Sizes</u>				<u>Total</u>
			<u>< 2 ac.</u>	<u>2-10 ac.</u>	<u>10-30 ac.</u>	<u>30-50 ac.</u>	
<u>Springbrook Employment</u>	<u>Light Manufacturing or Industrial Office</u>	<u>23</u>		<u>1</u>	<u>1</u>		<u>2</u>
<u>Sportsman Airpark²</u>	<u>Airport Industrial</u>	<u>22</u>	<u>2</u>	<u>4</u>			<u>6</u>
<u>Wynooski Industrial</u>	<u>Light Industrial</u>	<u>10</u>	<u>1</u>	<u>2</u>			<u>3</u>
<u>Elliot Road Industrial</u>	<u>Light Manufacturing or Industrial Office</u>	<u>1</u>	<u>1</u>				<u>1</u>
<u>Total</u>		<u>56</u>	<u>4</u>	<u>7</u>	<u>1</u>		<u>12</u>

The 2009 UGB contains 56 buildable industrial acres. As shown in Table IV-12, Newberg has an identified need for one 30-50 acre site, two 10-30 acre sites, 45 acres of 2-10 acre sites, and 18 acres of sites under 2 acres in size. This means that Newberg’s UGB should be expanded by approximately 127

² The Sportsman Airpark contains on large 55-acre property that contains the existing airport, plus approximately 10.8 acres of buildable industrial land. The approved Sportsman Airpark Master Plan includes a plan for developing the buildable industrial land into an industrial park with aviation related uses. This site was counted in the 2-10 acre category, even though it contains slightly over 10 acres of buildable land, because the approved master plan envisions further division, and the aviation related uses are more likely to be separate smaller firms rather than one large firm.

buildable industrial acres to meet the future employment need. This needs to include a 30 to 50 acre site, a 10 to 30 acre site, and industrial park sites totaling approximately 63 buildable acres.

Table IV-12: 2010-2030 Industrial Land Supply and Need

Size Range (Acres)	Number of Sites - 2009 UGB	Buildable Acres - 2009 UGB	2010-2030 Needed Sites	2010-2030 Needed Gross Buildable Acres	2010-2030 Deficit # of Sites	2010-2030 Deficit Gross Buildable Acres
<2	5	6	21	24	(16)	(18)
2 to 10	7	30	13	75	(6)	(45)
10 to 30	1	20	2	42	(1)	(22)
30 to 50	0	0	1	42	(1)	(42)
Total	13	56	37	183	(24)	(127)

Source: Winterbrook Planning, City of Newberg

The industrial buildable land inventory inside the current UGB has approximately 159 acres. While this may seem to be a large supply, it is disadvantaged by a number of elements. First, it consists mostly of small, scattered sites, with only 8 parcels larger than 5 acres and only 3 parcels that are 20 acres or larger. Second, several sites are hindered because of proximity to residential neighborhoods or other factors. Thus, some of the industrial should be rezoned for other uses. Third, a significant part of the “buildable” land is in fact in industrial use, such as storage yards. Also, the land need is adjusted to account for existing industrial uses that are displaced by the Newberg Dundee Bypass.

Table IV-11. 2025 Industrial Land Supply and Need

Industrial Site Size	2025 Need	Supply	Surplus/(Deficit)
Small/Medium sites (< 20 ac)	50 ac	99 ac	49 ac
Large sites (20+ ac)	100 ac	60 ac	(40) ac

Inside the current UGB, the only one large site (20 acres) that is viable in the long term is at the Sportsman Airpark. Two other sites are better suited for other uses long term. Therefore, Newberg needs to look to add additional industrial land to its UGB.

3. 2040 Industrial Land Supply and Need

There is a projected need for 1,170 industrial employees for the period 2031-2040. At an average of 11 employees/acre, which represents a 10% increase in industrial density as a further efficiency measure, plus 10% of the land area for right-of-way (based on an a mix of small and large sites), this will generate an additional need for 117 gross buildable acres of land for the period 2031-2040.

The period 2025–2040 will have additional needs for industrial lands. There is projected to be a need for 37 acres of additional small/medium sites. In addition, there will be a need for six large industrial sites (20 acres each).

Table IV-12. 2026-2040 Industrial Land Supply and Need

Industrial Site Size	2026-2040 Need
Small/Medium sites (< 20 ac)	37 ac
Large sites (20+ ac)	120 ac

Exhibit C: Findings to Ordinance 2010-2723

The revised Economic Opportunities Analysis (EOA) must comply with the Newberg Comprehensive Plan, Statewide Planning Goal 9, ORS 197.638, and ORS 197.712. Below are the findings to these criteria.

I. Newberg Comprehensive Plan

Section H. The Economy – Goal: To develop a diverse and stable economic base.

Finding: The EOA is considered the “implementation” portion of Section H in the Comprehensive Plan, and as such it strives to implement this goal and its associated policies in Section H of the Newberg Comprehensive Plan. The EOA contains many elements, including information on local and regional targeted industries, the site size and suitability characteristics of those targeted industries, Newberg’s comparative advantages and disadvantages, and an economic development strategy with actions to address the comparative advantages and disadvantages to strengthen Newberg’s standing in the regional marketplace to attract the targeted industries. The action items found in the EOA are linked back directly to the policies they implement from Section H of the Comprehensive Plan. All of these things combine to work toward meeting the goal of developing a diverse and stable economic base. This goal could not be met without a revised and updated EOA because economic statistics and market forces change over time, requiring constant monitoring and updating for the economic strategy to stay relevant. Therefore, the revised and updated EOA best helps implement this goal of the Comprehensive Plan.

II. Statewide Planning Goal 9: Economic Development – To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.

Comprehensive Plans for urban areas shall:

1. Include an analysis of the community’s economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends;
2. Contain policies concerning the economic development opportunities in the community;
3. Provide for at least an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies;
4. Limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses.

A.1. A principal determinant in planning for major industrial and commercial developments should be the comparative advantage of the region within which the developments would be located. Comparative advantage industries are those economic activities which represent the most efficient use of resources, relative to other geographic areas.

A.2. The economic development projections and the comprehensive plan which is drawn from the projections should take into account the availability of the necessary natural resources to support the expanded industrial development and associated populations. The plan should also take into account the social, environmental, energy, and economic impacts upon the resident population.

A.3. Plans should designate the type and level of public facilities and services appropriate to support the degree of economic development being proposed.

A.4. Plans should strongly emphasize the expansion of and increased productivity from existing industries and firms as a means to strengthen local and regional economic development.

A.5. Plans directed toward diversification and improvement of the economy of the planning area should consider as a major determinant, the carrying capacity of the air, land and water resources of the planning area. The land conservation and development actions provided for by such plans should not exceed the carrying capacity of such resources.

Finding: The EOA is Section 12 (The Economy) of the Inventory of Natural and Cultural Resources, which is the base document that the Comprehensive Plan and its goals and policies is based on. The revised EOA includes the elements required above: an analysis of Newberg's economic patterns, forecasts, comparative advantages and disadvantages (strengths and deficiencies); provisions for an adequate supply of sites of suitable sizes, types, locations, and service levels for a variety of industrial and commercial uses consistent with plan policies; and compatibility requirements that limit uses on or near sites zoned for specific industrial and commercial uses to those which are compatible with proposed uses. The Newberg Comprehensive Plan contains policies concerning the economic development opportunities in the community.

The revised EOA includes a robust discussion of Newberg's comparative advantages and disadvantages related to the regional economic marketplace. Newberg has identified four business clusters that are the foundation of its economy and that economic development efforts will be focused on, including: manufacturing, health care, higher education, and the wine/tourism industry. The updated buildable land inventories in the revised EOA indicate a shortage of both types of land; the City will make future efforts to remedy this situation to ensure Newberg's economic health. The Comprehensive Plan considers the availability of resources to support a growing population, and has goals and policies to ensure that adequate provisions are made. In addition, the City has a Transportation System Plan, a Sewer Master Plan, a Water Master Plan,

and a Storm Drainage Master Plan that detail the type and level of public facilities for current and future developments.

The first strategy of Newberg's economic development efforts focuses on retention and expansion of existing businesses. Several of the home-grown industries that reflect Newberg's four main business clusters have become national and international leaders in their respective fields. The revised EOA details Newberg's commitment to its existing businesses and firms, including a list of strategies and actions that are intended to help Newberg assist its local economic partners.

III. ORS 197.638 Department of Land Conservation and Development may request review by Economic and Community Development Department of local inventory and analysis of industrial and commercial land.

- (1) Upon request of the Department of Land Conservation and Development, the Economic and Community Development Department shall review the inventory and analysis of industrial and commercial land, and measures taken to address the land needs, required of certain local governments under ORS 197.712. The review shall address the likely effect of measures developed by a local government on the adequacy of the supply of sites and opportunities to satisfy needs identified under ORS 197.712.
- (2) The Land Conservation and Development Commission and the Director of the Department of Land Conservation and Development shall consider the review and any recommendations of the Economic and Community Development Department when determining whether a local government has complied with the statewide land use planning goals and the requirements of ORS 197.712. [1999 c.622 §13]

Finding: Newberg worked closely with its regional Business Development Officer, Tom Fox, from the Oregon Business Development Department (formerly the Oregon Economic and Community Development Department) regarding the analysis of industrial and commercial land needs. Mr. Fox reviewed the information in the revised EOA, including the site size ranges by targeted industry cluster and sector, site size distribution by firm employment, and required site suitability characteristics, and concurs that they are viable for firms seeking sites in Oregon and for Newberg's targeted industries. In addition, he noted that the City should have success in expanding and attracting businesses in the targeted industry clusters if they follow the site size and suitability criteria for development sites (see letter from Tom Fox, dated December 1, 2009 – Attachment 2 to the staff report).

IV. ORS 197.712 Commission duties; comprehensive plan provisions; public facility plans; state agency coordination plans; compliance deadline; rules.

- (1) In addition to the findings and policies set forth in ORS 197.005, 197.010 and 215.243, the Legislative Assembly finds and declares that, in carrying out statewide comprehensive land use planning, the provision of adequate opportunities for a variety of economic activities throughout the state is vital to the health, welfare and prosperity of all the people of the state.
- (2) By the adoption of new goals or rules, or the application, interpretation or amendment of existing goals or rules, the Land Conservation and Development Commission shall implement all of the following:

- (a) Comprehensive plans shall include an analysis of the community's economic patterns, potentialities, strengths and deficiencies as they relate to state and national trends.
 - (b) Comprehensive plans shall contain policies concerning the economic development opportunities in the community.
 - (c) Comprehensive plans and land use regulations shall provide for at least an adequate supply of sites of suitable sizes, types, locations and service levels for industrial and commercial uses consistent with plan policies.
 - (d) Comprehensive plans and land use regulations shall provide for compatible uses on or near sites zoned for specific industrial and commercial uses.
 - (e) A city or county shall develop and adopt a public facility plan for areas within an urban growth boundary containing a population greater than 2,500 persons. The public facility plan shall include rough cost estimates for public projects needed to provide sewer, water and transportation for the land uses contemplated in the comprehensive plan and land use regulations. Project timing and financing provisions of public facility plans shall not be considered land use decisions.
 - (f) In accordance with ORS 197.180, state agencies that provide funding for transportation, water supply, sewage and solid waste facilities shall identify in their coordination programs how they will coordinate that funding with other state agencies and with the public facility plans of cities and counties. In addition, state agencies that issue permits affecting land use shall identify in their coordination programs how they will coordinate permit issuance with other state agencies and cities and counties.
 - (g) Local governments shall provide:
 - (A) Reasonable opportunities to satisfy local and rural needs for residential and industrial development and other economic activities on appropriate lands outside urban growth boundaries, in a manner consistent with conservation of the state's agricultural and forest land base; and
 - (B) Reasonable opportunities for urban residential, commercial and industrial needs over time through changes to urban growth boundaries.
- (3) A comprehensive plan and land use regulations shall be in compliance with this section by the first periodic review of that plan and regulations. [1983 c.827 §17; 1991 c.612 §17]

Finding: The revised EOA includes a comparative analysis of Newberg's economic patterns, potentialities, advantages and disadvantages. In addition, it features a section that discusses Newberg's industrial and commercial land needs and supply, including site size ranges and suitability characteristics. The Comprehensive Plan contains policies concerning economic development opportunities in the community and provisions for compatibility with industrial and commercial uses. The City also has several public facility plans, including the Transportation System Plan, the Sewer Master Plan, the Water Master Plan, and the Storm Drainage Master Plan. The revised EOA, with its updated buildable land inventories and other information, provides the basis for the City to meet future urban land needs over time through changes to the urban growth boundary.

V. OAR 660-009-0015 – Economic Opportunities Analysis

Cities and counties must review and, as necessary, amend their comprehensive plans to provide economic opportunities analyses containing the information described in sections (1) to (4) of this rule. This analysis will compare the demand for land for industrial and other employment uses to the existing supply of such land.

- (1) Review of National, State, Regional, County and Local Trends. 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 as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors for the use or category of use. Cities and counties are strongly encouraged to analyze trends and establish employment projections in a geographic area larger than the planning area and to determine the percentage of employment growth reasonably expected to be captured for the planning area based on the assessment of community economic development potential pursuant to section (4) of this rule.
- (2) Identification of Required Site Types. 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. Cities and counties are encouraged to examine existing firms in the planning area to identify the types of sites that may be needed for expansion. Industrial or other employment uses with compatible site characteristics may be grouped together into common site categories.
- (3) Inventory of Industrial and Other Employment Lands. Comprehensive plans for all areas within urban growth boundaries must include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use.
 - (a) For sites inventoried under this section, plans must provide the following information:
 - (A) The description, including site characteristics, of vacant or developed sites within each plan or zoning district;
 - (B) A description of any development constraints or infrastructure needs that affect the buildable area of sites in the inventory; and
 - (C) For cities and counties within a Metropolitan Planning Organization, the inventory must also include the approximate total acreage and percentage of sites within each plan or zoning district that comprise the short-term supply of land.
 - (b) When comparing current land supply to the projected demand, cities and counties may inventory contiguous lots or parcels together that are within a discrete plan or zoning district.

- (c) Cities and counties that adopt objectives or policies providing for prime industrial land pursuant to OAR 660-009-0020(6) and 660-009-0025(8) must identify and inventory any vacant or developed prime industrial land according to section 3(a) of this rule.

- (4) Assessment of Community Economic Development Potential. The economic opportunities analysis must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. The estimate must be based on information generated in response to sections (1) to (3) of this rule and must consider the planning area's economic advantages and disadvantages. Relevant economic advantages and disadvantages to be considered may include but are not limited to:
 - (a) Location, size and buying power of markets;
 - (b) Availability of transportation facilities for access and freight mobility;
 - (c) Public facilities and public services;
 - (d) Labor market factors;
 - (e) Access to suppliers and utilities;
 - (f) Necessary support services;
 - (g) Limits on development due to federal and state environmental protection laws;
 - (h) Educational and technical training programs.

- (5) Cities and counties are strongly encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies. Cities and counties are strongly encouraged to use the assessment of community economic development potential to form the community economic development objectives pursuant to OAR 660-009-0020(1)(a).

Finding: The revised EOA contains the information described in sections (1) through (4) of OAR 660-009-0015. Section II of the EOA is the Economic Trends Analysis, which included the following items: national, state and regional trends; regional economic development industry clusters and target industries; Yamhill County agri-business; regional industrial land availability; Newberg population profile; and Newberg employment characteristics. Newberg has identified four business clusters that are the foundation of its economy – manufacturing, health care, higher education, and the wine/tourism industry – and the majority of its economic development efforts will go into recruitment and expansion of existing businesses. Most businesses associated with Newberg's targeted business clusters have similar site suitability characteristics they need to develop. In the revised EOA, Tables 12-19 through 12-22 and Table 12-29 illustrate the site size ranges by targeted industrial cluster and sector, targeted industry clusters and sectors by site size ranges and existing Newberg industrial firm examples, site size distribution by firm employment (2010-2030), required industrial site suitability characteristics, and required commercial site suitability characteristics.

The revised EOA includes an inventory of industrial and other employment lands within the urban growth boundary. The buildable land inventories have been updated, and the existing industrial and commercial areas are labeled and discussed in Section V, Industrial and

Commercial Land Needs and Supply. The existing industrial and commercial areas within the UGB are also shown graphically on Figure 12-3, Buildable Industrial Land, and Figure 12-4, Commercial Areas and Buildable Commercial Land.

Section III of the revised EOA is the Assessment of Community Economic Development Potential. This section includes employment projections, Newberg's comparative advantages and disadvantages, and a discussion of Newberg's special opportunities to capitalize on its unique niche geographically and in the regional marketplace. Newberg's comparative advantages and disadvantages include the following:

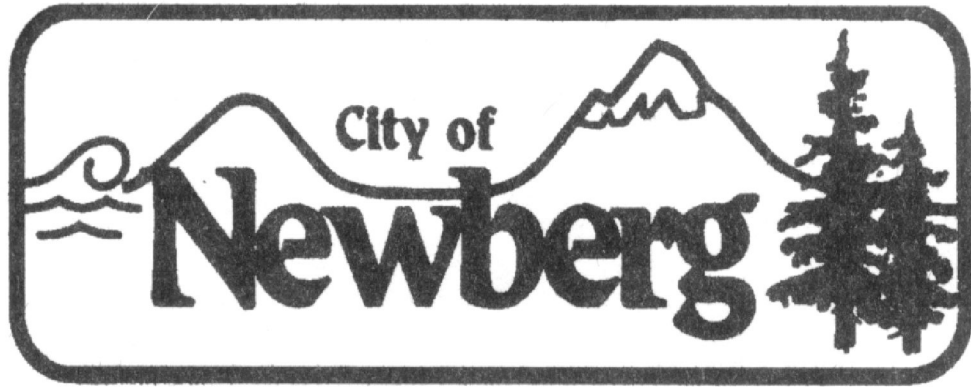
Advantages:

- Small town quality of life
- Access to quality education and skills training
- Established and growing industry clusters
- Strong local support for business and employment opportunities
- Proximity to the Portland Metropolitan region
- Future Newberg-Dundee Bypass
- Oregon's statewide planning goals

Disadvantages:

- Transportation and access issues
- Lack of suitable employment sites
- Highly parcelized land outside UGB limits ability to meet employment site requirements
- Stressed commercial sector
- Retail dollar leakage due to close proximity to metropolitan area markets
- Market pressures on SP Newsprint
- Oregon's statewide planning goals

Newberg's economic development strategy is discussed in Section IV of the revised EOA. This section includes actions to capitalize on Newberg's comparative advantages and to address the comparative disadvantages.



Economic Opportunities Analysis

Section 12 of Newberg Inventory of Natural and
Cultural Resources

Originally Adopted by Newberg City Council January 3, 2006 (Ordinance No. 2006-2635)
Revised by Ordinance 2010-2723, Adopted by Newberg City Council on February 1, 2010

February 2010

City of Newberg Economic Opportunities Analysis

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I. Introduction

Newberg's economy traditionally has been rural in nature. As the city with the second largest population in Yamhill County, Newberg serves as the commerce center for the eastern portion of the county's primarily agricultural economy. However, over the past couple of decades, Newberg has been making a slow transition to a city of more urban characteristics. Newberg's economic base has become more diversified, including some of its home-grown industries that have evolved into national and international leaders in their respective fields.

This trend toward urbanization is likely to continue as the growth of the Portland metropolitan area increasingly influences the character of Newberg. However, our city is one steeped in history, and is a community that possesses a strong sense of place. The citizens of Newberg highly value these characteristics and wish to maintain its unique identity. To do so, Newberg must strengthen its economic base. Newberg must support its existing businesses while nurturing new enterprises.

Newberg has identified four business clusters that are the foundation of its economy: manufacturing, health care, higher education, and the wine/tourism industry. Ensuring the vitality of these business clusters is key to the economic health of our community

Like most communities, Newberg's economic development efforts focus on two principal strategies:

1. Retention and Expansion of Existing Businesses. Newberg has been extremely fortunate in having strong commercial and industrial sectors. Newberg has an unwavering commitment to its existing businesses and industries. This commitment is underscored by the positive attitude of appointed and elected officials to meeting the needs of the business community – in terms of providing public facilities and services necessary for businesses to grow and prosper, and in listening to the business community in its long-range planning processes and regulatory review.
2. Recruitment of New Businesses. A substantial portion of Newberg's Economic Opportunities Analysis is devoted to attracting new traded-sector industrial and service-based industries that will bring new resources to maintain and improve the livability of the community. To ensure that Newberg's economic development efforts are successful, we have carefully assessed economic trends and our comparative economic advantages and disadvantages, as required by Statewide Planning Goal 9 (Economy of the State).

The City has worked closely with the Portland-Vancouver Regional Partners Council for Economic Development, the Oregon Business Development Department (OBDD), and the Department of Land Conservation and Development (DLCD) in defining the types of industry clusters that can be reasonably attracted to our community. Newberg also has determined the size and characteristics of sites required for Newberg to be competitive -- from a regional perspective -- in attracting our targeted businesses to the community.

Critical to Newberg's economic development efforts is the availability of developable land for

businesses, as redevelopment opportunities are limited. The City closely monitors the supply of these types of lands to ensure that opportunities for economic growth can be capitalized upon as they arise.

As for Newberg's targeted industrial clusters, most of these businesses require relatively flat sites, with a minimum of conflicting land uses (e.g., agricultural or residential areas), and close access to a major highway without travel through land with conflicting uses. Most will benefit tremendously by the construction of the Newberg-Dundee Bypass and its connection to Highway 219, which is planned in the Oregon Highway Plan.

The City also has considered the site characteristics required to attract targeted industrial clusters when considering Newberg relative to other Northwest communities. Newberg has identified four types of industrial development to focus on:

- Large site light industrial (individual sites reserved for single users);
- Airport light industrial (within the Sportsman Airpark Land Use Master Plan);
- Infill light industrial that takes advantage of remaining industrial sites within the existing UGB; and
- Master planned light industrial parks that provide a range of medium to small sites in a master planned setting.

The Oregon Business Development Department has made it very clear that providing large industrial sites for traded-sector employment opportunities in a master planned park setting with close access to Interstate 5 will put Newberg at a distinct advantage when compared with other Northwest communities.

Newberg has relatively little industrial land left within its UGB – and most of this land does not meet the site requirements of companies looking to expand and/or relocate to Newberg. After considering a range of alternatives both in and outside of the existing UGB, Newberg has concluded that the South Industrial Area best meets the site requirements of targeted industrial clusters. This area:

- Has large, flat “suitable” sites (i.e., meeting identified site requirements) with close access to Highway 219. The area has access within about 10 minutes to I-5, with no intervening urban areas. It has close access to the Highway 99W corridor, which will be further enhanced with construction of the Newberg-Dundee Bypass;
- Has natural buffers from adjacent agricultural and rural residential land that enhances the attractiveness of the area for traded-sector industrial use;
- Has immediate access to electrical, natural gas, sewer and water services;
- Is a natural extension of Newberg's existing light industrial and airport-related industrial areas.

Newberg's other primary existing business clusters (health care, higher education, wine/tourism) also must have opportunities for expansion if they are to remain vital. These businesses are usually located on lands zoned for commercial and/or institutional development.

Higher education institutions include George Fox University and Portland Community College. While the University currently owns sufficient land to satisfy its physical needs for the foreseeable future, much of that land is expected to be redeveloped to satisfy their programmatic needs. Portland Community College plans to build a branch campus in Newberg as a result of a bond measure that was passed in 2008. The College is nearing purchase of a site after an extended search yielded few opportunities for suitable sites.

The foundation of the local healthcare industry is Providence Newberg Medical Center, which is located at the east end of Newberg directly on Highway 99W. The hospital is located on land that will accommodate its expansion plans for the foreseeable future. Land to accommodate development of ancillary private medical services that would benefit from close proximity to the hospital is available.

The wine/tourism industry in Newberg is principally involved in the retail and service business sectors. Growing of the wine grapes and processing them into wine is done outside of Newberg's city limits. Further development of this industry will likely be accommodated through two mechanisms. First, Newberg's historical downtown buildings/land will continue to be reused and redeveloped for businesses of this industry, including direct sales of wine, restaurants, antiques, arts and crafts stores, etc. Second, the Springbrook Master Plan has a commercial node: one that is expected to include businesses that will cater to the needs of wine tourists. Moreover, this commercial node will be located next to the newly constructed Allison Inn and Spa, a high-end resort that targets wine tourists. Additional opportunities for manufacturing, processing, and storing wine could be made available if Newberg had adequate industrial land.

Finally, a community's economic development strategy must consist of more than ensuring the availability of an adequate land supply for future growth. The community also must commit to comprehensive set of actions that support local businesses. Included in this analysis is a list of recommended economic development actions that are intended to help Newberg assist its local economic partners.

II. Economic Trends Analysis

The EOA addresses local and regional trends (660-009-0015 (1)) on the following pages, concluding that Newberg's future employment growth will be dependent on regional economic clusters. The trends analysis results in identification of future industrial uses – the “Targeted Industrial Clusters” for Newberg.

National, State and Regional Trends

Economic development in Newberg over the next 20 years will occur in the context of long-run national trends.¹ The most important of these trends include:

- The aging of the baby boom generation, accompanied by increases in life expectancy. The number of people age 65 and older will more than double by 2050, while the number of

¹ National trends courtesy of ECONorthwest.

people under age 65 with grow only 22 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.²

Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.³ This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2% of the workforce in 1992 to 3% of the workforce in 2002, an increase of 64%. Over the same ten-year period, workers 45 to 64 years increased by 70%.⁴

- Tightening labor force. Growth in the labor force is projected to slow over the 2006-2016 period due to the aging and retirement of the baby boomer generation and because women's participation in the labor force has peaked. Job growth is expected to outpace population growth, with a 10% increase in employment (15.6 million jobs) compared to a 9% increase in civilian non-institutional population 16 years and older (22 million people).⁵
- Need for replacement workers. The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.4 million job openings over the 2006-2016 period, more than twice the growth in employment (15.6 million jobs). Management occupations and teachers will have the greatest need for replacement workers because these occupations have an older-than-average workforce.⁶
- Increases in labor productivity. Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the latter half of the 1990s. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: information, manufacturing, retail trade, and wholesale trade. Productivity in mining decreased over the five-year period.⁷
- Continued trend towards domestic outsourcing. Businesses continue to outsource work to less expensive markets. Outsourcing generally falls into two categories: (1) moving jobs from relatively expensive areas to less expensive areas within the U.S. and (2) moving jobs

² The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2008, *The 2008 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, April 10, 2008.

³ "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

⁴ "Growing Numbers of Older Workers in Oregon," Oregon Employment Department.

⁵ Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

⁶ Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

⁷ Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

outside of the U.S. to countries with lower labor costs. About three-quarters of layoffs in the U.S. between 1995 and 2004 were the result of domestic relocation, involving movement of work within the same company. The industries with the largest amounts of domestic outsourcing were: manufacturing, retail trade, and information.⁸

- Continued growth in global trade and the globalization of business activity. With increased global trade, both exports and imports rise. Faced with increasing domestic and international competition, firms will seek to reduce costs through implementing quality- and productivity-enhancing technologies, such as robotics or factory automation. In addition, production processes will continue to be outsourced offshore.⁹
- Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy. Increased worker productivity and the international outsourcing of routine tasks lead to declines in employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.¹⁰
- The importance of high-quality natural resources. The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction. Increases in population and household income, combined with changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.¹¹
- Continued westward and southward migration of the U.S. population. Although there are some exceptions at the state level, a 2006 U.S. Census report documents an ongoing pattern of interstate population movement from the Northeast and Midwest to the South and West.¹²
- The growing importance of education as a determinant of wages and household income. Level of education largely determines employment, which largely determines income level. Completion of a four-year college degree paves the way for a professional or managerial occupation in the information-based economy, which on average yields higher incomes than service jobs or menial labor. According to the Bureau of Labor Statistics, the majority of the

⁸ Sharon P. Brown and Lewis B. Siegel, "Mass Layoff Data Indicate Outsourcing and Offshoring Work," *Monthly Labor Review*, August 2005, pp. 3-10.

⁹ Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.

¹⁰ Eric B. Figueroa and Rose A. Woods, 2007, "Industry Output and Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 53-85.; Arlene Dohm and Lyn Shniper, "Occupational Employment Projections to 2016," *Monthly Labor Review*, November 2007, pp. 86-125.

¹¹ For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

¹² Marc J. Perry, 2006, *Domestic Net Migration in the United States: 2000 to 2004*, Washington, DC, Current Population Reports, P25-1135, U.S. Census Bureau.

fastest growing occupations over the next decade will require an academic degree: computer software application engineers, elementary school teachers, and accountants and auditors. Service jobs, (e.g., retail sales person, food preparation workers, and home care aides) will account for about half of all jobs by 2016.¹³

- Continued increase in demand for energy. Despite short-term fluctuations, energy prices are forecast to remain at relatively high levels, as seen in the 2006 to 2008 period, likely increasing further over the 20-year planning period. Although energy sources are expected to diversify and the energy efficiency of automobiles, appliances, and production processes are projected to increase, energy demand is expected to increase over the 2008 to 2030 period due to increases in population and economic activity.¹⁴
- Impact of rising energy prices on commuting patterns. Energy prices may continue to be high (relative to historic energy prices) or continue to rise over the planning period¹⁵ which may impact willingness to commute long distances. There is some indication that increases in fuel prices have resulted in decreased suburban housing demand which has resulted in decreased prices, especially in large urban areas (e.g., Los Angeles or Chicago) and suburbs far from the center city. If this pattern continues, the area in Oregon most likely to be most impacted is Portland, which has the largest area of urban and suburban development in the state.¹⁶
- Possible effect of rising transportation and fuel prices on globalization. Increases in globalization are related to the cost of transportation: When transportation is less expensive, companies move production to areas with lower labor costs. Oregon has benefited from this trend, with domestic outsourcing of call centers and other back office functions. In other cases, businesses in Oregon (and the nation) have “off-shored” employment to other countries, most frequently manufacturing jobs.

Likewise, increases in either transportation or labor costs may impact globalization. When the wage gap between two areas is larger than the additional costs of transporting goods, companies are likely to shift operations to an area with lower labor costs. Conversely, when transportation costs increase, companies may have incentive to relocate to be closer to suppliers or consumers.

This effect occurs incrementally over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the 20-year planning period, businesses may not make the decision to relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

¹³ In 2006, the national median income was about \$32,000. Workers with some college education earned slightly less than median, while workers with a bachelor’s degree earned \$45,000. Workers who only had a high school diploma earned \$26,000 a year, while workers without a high school degree only earned \$19,000 a year. Workers in Oregon experience the same patterns as the nation, however, notably, pay is generally lower in Oregon than the national average. (Source: “Growing Number of Older Workers in Oregon,” Oregon Employment Department and American Community Survey, U.S. Census, 2006.)

¹⁴ Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April.

¹⁵ Energy Information Administration, 2008, *Annual Energy Outlook 2008 with Projections to 2030*, U.S. Department of Energy, DOE/EIA-0383(2008), April

¹⁶ Cortright, Joe. “Driven to the Brink: How the Gas Price Spike Popped the Housing Bubble and devalued the Suburbs,” May 2008.

- Growing opportunities for “green” businesses. Businesses are increasingly concerned with “green” business opportunities and practices. These business practices are concerned with “the design, commercialization, and use of processes and products that are feasible and economical while reducing the generation of pollution at the source and minimizing the risk to human health and the environment.”¹⁷

Green business opportunities historically have been at the mercy of feasibility and economics; if a firm ignores feasibility and economics while trying to be green, the firm may not be able to afford to operate long enough to learn how to make green businesses feasible. However, growing popularity in “eco-friendly” products and green development has caused the green market to become cost-competitive with the conventional market. The three types of green business opportunities are products, processes, and education.

- *Producing green products.* In general, green products consume fewer resources, and create less pollution, which in turn, is beneficial to human health. For example, hybrid vehicles (which use a mixture of power or fuel sources), use less gasoline to operate and add fewer pollutants to the air, while still providing the same transportation services as a traditional vehicle. Another example is bamboo fencing and lumber, which is considered a “rapidly renewable” material.¹⁸ Unlike traditional building materials, rapidly renewable materials, by virtue of a more consistent harvesting cycle, may sustain a community over a longer period of time than the steady and eventual depletion of finite resources or the degradation of a productive ecosystem.¹⁹
- *Providing education about green practices or products.* Green education is often closely related to producing green products and is often done by consultants or nonprofit organizations. One example of a company involved in green education is the U.S. Green Building Council, a 501(c)(3) non-profit, which provides third-party verification that a building or community was designed and built using strategies aimed at improving environmental performance (LEED certification), provides numerous education resources and commissions studies geared to advance the green building movement. Another example is a consulting firm that writes a green plan for a city or business.
- *Using green business practices.* Green business practices are alternative methods of doing business that promote resource conservation, prevent or reduce pollution, or have other beneficial environmental effects. Examples of green business processes include: buying products locally to reduce shipping distance, recycling waste products (where possible), or maximizing the use of natural lighting to reduce use of electricity and light bulbs.
- Potential impacts of global climate change. There is growing support for but not a consensus about whether global climate change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. In the Pacific

¹⁷ Urban Green Partnership at urbangreenpartnership.org

¹⁸ Rapidly renewable materials are considered to be an agricultural product, both fiber and animal that takes 10 years or less to grow or raise, and to harvest in an ongoing and sustainable fashion. Bamboo is the fastest-growing plant on Earth.

¹⁹ New Construction and Major Renovation LEED Reference Guide, Version 2.2, U.S. Green Building Council (September 2006).

Northwest, climate change may result in the following changes: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw and (4) increases in carbon dioxide in the air.²⁰ Assuming that global climate change is occurring and will continue to occur over the next 20 years, a few broad, potential economic impacts for the nation and Pacific Northwest include:²¹

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon’s agriculture through changes in: growing season, temperature ranges, and water availability.²² Climate change may impact Oregon’s forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.²³
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,²⁴ (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.
- *Potential changes in government policies.* There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.²⁵ Without clear indications of future government policy, it is impossible to assess the impact of government policies on the environment and subsequently, the economy.

However, the impending issue of global climate change will also offer economic *opportunities*. The search for alternative energy sources may result in increased investment and employment in “green” energy sources, such as wind, solar, and bio-fuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing.²⁶

²⁰ “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

²¹ The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

²² “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

²³ “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

²⁴ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

²⁵ Pew Center on Global Climate Change website: http://www.pewclimate.org/what_s_being_done/in_the_states/

²⁶ “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative,

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2007 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn has been a decrease in employment related to the housing market, such as construction and real estate. Employment in these industries will recover as the housing market recovers and will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

The national trends discussed above inform many of the emerging and targeted industry clusters identified in this EOA. They also underscore the importance of concentrating traded-sector industries in Newberg to reduce energy consumption and reliance on commuting. It's important to note that, despite national trends, Newberg has maintained a relatively high percentage of manufacturing jobs within the community and supports continuing to do so.

Regional Economic Development Industry Clusters and Target Industries

Industry clusters of a region are its principal economic drivers. The Portland Regional Business Plan identifies specific, traded-sector industry clusters that should be supported to enhance the economic base of the region. The Plan defines a cluster as follows:

A cluster is a group of firms that, though their interactions with each other and with their customers and suppliers, develop innovative, cutting-edge products and processes that distinguish them in the market place and from firms in the same industry found elsewhere. The competitiveness of an industry cluster is determined by the presence of highly specialized pools of skills, technology and infrastructure tailored to the needs of the cluster firms. The presence of sophisticated and demanding customers in a cluster pressures firms to innovate on a continuing basis....

Those industry clusters that compete nationally and internationally are the core of this region's economy and what distinguishes it from other regions. The industry cluster that exist and that are emerging in the metropolitan area are built on the distinctive knowledge competencies of the region, and the strengths that currently enable the region to compete globally for economic activity and investment. Additionally, industries that sell their products and services nationally and internationally have greater long-term growth potential since their opportunities for growth are not constrained by the size of this region's market. For these reasons, focusing on industry clusters is both a more efficient and effective use of this region's efforts and resources.

The Plan identifies the following industry clusters that the Portland region should focus on in their economic development efforts. Because of Newberg's proximity to the region, Newberg also has good likelihood of attracting these industries, and also should focus on attracting them.

These include:

1. Established
 - a. High Tech (Semiconductors/Silicon, Imaging & Display Technology)
 - b. Metals, Machinery, Transportation Equipment
 - c. Nursery Products
 - d. Specialty Foods and Food Processing
 - e. Lumber and Wood Products

2. Emerging
 - a. High Tech (Nano & Micro Technology, Cyber-Security, Health/Medical Information Technology)
 - b. Creative Services (Advertising, Public Relations, Film and Video, Web/Internet Content and Design)
 - c. Sports Apparel/Recreation-Related Products

3. Targeted (clusters desired to create and establish)
 - a. Biotech/Bioscience (Medical Devices, Bioinformatics, Pharmaceuticals, Genomics, Anti-Virals)
 - b. Sustainable Industries (Renewable Energy, Resource Efficiency Technologies, Sustainable Building Materials, Green Chemistry)
 - c. Professional Services (Architecture, Engineering, Legal and Financial Services, etc.)
 - d. Distribution & Logistics

Newberg should provide opportunities for these industries to expand and locate within the Newberg UGB over the 20-year planning period. In addition, doing business in Newberg (e.g. real estate costs) can often be significantly lower than much of the Portland metro area. Our community offers a unique quality of life compared to others in the region, one that will attract those who believe their business will benefit from being located here. If Newberg provides suitable sites for these industry clusters, there is a reasonable likelihood that they will choose our community.

Yamhill County Agri-Business

In June 2009, Barney & Worth, Inc. prepared the *Yamhill County Agri-Business Economic and Community Development Plan: Summary Report* for Yamhill County. The plan assessed the existing state of agriculture and agri-tourism in the County, and assessed future opportunities for growth. According to the report, Nursery and Greenhouse Crops comprise 45.2% of the value of agricultural production in the county.

Table 12- 1: Yamhill County Value of Agricultural Production, 2007

Yamhill County Value of Agricultural Production, 2007	Value (\$000)	Percent of Total
All Crops		
Nursery & Greenhouse Crops	\$133,724	45.2%
Grass & Legume Seeds	\$56,889	19.2%
Nuts & Tree Fruit	\$24,684	8.3%
Small Woodlots and Christmas Trees	\$13,204	4.5%
Grain & Hay	\$9,600	3.2%
Vegetable & Truck Crops	\$3,185	1.1%
Other Crops (Wine Grapes)	\$13,387	4.5%
Sub total	\$254,673	86.0%
All Livestock		
Dairy Products	\$20,482	6.9%
Poultry	\$9,780	3.3%
Cattle	\$6,267	2.1%
Other Animal Products	\$4,903	1.7%
Sub total	\$41,432	14.0%
All Crops and Livestock	\$296,105	

Source: Oregon Agricultural Information Network.

The report also recognizes great opportunities in the agri-tourism sectors. Key findings from the report include:

For 150 years and longer, Yamhill County has benefitted from its strong agricultural base. Even now, the agriculture sector produces \$300 million in annual sales (not including food processing and wine). The great strength of Yamhill County agriculture is its diversity. Local agricultural production remains strong in many profitable sub-sectors, with fast growing horticulture accounting for nearly half of total sales. The future for Yamhill County agriculture looks bright.

Alongside horticulture and traditional crops, the Yamhill County wine industry has emerged over the past 30 years to become headline news nationally and internationally. Yamhill’s name – like Napa, Sonoma, Bordeaux and Burgundy – has become synonymous with its wine. With the wine sector continuing to flourish, new wineries opening each year, more acres planted with grapes, this trend will also be sustained in Yamhill County.

Coupled with the area’s scenic beauty (thanks in part to agriculture!), the wineries assure that Yamhill County will continue to host many visitors. Estimates already place that number at 1.5 million per year who visit local wineries. Half of those visitors come from the Portland area, and the other half are from the western states and all over the U.S. and world.

...

Yamhill County – with its solid agricultural base, wine destination status, proximity to the metro area, and stunning beauty – also appears to be on the verge of something great. With the opening of the Allison resort in Newberg, along with other new attractions, there’s an opportunity just now to pick priorities and adopt strategies that move the community forward²⁷.

The plan identifies a number of key ingredients to secure the future for Yamhill County’s agriculture and tourism sectors:

Shared vision for Yamhill County’s future. Yamhill County communities and citizens need to reach agreement on values and priorities for the future. Tourism is here to stay – now is the critical time to plan, safeguarding quality of life for local residents and maximizing the potential for community benefits.

More lodging facilities. To capture the economic benefits of the estimated 1.5 million annual visitors to wine country, Yamhill County must have more high amenity overnight accommodations.

More attractions. Wineries and hotels alone aren’t enough to hold every visitor’s attention and assure repeat visits. Wine tourism is seasonal and cyclical, and other destinations and attractions will be needed to complement Yamhill County wine country and fill out the tourism calendar: arts and culture, entertainment, historic sites, parks and trails, golf, outdoor adventures, shopping.

Rezoning to accommodate prototype development projects. Analysis has revealed the types of representative projects needed to support agriculture and tourism lack adequate sites. Rezoning enables communities to place these projects where they “fit” and provide benefits to the community.

Site assembly. Preparing land for development, from initial site selection through planning and marketing, is site assembly. To assure job growth and allow for new investment, communities will need to be proactive in identifying an adequate supply of properly sized, suitably zoned development sites and be active participants in the development process.

County-wide infrastructure strategy. The most pressing problem for every community is infrastructure. Regional cooperation in Yamhill County to jointly plan for the future and secure adequate drinking water supplies can be a model for cost saving inter-agency arrangements for other services. Moving ahead with a reprisal solution for drinking water is critical for many Yamhill County communities.

²⁷ *Yamhill County Agri-Business Economic and Community Development Plan: Summary Report* Prepared for: Yamhill County, Oregon, Barney & Worth, Inc., in association with Globalwise, Inc., E.D. Hovee & Company, LLC, and Spencer & Kupper, page 41.

Coordinate opportunity sites / services. *The shortage of suitable development sites and scarcity of funds require strategic thinking. Which key sites and development opportunities must have adequate services available?*²⁸

Regional Industrial Land Availability

In 2001, OTAK prepared the *Regional Industrial Land Study for the Portland – Vancouver Metropolitan Area*. This report inventoried the available industrial land in the area. That report concluded that the region would have a need for 6,900 acres of buildable industrial land for the period 2000-2025²⁹. The study found that, while the region had enough land, most of it suffered from development constraints and lack of services. The report found that the region had only 2,387 acres of ready-to-develop unconstrained land, only about 1/3 of the projected need.

Recognizing the severe shortage of industrial land in the region and the state, in 2003 Governor Kulongoski ordered the Community Solutions Team to help establish certified shovel ready industrial sites, and appointed the Industrial Lands Taskforce. In its report,

*The Taskforce concluded that there is a significant lack of certain types of project ready industrial land in certain parts of the state. This conclusion is supported by the findings of the Portland-area Regional Industrial Lands Study (RILS), the HB3557 committee report, testimony received at Taskforce hearings, and the direct experience of Taskforce members. The Taskforce also concluded that the many jurisdictions lack a 20-year supply of industrial land.*³⁰

In addition:

*Although the committee selected the following five highly marketable sites, the industrial land supply in the METRO region remains critically low. Identifying these five sites is only a first step. **More industrial sites, especially those that could accommodate a large employer, are needed.***³¹ [Emphasis added]

The report also discussed the lack of large industrial sites in appropriate locations:

Unavailable Land in Strategically Significant Employment Areas
Given the Portland metropolitan area's economic significance to the state, the committee expressed concern that the selection pool of 55 sites forwarded to them from OECD's Regional Development Officers (RDOs) included very few large industrial sites along I-5, between the Washington border and Salem. This occurred because there is a lack of land available for industrial development in this area. Land located at existing freeway interchanges, such as the Stafford District at I-205 and Stafford Road, Langdon Farms

²⁸ Barney & Worth, Inc., page 43.

²⁹ *Phase 3: Regional Industrial Land Study for the Portland – Vancouver Metropolitan Area* prepared by Otak, Inc., in association with ECONorthwest and Parametrix, October 31, 2001

³⁰ *Positioning Oregon for Prosperity*, Report to Governor Kulongoski, prepared by the Industrial Lands Taskforce, September 2003

³¹ *Industrial Lands Advisory Committee Report*, December 15, 2003

*at the I-5 and Charbonneau exit, and the I-5 Donald/Aurora exit are logical market driven locations for large scale industrial and employment intensive development.*³²

While some efforts in the region have been made since that time to address this significant lack of industrial land in the region, the shortfall remains high and the needs have grown.

Newberg Population Profile

Historic and Future Growth Trends

Newberg has grown steadily through the last few decades. Table 12-1 shows the population growth over time since 1960.

Table 12- 2: Newberg Census Populations

Year	Population
1960	4,204
1970	6,507
1980	10,394
1990	13,086
2000	18,064

Source: U.S. Census Bureau

Newberg's population as of July 1, 2009 was estimated to be 23,150³³. As of July 1, 2009, the Urban Growth Boundary has an estimated population of 23,582³⁴.

Between 1990 and 2000, Newberg's growth rate was 38%. In comparison, Newberg's growth rate was greater than the Portland Metropolitan area's at 27%, the state of Oregon at 20%, and Yamhill County's at 30%³⁵. It should be noted that Yamhill County, where Newberg is located, is part of the Portland Metropolitan Statistical Area (PMSA). While Oregon's population in general is not expected to grow in the foreseeable future as fast as in the 1990s, the Portland metropolitan area should grow faster than the state as a whole.

In 2004, the Newberg City Council appointed an ad hoc advisory committee to look at the community's future land needs. To accomplish this task, the Ad Hoc Committee for Newberg's Future needed to forecast the community's future population. A consultant working with the Committee developed three growth forecast scenarios for the Committee to consider: low, medium, and high. The Committee selected the medium growth scenario as the most likely to occur. These population projections have been adopted into the Comprehensive Plan³⁶, coordinated with Yamhill County as required by ORS 195.036, and acknowledged by the State. The following table shows the forecasted future growth for Newberg:

³² *Industrial Lands Advisory Committee Report*, December 15, 2003

³³ Population Research Center, Portland State University

³⁴ Newberg Planning Division

³⁵ U.S. Census Bureau

³⁶ Adopted by Ordinance 2005-2626, November 21, 2005

Table 12- 3: Population Forecasts - Newberg Urban Area³⁷

Year	2000	2005	2010	2025	2030	2040
Forecasted Population	18,438	21,132	24,497	38,352	42,870	54,097

Source: Newberg Comprehensive Plan

Through 2008, these projections have been remarkably accurate. The 2008 PSU estimates are within 11 persons of the population estimates made in the comprehensive plan. The 2009 estimates are still within about 200 people of the projections, thus the adopted population forecasts can still be considered reliable.

Age characteristics

Table 12- 4 below compares Newberg’s population by age categories with the populations of Yamhill County, the Portland Metropolitan Statistical Area (PMSA), and the state of Oregon. The table also compares the median age for each geographical area.

Table 12- 4: Comparative Age Characteristics

Age Categories	Newberg	Yamhill County	PMSA	Oregon
Under 5 years	7.6%	6.4%	6.7%	6.3%
5 to 9 years	3.5%	5.4%	6.9%	6.4%
10 to 14 years	8.9%	8.0%	6.7%	6.4%
15 to 19 years	9.7%	7.9%	6.5%	6.7%
20 to 24 years	12.1%	8.4%	6.0%	6.6%
25 to 34 years	13.0%	13.9%	14.9%	13.9%
35 to 44 years	15.4%	13.4%	15.3%	13.9%
45 to 54 years	11.9%	14.4%	15.4%	15.1%
55 to 59 years	5.7%	6.4%	6.7%	6.9%
60 to 64 years	2.4%	3.9%	4.5%	4.9%
65 to 74 years	4.4%	5.6%	5.3%	6.5%
75 to 84 years	3.5%	4.2%	3.5%	4.5%
85 years and over	2.0%	1.9%	1.6%	1.9%
Median age (years)	30.6	34.9	36.3	37.6

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

The data shows that Newberg’s population is younger than the comparative populations, especially in the 20 to 24 year old category. This is likely due to the presence of students attending George Fox University. In general, our population over 45 years of age is somewhat lower than the comparative populations.

Educational Attainment and Income

Table 12- 5 below compares the educational attainment of the Newberg population over 25 years of age compared with Yamhill County, the PMSA, and the state of Oregon. Newberg has approximately the same amount of residents with high school diplomas as the comparative areas; however, there are fewer residents with a Bachelor’s degree or higher when compared to the

³⁷ Population forecasts are for the Newberg Urban Growth Boundary.

PMSA and the state. This may indicate that, although Newberg has a strong workforce in many areas, it does not have as many of the highly skilled professional jobs available that would require a Bachelor's degree.

Table 12- 5: Comparative Educational Attainment

	Newberg	Yamhill County	PMSA	Oregon
Less than 9th grade	3.9%	7.0%	4.1%	4.6%
9th to 12th grade, no diploma	7.4%	8.2%	6.7%	7.9%
High school graduate (includes equivalency)	27.9%	31.8%	24.4%	26.9%
Some college, no degree	29.2%	24.3%	25.2%	25.3%
Associate's degree	7.2%	6.6%	7.7%	7.7%
Bachelor's degree	15.2%	13.8%	20.6%	17.6%
Graduate or Professional degree	9.1%	8.2%	11.3%	10.0%
Percent High School Graduate or Higher	89%	85%	89%	88%
Percent Bachelor's Degree or Higher	24%	22%	32%	28%

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Table 12- 6 compares the household income levels of the Newberg population over 25 years of age compared with the state of Oregon, Yamhill County and the PMSA. Newberg has a high percentage of households in both the \$35,000 to \$49,999 and the \$50,000 to \$74,999 income ranges. As seen below in Figure 12-2, Newberg has high employment in the areas of construction, retail, manufacturing, and educational services; industries whose pay would typically fall into these ranges.

Table 12- 6: Comparative Household Income

Household Income*	Newberg		Yamhill County		PMSA		Oregon	
	Number	Percent	Number	Percent	Number	Percent	Number	Percent
Less than \$10,000	483	7.1%	2,378	7.2%	52,888	6.5%	108,551	7.5%
\$10,000 to \$14,999	552	8.1%	2,142	6.5%	39,721	4.9%	87,317	6.0%
\$15,000 to \$24,999	513	7.5%	3,189	9.7%	79,348	9.7%	168,261	11.6%
\$25,000 to \$34,999	819	12.0%	3,748	11.4%	85,031	10.4%	169,167	11.7%
\$35,000 to \$49,999	1,469	21.5%	5,462	16.6%	119,523	14.6%	225,677	15.6%
\$50,000 to \$74,999	1,430	20.9%	6,668	20.3%	166,437	20.3%	287,225	19.8%
\$75,000 to \$99,999	1,087	15.9%	4,480	13.6%	108,932	13.3%	174,531	12.1%
\$100,000 to \$149,999	363	5.3%	3,257	9.9%	103,824	12.7%	145,655	10.1%
\$150,000 to \$199,999	101	1.5%	772	2.4%	32,632	4.0%	42,738	3.0%
\$200,000 or more	20	0.3%	737	2.2%	29,570	3.6%	38,287	2.6%

* In 2007 Inflation Adjusted Dollars

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

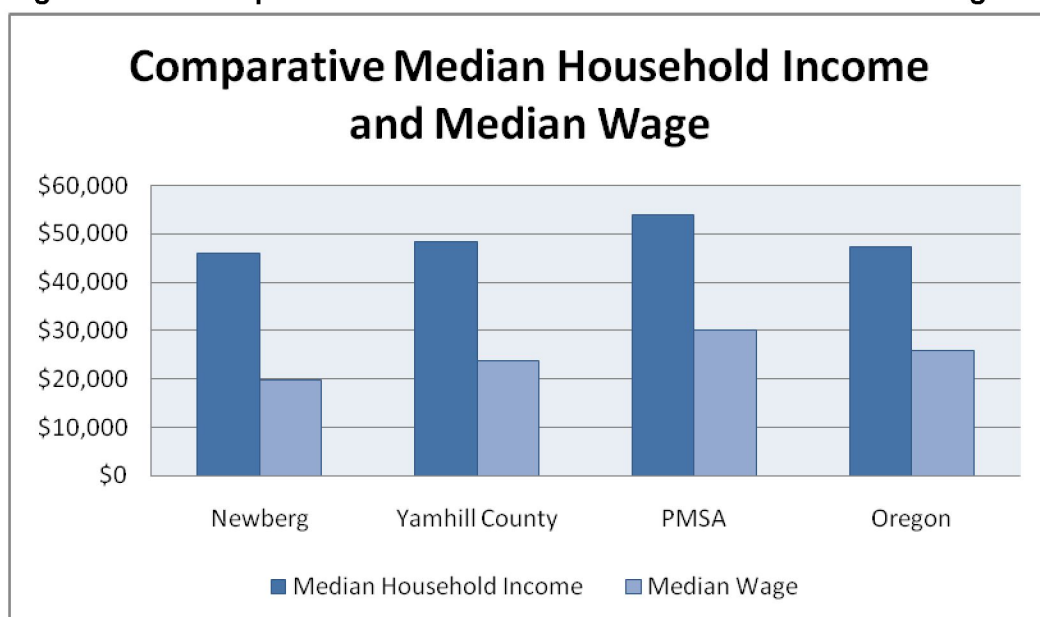
Table 12- 7 compares the median household income and median wages for Newberg, Yamhill County, the PMSA, and the state of Oregon. Figure 12- 1 graphically shows that Newberg is behind Yamhill County and the PMSA in median household income and median wage.

Table 12- 7: Comparative Median Household Income and Median Wages

	Newberg	Yamhill County	PMSA	Oregon
Median Household Income	\$46,066	\$48,485	\$53,935	\$47,385
Median Wage	\$19,821	\$23,848	\$30,094	\$26,002
Male, Full-Time, Year-Round	\$44,205	\$41,148	\$47,803	\$42,676
Female, Full-Time, Year-Round	\$29,063	\$31,680	\$36,563	\$33,017

Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Figure 12- 1: Comparative Median Household Income and Median Wage



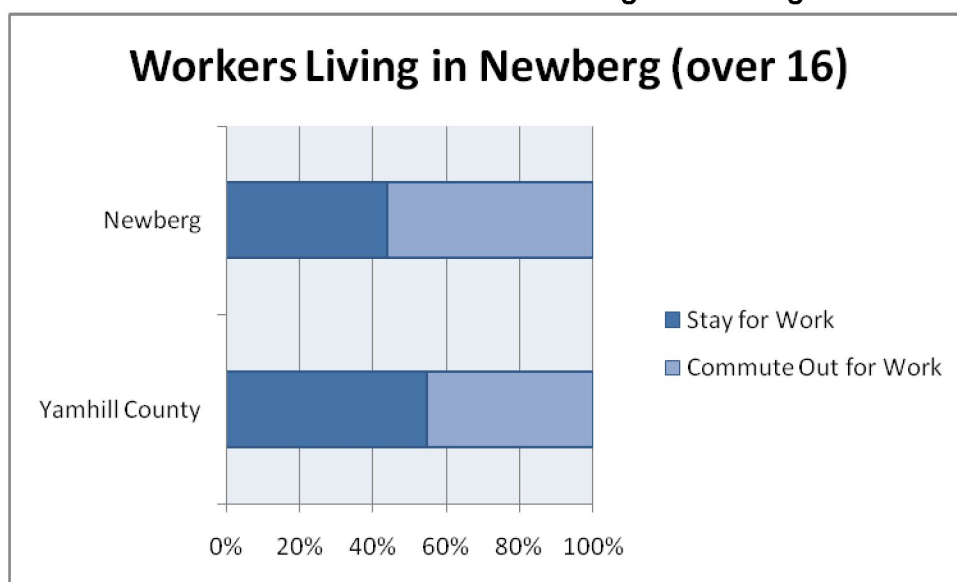
Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Comparing the previous education and income tables reveals a very interesting profile of the Newberg community. The Newberg population has a smaller percentage of 4-year college and graduate degrees than the state or the PMSA; however, Newberg is also home to George Fox University. This indicates that George Fox University graduates are not remaining in Newberg, whether by choice or by other factors such as limited available job opportunities. Newberg also has a lower median household income and median wage than Yamhill County, the PMSA and the state. This may be related to the fact that Newberg has fewer citizens with higher education. As shown in Figure 12-2 on page 12-20, Newberg has a high percentage of workers in educational services and manufacturing jobs, both historically lower-paying professions (with the exception of highly skilled manufacturing jobs).

Commuting Patterns

The 2006-2008 American Community Survey 3-Year Estimates indicate that approximately 56% of workers over age 16 that live in Newberg travel outside of Newberg for work. Of those people that commute outside of Newberg for work, approximately 55% of workers stay in Yamhill County and approximately 45% of workers commute to other counties. The data indicates that the mean travel time for a worker leaving Newberg for work is 21 minutes. Given Newberg's relatively close proximity to the Portland metropolitan area, it is reasonable to assume that many of the workers leaving Newberg for work are going to one of the nearby Portland suburbs (which are located in Washington, Multnomah and Clackamas Counties). The following table shows this commuting pattern.

Table 12- 8: Place of Work for Workers Living in Newberg



Source: 2006-2008 American Community Survey 3-Year Estimates

The Oregon Employment Department has statistics regarding commuting patterns within Yamhill County. Of all the workers that live in Yamhill County, approximately 12% work in Newberg. Approximately 31% of all workers that live in Yamhill County commute to the nearby Portland metropolitan area counties (Washington, Multnomah and Clackamas Counties); a statistic that is similar to the number of Newberg workers commuting out to these counties. The Newberg number is likely higher due to its proximity to these neighboring counties relative to the rest of the Yamhill County population.

Reasons for these commuting patterns are likely to be manifold, and may include:

- Lower housing costs in Newberg compared to the Portland area.
- More employment opportunities in the Portland area.
- Desire to live in a community like Newberg with a high quality of life and sense of community, rather than a “same as everywhere else” type of Portland area suburb.

Newberg would like to provide more local employment opportunities, thus reducing travel time and distance for existing and future residents. In short, Newberg would like to reverse trends towards “bedroom community” status by providing a greater variety of local employment opportunities. To achieve this objective, Newberg must provide industrial sites with characteristics that capitalize on Newberg’s comparative economic advantages.

Newberg Employment Characteristics

Historic Economy

Settlement of our region by people of European ancestry began a mostly agricultural economy for the area. As the region developed, Newberg slowly became the commercial center for the eastern end of Yamhill County and it remains so to this day. Evidence of this development is

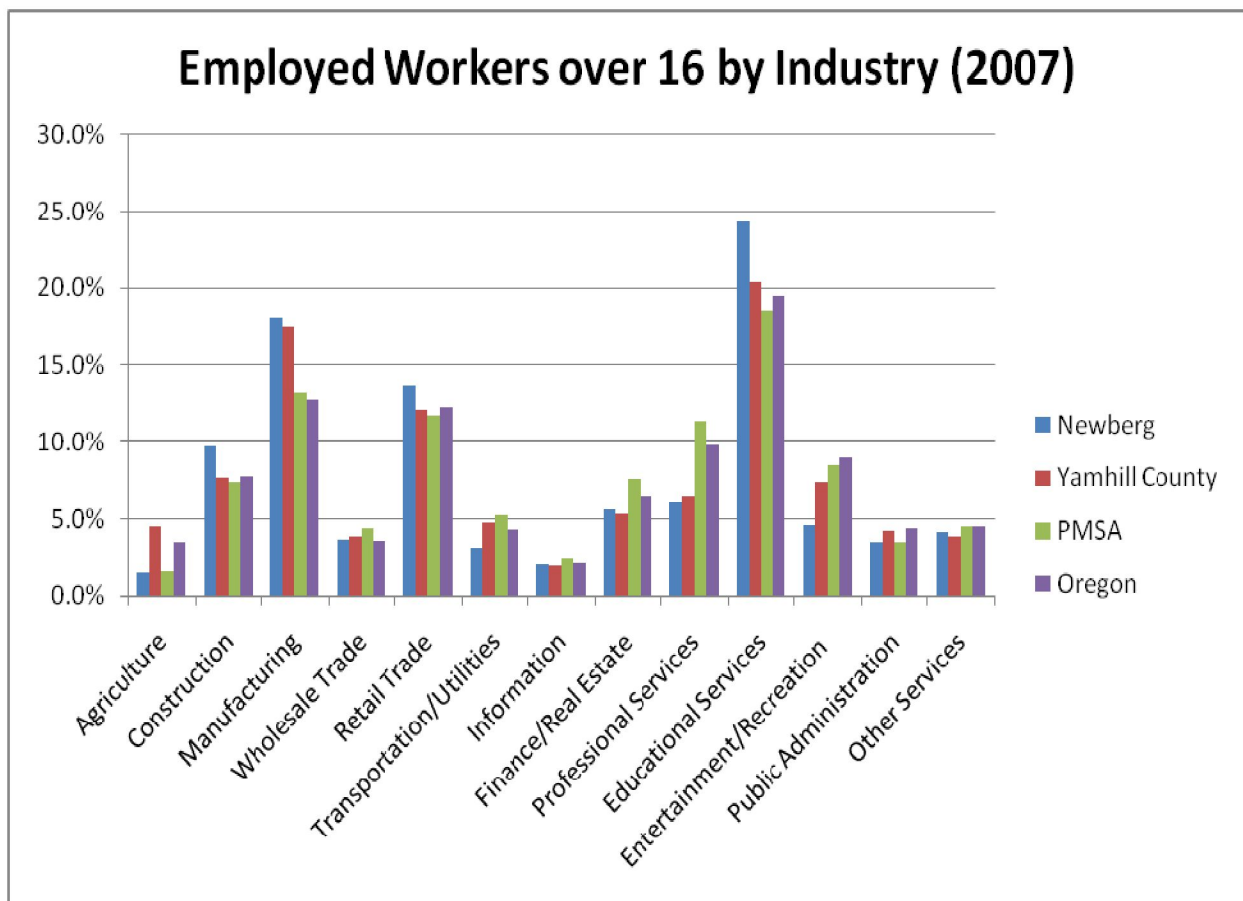
expressed through Newberg’s Central Business District, which consists of many early twentieth century buildings constructed in a high-density pattern.

The advent of the car as a primary mode of transportation for people brought about commercial development pattern of a lower density. Most of this type of development is situated along Highway 99W in the eastern section of the city.

Current Economy

Newberg has a diverse economic base. This diversity, along with the types of businesses, has provided Newberg with a reasonably stable economy. Figure 12-2 shows how Newberg compares with Yamhill County, the PMSA and the state for percentage of workers by industry. As the chart shows, Newberg has a high percentage of workers in construction, manufacturing, retail trade, and educational services.

Figure 12- 2: Employed Workers over 16 by Industry



Source: U.S. Census Bureau, 2005-2007 American Community Survey 3-Year Estimates

Table 12-9 shows the actual employment by industry for Newberg in 2007, as reported by the Oregon Employment Department.

Table 12- 9: 2007 City of Newberg Annual Average Employment by Industry

Industry	Average Annual Employment	Total Payroll	Average Annual Wage
Agriculture, Forestry, Fishing and Hunting	142	\$4,351,630	\$30,645
Construction	773	\$31,068,987	\$40,193
Manufacturing	2,608	\$135,015,712	\$51,770
Wholesale Trade	103	\$4,869,681	\$47,278
Retail Trade	933	\$25,761,682	\$27,612
Transportation & Warehousing	167	\$4,809,037	\$28,797
Information	57	\$2,148,418	\$37,692
Finance & Insurance	169	\$7,637,067	\$45,190
Real Estate, Rental & Leasing	110	\$2,693,296	\$24,485
Professional, Scientific & Technical Services	199	\$8,025,799	\$40,331
Administrative Support, Waste Management, Remediation	207	\$4,862,935	\$23,492
Education Services	1,349	\$45,973,472	\$34,080
Health Care & Social Assistance	1,304	\$45,422,729	\$34,833
Arts, Entertainment & Recreation	148	\$2,012,923	\$13,601
Accommodation & Food Services	796	\$10,227,414	\$12,849
Other Services	397	\$7,773,184	\$19,580

Source: Oregon Employment Department

While employment data is readily available at the County level, specific employment data at the city level is less available, and has some limitations. The most recent data available for Newberg at the end of 2009 was 2007 data. Certain data is confidential and cannot be reported at the city level, including utility, management, and local government numbers. However, more recent data for Newberg can be derived by using certain data assumptions to estimate employment by

industry through 2009³⁸. Table 12- 10 below shows the estimated Newberg employment by industry for 2007-2009.

Table 12- 10: Estimated Newberg Employment by Industry 2007-2009

Industry	2007	2008	2009
Construction	773	642	390
Manufacturing	2,608	2,557	2,201
Wholesale Trade	103	97	73
Retail Trade	933	930	841
Transportation, Warehousing & Utilities	178	181	181
Information	57	54	45
Financial Activities	279	270	241
Professional & Business Services	430	407	299
Education & Health Services	2,653	2,766	3,285
Leisure & Hospitality	944	1,002	1,018
Other Services	397	413	409
Government	170	174	183
Total	9,169	9,494	9,165

Source: Oregon Employment Department, 2009, Newberg Planning Division

³⁸ The 2007-2009 employment data was derived using the following assumptions:

- Utility employment was derived as being 6.6% of the total “Transportation, Warehousing, & Utility” employment in Newberg. This is equal to the ratio in Region 15, the only region of the three surrounding regions (Region 2, Region 3, and Region 15) where data was available.
- Government employment was derived as the total FTE for the City of Newberg for that year, plus 5% for some County, State or other government jobs in Newberg.
- Management employment was derived as being 11.9% of the total Professional and Business Service employment in Newberg. This is equal to the ratio in Yamhill County, 2008.
- 2008 and 2009 employment estimates were derived by applying the same rate of change to each industry as in Yamhill County for those years.

The following is a list of the top employers located within the urban growth boundary of Newberg in 2009.

Table 12- 11: Newberg Top Employers 2009

Employer	Average Employment	Product Description	Industry Cluster
A-dec	978	Dental equipment	Manufacturing
George Fox University	560	Higher Education	Higher Education
Newberg Public Schools	560	K-12 Education	Education
SP Newsprint Company	324	Newsprint	Manufacturing
Providence Newberg Medical Center	255	Health Care	Health Care
Suntron ³⁹	220	Electronics (circuit boards, modular parts, cable assembly)	Manufacturing
Fred Meyer, Inc.	210	Groceries, retail	Retail
City of Newberg	181	Government	Government
The Allison Inn and Spa	165	Hotel and spa	Wine/Tourism
Friendsview Retirement Center	149	Continuing care retirement community	Health Care
PPM Technologies	109	Food processing machinery	Manufacturing
Hazelden Springbrook	100	Alcohol and drug treatment	Health Care
Climax Portable Machine Tools	95	Portable machine tools	Manufacturing
Safeway	80	Groceries, pharmacy	Retail
Harris Thermal Transfer Products	73	Heat exchanger manufacturing	Manufacturing
Chehalem Youth & Family Services	73	Child and family services	Health Care
Dental Components, Inc.	60	Dental equipment	Manufacturing
Ushio Oregon, Inc.	53	High intensity lamps	Manufacturing
A.R.E. Manufacturing	51	Dental equipment and boat parts	Manufacturing

Source: Chehalem Valley Chamber of Commerce; Reuters

Newberg has a higher than average manufacturing employment base. The list of companies in the table above shows that many of the community's businesses are industrial in nature. Education (e.g. George Fox University) and health care (e.g. Providence Newberg Hospital) are also big components of Newberg's economic structure. With the addition of the Allison Inn & Spa, the wine industry is beginning to make a larger impact, along with the associated tourism

³⁹ Suntron announced plans to close Newberg operations in 2010.

industry: bed and breakfasts, restaurants, art shops, wine-tasting rooms.

Retail Conditions

Newberg’s close proximity to the Portland metro area and relatively low retail opportunities results in retail dollar “leakage” from the community. This means that fewer retail dollars stay in the community and continue to circulate within the local population. Support for this assertion of retail dollar leakage can be demonstrated through some simple calculations. By taking the total annual retail sales numbers of area, divided by the area’s population, one gets a total annual retail spending per capita in that community. Using this formula, the following is a list of the annual retail sales per capita in population centers within Oregon.

Table 12- 12: Population and Retail Sales

Population Center	Annual retail sales per capita
Newberg	\$9,462
McMinnville	\$11,798
Ashland	\$7,495
Medford	\$21,470
Washington County	\$12,386
Salem	\$13,807
Bend	\$22,933
Pendleton	\$12,515
Eugene/Springfield	\$14,132
Oregon	\$10,542

Source: U.S. Census Bureau, 2000

Newberg’s local retail spending is the below the state average. McMinnville’s retail spending is higher than Newberg, but also has more shopping opportunities. Ashland and Medford’s relationship is much like Newberg with the Portland metro area, with many Ashland retail dollars likely to be going to Medford businesses. Many other commercial centers around Oregon, like Salem, Bend, Pendleton and Eugene/Springfield also appear to attract more retail dollars per capita that the state average.

It is acknowledged that this calculation is simplistic. Many other variables would affect a more thorough analysis, such as total income, disposable income, geographic boundaries and population dispersion. However, it is probable that the biggest factor in retail dollar leakage remains the fact that small towns with limited shopping opportunities will always lose retail dollars to nearby urban centers.

Outside of Newberg, agriculture is still an important industry to the area’s economy. The wine/tourism industry has an especially large impact upon Newberg. Many new businesses, such as restaurants, bed & breakfasts, art galleries, and gift shops, have been established with recognition that tourists would be a principal customer. The Yamhill Valley (consisting of portions of Yamhill and Polk County) is the heart of Oregon’s \$576 million wine industry, with

about 200 vineyards and 85 of Oregon’s 200 wineries⁴⁰. The wine industry in Yamhill County has grown exponentially over the last few decades.

III. Assessment of Community Economic Development Potential

Regional Employment Projections

In November 2009, the Oregon Employment Department issued employment projections for 2008-2018. These projections considered the recession in the late 2000’s, and projected a slow recovery over the coming decade. Table 12- 13 shows the combined employment projections for Region 2 (Multnomah and Washington Counties), Region 3 (Marion, Yamhill, and Polk Counties), and Region 15 (Clackamas County). The combined projection was used because Newberg is almost centrally located within this six county region.

Table 12- 13: Combined Employment Projection for Regions 2, 3, and 15, 2008-2018 (Multnomah, Washington, Marion, Polk, Yamhill, & Clackamas Counties)

Industry	2008	2018	% Change
Construction	57,410	58,600	2.07%
Manufacturing	121,270	119,200	-1.71%
Wholesale Trade	55,840	61,100	9.42%
Retail Trade	108,630	117,700	8.35%
Transportation, Warehousing & Utilities	36,480	38,300	4.99%
Information	23,500	24,200	2.98%
Financial Activities	68,970	72,300	4.83%
Professional & Business Services	81,720	88,700	8.54%
Education & Health Services	94,490	107,500	13.77%
Leisure & Hospitality	79,610	86,200	8.28%
Other Services	61,890	65,000	5.03%
Government	114,640	120,300	4.94%
Total	904,450	959,100	6.04%

Source: Oregon Employment Department.

Newberg Employment Projections

Newberg employment projections for 2010-2040 were made consistent with the “safe harbor” methodology described in OAR 660-024-0040(9)⁴¹. This methodology allows a local

⁴⁰ *News-Register*

⁴¹ OAR 660-024-0040 (9) states: *The following safe harbors may be applied by a local government to determine its employment needs for purposes of a UGB amendment under this rule, Goal 9, OAR chapter 660, division 9, Goal 14 and, if applicable, ORS 197.296.*

(a) A local government may estimate that the current number of jobs in the urban area will grow during the 20-year planning period at a rate equal to either:

(A) The county or regional job growth rate provided in the most recent forecast published by the Oregon Employment Department; or

government to estimate that the current number of jobs in the urban area will grow either at a rate equal to the Oregon Employment Department regional job forecast rates, or at a rate equal to the population growth rate for the urban area. Future employment projections for the Newberg urban area were made using a combination of these allowed methodologies.

Retail trade and leisure & hospitality employment was projected to grow according to Newberg population growth. This was done because the need for retail services typically grows along with population, and also because of Newberg’s strong potential for leisure & hospitality employment growth in its targeted industry cluster of wine/tourism.

For other industries, employment was projected to grow for the 2008-2018 period at the same rate as the projected six-county change shown in Table 12- 13 above. For employment projections beyond 2018, employment was projected to grow at the same rate as the projected population growth. This rate is in accordance with the safe harbor provision stated above, and allows Newberg to plan adequately for the 20-year planning horizon to 2030. This is essential for Newberg to maintain its desired jobs-housing balance into the future and to avoid becoming solely a bedroom community.

Table 12- 14: Projected Newberg Employment through 2040

Industry	2008	2009	2018	2020	2025	2030	2035	2040
Construction	642	390	656	700	798	892	1,005	1,125
Manufacturing	2,557	2,201	2,514	2,685	3,057	3,417	3,851	4,312
Wholesale Trade	97	73	106	113	129	144	162	181
Retail Trade	930	841	1,124	1,201	1,367	1,529	1,723	1,929
Transportation, Warehousing & Utilities	181	181	191	204	232	259	292	327
Information	54	45	56	60	68	76	86	96
Financial Activities	270	241	283	303	345	385	434	486
Professional & Business Services	437	321	474	507	577	645	727	814
Education & Health Services	2,766	3,285	3,147	3,361	3,827	4,278	4,821	5,398
Leisure & Hospitality	1,002	1,018	1,361	1,454	1,655	1,850	2,085	2,335
Other Services	413	409	434	463	528	590	665	744
Government	183	175	192	205	233	261	294	329
Total	9,533	9,180	10,536	11,255	12,815	14,325	16,145	18,077
Cumulative from 2009		-	1,357	2,075	3,636	5,145	6,965	8,897

(B) The population growth rate for the urban area in the adopted 20-year coordinated population forecast specified in OAR 660-024-0030.

Note that the employment projections made are for a longer period than the 20-year period. Thus, employment projections beyond this 20-year period are not currently a “safe harbor” suitable for UGB amendments, though they could become a “safe harbor” for future UGB amendments.

Newberg's Comparative Advantages and Disadvantages

This section, Assessment of Community Economic Development Potential (660-009-0015-4), determines the types and amounts of industrial and other employment uses likely to occur in the planning area, relating to the results of the Trends Analysis and Inventory, and considers the planning area's economic advantages and disadvantages.

Comparative Advantages

1. Small town quality of life
 - a. Relatively affordable housing
 - b. Attractive rural setting in heart of wine country
 - c. Attractive historic downtown
 - d. Full service city separate from Portland metropolitan area with deep sense of community and history.
 - e. High level of community engagement

2. Access to quality education and skills training
 - a. George Fox University is very highly regarded. George Fox is listed among the top 100 colleges in the United States in *Forbes'* 2009-10 ranking of "America's best colleges." *U.S. News and World Report* named the University on its list of "Best National Universities," and was the only Christian college in the Pacific Northwest to make this list. The *Report* also cited an academic reputation survey of high school counselors that ranked George Fox University among the top 100 national universities. Moreover, it reported that more Portland-area valedictorians and straight-A seniors enroll at George Fox University than at any other private college in Oregon. *The Princeton Review* lists George Fox as a "Best in the West" selection.
 - b. Portland Community College recently passed a bond measure that will fund the construction of a branch campus in Newberg. The College will offer classes in the community in the fall of 2010. The College is expected to offer a wide range of academic and technical skills training that will serve the needs of local citizens and businesses alike.
 - c. The Newberg School District has a higher percentage of Newberg students that meet or exceed state standards in reading, mathematics, writing and science than state averages. Average student SAT scores are 1567 compared to Oregon average of 1550 and national average of 1511.

3. Established and growing industry clusters
 - a. The percentage of employment in the manufacturing sector in Newberg is higher than state average. Average wage is high in this sector.
 - b. Dental equipment manufacturing cluster is very strong, including a world leader in this industry.
 - c. The new \$68.5 million Providence regional medical center has created hundreds of highly-skilled, well-paying job and solidified health care as one of Newberg's target industries. The hospital has also spurred development of retirement and health care facilities for seniors.

- d. The wine/tourism industry in Yamhill County is world-renowned. Given Newberg’s strategic location as the eastern gateway to the area’s wine country from the Portland metropolitan region, this industry is expected to experience continued strong growth. Total direct spending for tourism in Yamhill County has gone from \$29.1 million in 1991 to \$60.7 million in 2003 ⁴². Businesses such as restaurants, bed and breakfasts, wine shops, and art galleries are benefiting from this rising industry and are actively pursuing these customers. In particular, Newberg’s historic downtown has experience significant revitalization in recent years, much of it due to the increasing impacts of this industry. In 2009, the Allison, a large luxury inn and spa targeting wine tourists, was opened. This development was a significant investment in this local industry and a very demonstrative statement in its future.
4. Strong local support for business and employment opportunities
 - a. Newberg commits staff resources to retain existing business and recruit new businesses .
 - b. Newberg is commitment to planning “shovel ready” industrial sites.
 - i. Sportsman Airpark Master Plan preserves the functional aspects of this airport. It also reserves developable industrial land for businesses that would benefit from having close access to airport services.
 - ii. South Industrial Area Master Plan provides for the development of new industrial sites of various sizes that have good transportation access, especially to Interstate 5.
 - c. The Chehalem Valley Chamber of Commerce has high membership and very active in supporting members, business, and industry.
 - d. Coordination with County ensures that land outside city limits is reserved for intended employment uses and not converted to residential or commercial uses
 5. Proximity to Portland metropolitan region
 - a. Newberg has access to large market area, including the Portland-Vancouver area. This also provides access to other regions, including the Seattle, the Bay area and even Asian markets.
 - b. Newberg has access to major state highways: Highway 99W and 219, and as little as 15 minute access to I-5.
 - c. Newberg has access to national/international transportation facilities, including air and water transportation facilities at the Port of Portland.
 - d. Newberg has strong relationships with other economic development organizations in the region.
 6. Future Newberg-Dundee Bypass
 - a. The Newberg-Dundee Bypass is included in Oregon’s Highway Plan. The location EIS has been approved. Plans are currently underway to construct a first segment of the bypass within 5-10 years.
 - b. The Bypass will provide improved transportation facilities that will benefit existing industrial users (airport, Highway 219) in south Newberg by allowing

⁴² Dean Runyan Associates

traffic from those areas to access Highway 99W and SW Portland area markets without routing truck traffic through downtown.

- c. The Bypass will provide improved access to Newberg and the Portland region from I-5 (via Highway 219).
 - d. The Bypass will reduce traffic in downtown Newberg and facilitate the objective of having a pedestrian-oriented city and retail and service center.
 - e. The Bypass will provide improved transportation facilities near flat serviceable land in south Newberg.
7. Oregon's Statewide Planning Goals. Economic development in Oregon is strongly influenced by many of these goals. In particular, Goal 9 requires cities to identify comparative advantages, targeted employment opportunities and site requirements and to reserve land for long-term industrial uses. Compared to national and international competitors, this required planning work can help ensure that Newberg's efforts in the retention and recruitment of businesses is targeted, efficient and effective.

Comparative Disadvantages

The global economy provides strong competition for local, regional and national manufacturers. Many other countries, such as China and India, are attracting manufacturing facilities through a growing, trained workforce with lower, average wages than this region. Some of Newberg's disadvantages in competing in a regional and national marketplace include:

- 1) Transportation and access issues:
 - a. Congestion on Highway 99W and travel times to Metro area markets slows shipments of goods and material, employees, and customers.
 - b. Truck traffic on Highway 99W prevents Newberg's historic downtown from achieving its full potential by creating an environment that is less-than pedestrian friendly.
 - c. Although Newberg has easy access to I-5 via Highway 219 and McKay Road, the Donald/Aurora Interchange at I-5 has access and capacity issues that will likely require a reconfiguration or some other interchange redesign to handle increased traffic capacity from future development in the region.
 - d. The Newberg-Dundee Bypass is a significant future advantage to Newberg. However, ODOT may want to limit development near the Bypass interchange with Highway 219 in the future to ensure that adequate volume and capacity standards are met. Development limitations may require trip caps or a restriction on certain high-traffic generating uses.
- 2) In 2009, Newberg lacks suitable industrial sites to meet needs of targeted employment opportunities:
 - a. Many existing industrially zoned parcels are constrained by size, topography, or height restrictions.
 - b. Some formerly viable sites have been lost due to needs for Bypass right-of-way acquisition.
 - c. Some existing sites are being reserved for future expansion of adjoining industrial users.

- d. Cost of infrastructure to serve sites can be prohibitive.
 - e. Newberg lacks master planned industrial and business parks that allow for immediate development when industrial firms consider location in Newberg area
- 3) Highly parcelized land outside the UGB limits alternatives for meeting identified site requirements. Prior to the full implementation of Goal 3 and 4 measures to protect agricultural land outside of the Newberg UGB, considerable rural residential development was permitted outside the Newberg city limits. As such, the small parcel sizes and rural homes and businesses outside of the Newberg UGB limit the availability of suitable employment sites in rural residential exception areas.
 - 4) Newberg’s commercial sector has been under considerable stress as retail paradigms have changed over the last few decades. Regional malls and the more recent development of “big-box” stores are strong competitors to Newberg businesses. While the volume sales model of these types of stores bring lower costs to consumers for goods, this pattern has had a negative impact on the relatively smaller retailers of the local economy. In addition, the ease of shopping through internet sales is being utilized by growing number of customers. Many locally-owned businesses find it difficult to compete under this new paradigm, a situation that has forced many of them to go out of business.
 - 5) In addition, Newberg’s close proximity to the Portland metro area and relatively low retail opportunities results in retail dollar “leakage” from the community. This means that fewer retail dollars stay in the community and continue to circulate within the local population.
 - 6) Despite major investments in the last few years, SP Newsprint is experiencing financial pressures due to changing market conditions. The financial pressures on SP Newsprint are mostly on the macroeconomic scale, significantly reducing Newberg’s ability to positively impact this situation.
 - 7) Oregon’s Statewide Planning Goals. Economic development in Oregon is strongly influenced by many of these goals. Balancing of these goals often creates a planning process for local economic development that is long, expensive, and uncertain: a process that is frequently incompatible with needs of an ever-increasingly fast-paced business world. It can prevent including suitable industrial and employment sites when needed.

Special Opportunities

Beyond the regional economic markets, Newberg has several special opportunities to capitalize on its unique niche geographically and in the market place. These are discussed below.

Dental Equipment Cluster

Newberg is the home of A-dec, one of the largest dental equipment manufacturers in the world. This also has spurred other dental equipment companies, such as DCI International and Beaverstate Dental, and several other industries that supply machined parts, electrical supplies,

or other equipment. The dental industry is an expanding market, especially in Asian markets where dental care is increasing. There are over 30 billion teeth in China: if Newberg suppliers can capitalize on even a small part of this market, they could expand substantially.

Alternative Energies

As concerns of peak oil, global warming, and carbon emissions rise, so do opportunities for the alternative energy industry. Several Newberg firms already have begun to capitalize on this industry. Harris Thermal constructs heat exchange equipment that is used in the manufacture of biofuels. Climax Portable Machine Tools constructs equipment that is used in the maintenance of wind power turbines. Local companies such as Voltair are manufacturing wind turbines for private sale. The Newberg area has an expanding wind energy cluster of suppliers, manufacturers, and technicians. Newberg has excellent opportunities to capitalize on this market.

South Industrial Area

As noted in the discussion of regional industrial land availability on page 13, the region has a significant lack of suitable industrial sites. In particular, the region lacks large, flat industrial sites with good transportation access and available utilities. In addition, the state's Industrial Lands Advisory Committee found,

*Land located at existing freeway interchanges, such as the Stafford District at I-205 and Stafford Road, Langdon Farms at the I-5 and Charbonneau exit, and the I-5 Donald/Aurora exit are logical market driven locations for large scale industrial and employment intensive development.*⁴³

However, they also found:

*Donald-Aurora I-5 Interchange—The Donald-Aurora interchange on I-5 is approximately 20 miles south of Portland. Although this is a prime location for industrial development when viewed from a market perspective, the land surrounding the interchange is zoned Exclusive Farm Use (EFU) and is in not within any jurisdiction's UGB. Given current land use laws these are substantial obstacles to development.*⁴⁴

Newberg's South Industrial area is along Wyooski Road and Highway 219. Newberg recently prepared the *South Industrial Area Master Plan*, which envisions utilizing the area along Highway 219 south of Wyooski Road by including several large, flat parcels for future industrial use. The South Industrial Area is uniquely posed to accommodate industrial users in the region:

⁴³ *Industrial Lands Advisory Committee Report*, December 15, 2003

⁴⁴ *Industrial Lands Advisory Committee Report*, December 15, 2003

- It contains large, level sites. The area can accommodate employers needing sites of 10 acres up to 100 acres.
- The area is adjacent to Newberg’s existing industrial areas, and is a logical extension of that area.
- It has excellent access. The area is about a 10-15 minute drive to I-5 without traveling through any intervening urban areas. The future Newberg-Dundee bypass will travel east to the Portland metro area through no traffic lights until the Portland UGB. It will allow travel west to the Oregon Coast through only one stop light, and to the Mid-Willamette Valley with few stops.
- Newberg has the utility capacity to serve the area with relatively short extensions.
- The area has excellent riparian buffers consisting of two stream corridors between the proposed future industrial area and conflicting uses. No travel would be required through residential or commercial areas.

Were the area included in the Newberg Urban Growth Boundary, it certainly would attract the target industries Newberg is seeking.

Aviation Related Industry

Newberg is home to the Sportsman Airpark. This is a private/public use airport in the Urban Growth Boundary. The Sportsman Airpark Industrial District is situated next to the landing strip. The Sportsman Airpark District has three important advantages over other airport related industrial areas:

- Industrial land can be owned by individual users. In most industrially zoned districts near airports, land can only be leased to users, and “through the fence” use of adjacent industrial land is not allowed.
- All adjacent land is within the UGB.
- The airpark is adjacent to the Airpark Residential Zone, which allows business owners and entrepreneurs to live in close proximity to their planes.

With these advantages, the airpark presents excellent opportunities for small to medium industrial users. It can accommodate aircraft related industries, such as manufacture of airplane parts or aircraft maintenance. It can also attract entrepreneurial businesses that need to use a plane for business travel, visiting clients, or delivering goods. A good example of this is a new company in town, Voltair, which is constructing a new facility in the Airpark Industrial area. Voltair is a manufacturer of wind turbines and their location in the Airpark Industrial area will allow for quick access for maintenance crews to fly to eastern Oregon to service turbine installations.

Nursery and other Agricultural Products

As noted in the section *Yamhill County Agri-Business* on page 10, Yamhill County has developed the *Yamhill County Agri-Business Economic and Community Development Plan*. Of particular note in the plan is the predominance of the nursery and greenhouse

crop industry in Yamhill County, following by the grass seed and fruit and nut products. All of these are present in the Newberg area. The plan identified needs for processing facilities in the County for these and other agricultural products. The plan includes several strategies to promote the agricultural industrial. Of particular relevance to Newberg are the following recommended strategies:

Rezoning to accommodate prototype development projects. Analysis has revealed the types of representative projects needed to support agriculture and tourism lack adequate sites. Rezoning enables communities to place these projects where they “fit” and provide benefits to the community.

Site assembly. Preparing land for development, from initial site selection through planning and marketing, is site assembly. To assure job growth and allow for new investment, communities will need to be proactive in identifying an adequate supply of properly sized, suitably zoned development sites and be active participants in the development process.

County-wide infrastructure strategy. The most pressing problem for every community is infrastructure. Regional cooperation in Yamhill County to jointly plan for the future and secure adequate drinking water supplies can be a model for cost saving inter-agency arrangements for other services. Moving ahead with a reprisal solution for drinking water is critical for many Yamhill County communities.⁴⁵

Newberg has the infrastructure capable to support such processing facilities. The South Industrial area provides adequate sized sites that would accommodate small and large processing facilities.

Of course converting agricultural land to other uses should not be taken lightly, as that land is important to the agricultural industry. Newberg can assist in this respect by maintaining an urban growth boundary and providing adequate land within that boundary to meet urban land needs at relatively dense development levels. Agricultural land only should be included in the urban area where there is a demonstrated need.

Wine/Tourism Industry

The Chehalem Valley Chamber of Commerce recently branded the area as “the Gateway to Oregon Wine Country.” Vineyards and wine productions is a booming business in the Chehalem Valley. This is attracting a great number of tourists, most with money to spend. This has spurred a number of associated economic opportunities, including:

- Accommodation and Hospitality services. Newberg is home to Oregon wine country’s premiere facility: The Allison Inn and Spa. It also is home to several bed and breakfast inns and other hotels.

⁴⁵ Barney & Worth, Inc., page 43.

- Restaurant and wine tasting. Newberg features several opportunities for fine dining, including the Painted Lady and the Jory at the Allison. Downtown Newberg features several wine bars. There are many opportunities to expand fine and casual dining and wine tasting.
- Arts and Culture. Newberg's downtown has a strong and growing arts community. The Chehalem Cultural Center is set to open soon and will allow art creation and exhibits. This is a strongly growing sector with a lot of opportunity.
- Golf and Recreation. Newberg is home to the Chehalem Glenn Golf Course, one of Oregon's best. This publicly owned course attracts tourists from around the region. A third nine holes is planned, which will further promote the tourism in the area. Additional recreation opportunities, such as for bowling or a family fun center, are desired in the community.
- Riverfront commercial. Newberg has an adopted Riverfront Master Plan for areas along the Willamette River. This future development area will allow views of the Willamette while one shops, dines, or stays. The riverfront area provides access to Roger's Landing, one of the best and most used accesses to the Willamette River.

Retail

Newberg's retail objectives, beyond promoting the wine and tourism industries, focus on providing opportunities for local residents and businesses to obtain the goods they need without travel outside the community. Newberg does have strong retail areas, but sales of certain retail goods are either missing or undersupplied. In many cases the goods are available regionally, but Newberg residents must drive to other areas, such as Washington Square, Wilsonville, Sherwood, or McMinnville. As of 2009, the following retail services are either missing or undersupplied in Newberg: office supplies; electronics; clothing and footwear; sewing supplies; sporting goods; appliances; whole and natural foods. Additional retail services in these areas would be welcome.

IV. Newberg’s Economic Development Strategy

Capitalizing on Comparative Advantages & Addressing Comparative Disadvantages

Table 12- 15: Strategies to Capitalize on Comparative Advantages

Advantage	Strategy / Action
1. Small Town Quality of Life	<ul style="list-style-type: none"> • Continue to provide relatively affordable housing opportunities. • Minimize adverse impacts on existing and planned residential neighborhoods from conflicting employment opportunities. • Continue revitalization efforts of historic downtown. • Support organizations that foster “social capital”. • Work to improve the pedestrian/bicycle network in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.p., 1.q., 3.a.)</i></p>
2. Access to Quality Education and Skills Training	<ul style="list-style-type: none"> • Continue to support the Newberg School District, George Fox University, Portland Community College, and other public and private schools in their efforts to train and motivate the kind of workforce required by existing and future employers in Newberg. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.q.)</i></p>
3. Strong Established and Growing Industry Clusters	<ul style="list-style-type: none"> • Provide sufficient land near existing industrial areas to allow for expansion. • Provide suitable sites with characteristics required by such industries to take advantage of industrial clusters in Newberg. • Encourage the reuse/redevelopment of properties in zones allowing business. <p><i>(Applicable Comprehensive Plan policies: 1.b., 2.e., 2.g.)</i></p>
4. Strong Local Support for Business and Employment Opportunities	<ul style="list-style-type: none"> • Continue to plan for future employment opportunities by providing suitable sites for industrial (export) and commercial uses. • Continue to work collaboratively with the State, Yamhill County, and local businesses to fund infrastructure and planning necessary to maintain and attract desired employment. • Continue to work with and support the Chehalem Valley Chamber of Commerce. <p><i>(Applicable Comprehensive Plan policies: 1.m., 1.n., 1.o., 3.b.)</i></p>
5. Proximity to Portland Metropolitan Region	<ul style="list-style-type: none"> • Continue to work with Metropolitan area partners in promoting the economic advantages of the region. • Provide opportunities for identified regional employment clusters in Newberg. • Continue to advocate for improved access to regional markets, via Highways 99W and 219 and the Interstate. • Continue to maintain rail and air access opportunities. <p><i>(Applicable Comprehensive Plan policies: 1.f., 1.o., 2.g.)</i></p>
6. Future Newberg-Dundee Bypass	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to build political support and ensure funding for the Bypass. • Encourage support, funding and construction of the full Bypass project. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
7. Oregon’s Statewide Planning Goals	<ul style="list-style-type: none"> • Newberg has taken advantage of Oregon’s Economic Development Program (Goal 9) by identifying comparative advantages (and disadvantages), targeting export-based employment clusters, identifying and providing for the site requirements necessary to maintain and attract such clusters in Newberg, and coordinating with Yamhill County and affected state agencies to retain and provide services to suitable employment sites. Newberg will continue to coordinate with these agencies. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Table 12- 16: Strategies to Address Comparative Disadvantages

Disadvantage	Strategy / Action
1. Transportation and Access Issues	<ul style="list-style-type: none"> • Continue to work with the Oregon Legislature and State agencies to ensure funding for the Newberg-Dundee Bypass. • Continue to advocate for Highway 99W improvements to reduce congestion and maintain regional connectivity. • Continue to work with ODOT for review of all development proposals in areas that may impact a state highway facility. <p><i>(Applicable Comprehensive Plan policies: 1.o.)</i></p>
2. Lack of Suitable Employment Sites	<ul style="list-style-type: none"> • Newberg has considered local, regional, state and national economic trends and identified industry clusters that the City has a reasonable likelihood of attracting to the community. • Newberg has also researched and identified the site characteristics demanded by firms within these industry clusters. Newberg is actively planning for a future industrial area that will meet both the industrial site characteristics and the land needs of the city’s population over the next 30 years. <p><i>(Applicable Comprehensive Plan policies: 2.h., 2.g.)</i></p>
3. Limited Suitable Land Supply Outside UGB	<ul style="list-style-type: none"> • After considering the potential for rural residential exception areas to meet identified site requirements, the City has selected sites on agricultural land that will be reserved for identified employment needs. <p><i>(Applicable Comprehensive Plan policies: 2.e., 2.g.)</i></p>
4. and 5. Stressed Commercial Sector and Retail Dollar Leakage	<ul style="list-style-type: none"> • Recruit businesses that can fulfill commercial needs that are currently being unmet locally. • Support small businesses that are adjusting these new retail realities by either focusing on high quality customer service and/or gearing their business plans toward niche markets. • Encourage local retail businesses to improve their online presence. <p><i>(Applicable Comprehensive Plan policies: 1.c., 1.i.)</i></p>
6. Market Pressures on SP Newsprint	<ul style="list-style-type: none"> • Newberg will continually look for opportunities to work with SP Newsprint to help reduce their operational costs. <p><i>(Applicable Comprehensive Plan policies: 2.d.)</i></p>
7. Oregon’s Statewide Planning Goals	<ul style="list-style-type: none"> • Newberg will continue to pursue Urban Growth Boundary amendments and Urban Reserve expansions to provide adequate land for future uses. <p><i>(Applicable Comprehensive Plan policies: 1.f.)</i></p>

Regional Focus

Newberg has recognized the importance of being part of a shared, regional economic vision. *Beyond the Vision: A Strategic Plan for the Chehalem Valley* is a document that was created cooperatively between five governmental entities located within the Chehalem Valley. This document was adopted by the Newberg City Council in January 2005. One section of this document, called *Economy and Employment*, describes the economic future of the area as follows:

A diversified economy provides balanced economic opportunities for the residents of the Chehalem Valley. Agriculture and agribusinesses are an important component of the local economy. The natural beauty of the area encourages

tourism and the wine industry. A carefully targeted retail recapture strategy has encouraged more local shopping and minimized buying outside of the area. Downtown areas are vibrant commercial areas that support the local economy.

Clean industries have been developed using a “campus” design. Plenty of family wage jobs are available for citizens of the area. Tourism is a major economic force, its strengths based on the premise that the Chehalem Valley is 1) the gateway to the wine country; 2) characterized by a clean and comfortable environment; and, 3) offers the historical experience of a friendly, small town and village America in the earlier period of the 20th century. As a destination location for visitors, the community of Dundee now has two small exclusive hotels and bed and breakfast inns. The service industry has expanded, with the health industry and health research being a major provider of employment in this sector of the economy.⁴⁶

Key strategic steps laid out for the *Economy and Employment* section of the plan are as follows:

- Hold a broad community forum on economic development to build consensus.
- Invigorate the Chamber of Commerce Economic Development Committee.
- Seek financial aid in the form of grants.
- Develop community college training programs tailored to the labor force needs of prospective employers.

The regional economic development paradigm is expected to continue in the foreseeable future. Newberg has worked extensively with the Mid-Willamette Valley Council of Governments and the Oregon Business Development Department for many years. With an understanding that Newberg’s economic future is likely to be strongly linked with fortunes of the Portland region, the City has recently developed relationships with economic development organizations in the metropolitan area. In the summer of 2004, the City of Newberg joined the Association of Regional Economic Development Partners, Inc. (now the Portland-Vancouver Regional Partners Council for Economic Development.). The Partners is “a public-private partnership that focuses on shared economic priorities and works to implement business retention, expansion, and recruitment as well as marketing strategies and recommendations for policy development. The members are public and private sector economic development professionals in the region who have worked collaboratively for more than 10 years to retain and recruit businesses, and promote the metropolitan region as a vital economic center.”

On January 3, 2005, the Newberg City Council passed Resolution No. 2005-2554, which stated the city’s support for the framework of the Portland Regional Business Plan of the Regional Economic Development Partners.

⁴⁶ *Beyond the Vision: A Strategic Plan for the Chehalem Valley*

Locally Targeted Economic Development Industry Clusters (Target Industries)

The majority of Newberg's economic development efforts should continue to be focused upon supporting existing local businesses. In the economic development profession, there is a general principle call the "80/20 rule", which means that 80 percent of an area's economic development efforts should be dedicated towards the retention and expansion of existing local businesses. In addition, it is often said that "Your good businesses are your competitor's best recruitment prospects!" Therefore, a community should ensure, as much as possible, that their local businesses are content and prosperous, or else they may look elsewhere to do business. In summary, it is far easier, effective and efficient to try to maintain and expand your economy through one's local industries than to attract new ones.

As important as Newberg's retention efforts are for its economic health, recruiting specific new businesses to Newberg such as those listed in the Portland-Vancouver Regional Business Plan and the Newberg EOA is a critical aspect of Newberg's economic development strategy. Some of these businesses can be recruited to strengthen existing clusters within the community. Others are new types of businesses that can be attracted based on combination of three factors: a business' cluster strength in the Portland region; Newberg's close proximity to the metro area, and Newberg's unique high quality of life compared to other communities in the region. The City's business recruitment efforts should be focused on identified strong, traded-sector clusters. These types of businesses will bring new wealth to the community and diversify the local economy, thereby creating an economic base that is stronger and more stable. Table 12- 17 on page 39 lists industries on which Newberg should focus its economic development efforts.

Table 12- 17: Newberg Targeted Industries

Business Cluster	Targeted business types
Manufacturing and Industry	
High Tech Manufacturing	Semiconductors/silicon, imaging & display technology
	Nano & micro technology, cyber-security, health/medical information technology
	Biotech/bioscience (medical devices, bioinformatics, pharmaceuticals, genomics, anti-virals)
General Manufacturing	Dental equipment
	Metals, machinery, transportation equipment
	Lumber and wood products (value added)
	Sustainable industries (renewable energy, resource efficiency technologies, sustainable building materials, green chemistry)
	Distribution & logistics
	Sports apparel/recreation-related products
Aviation related	Specialty aircraft equipment, aircraft repair, machine shops, small entrepreneur business
Agriculture	Wineries
	Specialty foods and food processing
	Nursery and agricultural products (value added)
Services	Professional services architecture, engineering, legal and financial services, etc.
	Creative services (advertising, public relations, film and video, web/internet content and design)
Health Care	
	Providence Medical Center Expansion, medical offices, senior services
Higher Education	
	Portland Community College campus, George Fox University expansion, high school vocational training and college preparedness, private post-secondary training
Wine/Tourism	
	Wineries and tasting rooms, restaurants, art studios, theater and entertainment, recreation (golf, bowling), conference facilities, specialty retail

Source: Newberg Planning Division

Comprehensive Plan Policies and Recommended Supportive Economic Development Actions

Newberg has developed a vision for the community’s economic future. The City of Newberg’s adopted Comprehensive Plan includes a list of goals and policies that help shape Newberg’s future economy (Section H. The Economy). The following is a list of Newberg’s recommended economic development actions and the applicable Comprehensive Plan policies they support. All of the Comprehensive Plan policies are from Section H (The Economy) and support the larger goal “To develop a diverse and stable economic base”.

1. Work with the State to “certify” industrial sites to shorten the development time of projects and provide certainty to a business that regulatory and permitting issues will not delay the project’s timeline.
Applicable Comprehensive Plan policies: 1.f., 2.g.
2. Identify and implement cost and time saving measures that improve the development permitting process.
Applicable Comprehensive Plan policies: 2.d.
3. Develop a financial incentives “toolbox” to recruit new businesses and encourage existing business expansions. The incentives should be applied only after a proposed project has been reviewed by a rigorous analysis that demonstrates a clear benefit to the City.
Applicable Comprehensive Plan policies: 1.b., 1.g.
4. Maintain a useful economic development website that is easy to navigate and contains substantive content that meets the needs of business.
Applicable Comprehensive Plan policies: 1.a., 1.g.
5. Work with local, regional and state educational and training resources (private and public) to assist with the workforce training needs of businesses and provide opportunities for workers to voluntarily upgrade their skills. The available workforce pool in the Newberg region is approximately 223,000. The regional workforce is estimated by using the assumption that a 23 minute mean commute time (2000 Census) draws workers from an approximately 15 mile radius from the center of Newberg Oregon is recognized for having an educated workforce, one with good basic work skill sets that allows them to be relatively easily trained.
Applicable Comprehensive Plan policies: 1.c., 1.f.
6. Gauge the health of local businesses regularly and identify how the City can help resolve issues, when feasible. Focus should be on businesses of the traded-sector and local clusters. Anticipate local problem areas by keeping abreast of regional, national, and international business trends.
Applicable Comprehensive Plan policies: 1.p.
7. Develop closer ties to organizations/businesses located within the Portland area with a similar interest in regional economic development (e.g. Regional Economic Development Partners, future Portland Economic Development District, etc). However, joining METRO will not be considered. Reevaluate current relationship with Mid-Willamette Valley Community Development Partnership.
Applicable Comprehensive Plan policies: 1.f.
8. Develop a Downtown Revitalization Master Plan prior to the construction of the Newberg-Dundee Bypass. Identify funding sources necessary to implement the plan.
Applicable Comprehensive Plan policies: 3.a.

V. Industrial and Commercial Land Needs and Supply

To encourage and accommodate future commercial and industrial growth, Newberg must have developable land readily available with characteristics necessary to be competitive in the regional economic development market. Newberg’s Ad Hoc Committee on Newberg’s Future recently completed an analysis of the community’s future land use needs. That analysis is described in the *Report to Newberg City Council; Recommendations for Newberg’s Future*, which was accepted by the Newberg City Council on July 21, 2005. On August 1, 2005, the City Council initiated the amendment process for the comprehensive plan changes recommended in the Report. The following are the Committee’s recommendations for commercial and industrial land needs for Newberg’s future. These also include updates made in 2009 to reflect development since the time of the report.

Industrial Land Need

Industrial Employment Projections

Table 12- 18 below projects the future industrial space utilizing employment in Newberg through 2040. The table uses the total employment projected in Table 12- 14 on page 26. The table then calculates the percent of that employment that will utilize industrial space using the same percentages from Johnson-Gardner’s 2004 *City of Newberg – Demand for Commercial and Industrial Land* report.

Table 12- 18: Industrial Space Utilizing Employment Projection through 2040

Industry	% Industrial Space Utilizing	2009	2018	2020	2025	2030	2035	2040
Construction	30%	117	197	210	239	267	301	337
Manufacturing	91%	2,003	2,287	2,443	2,782	3,110	3,505	3,924
Wholesale Trade	82%	60	87	93	105	118	133	149
Retail Trade	0%	-	-	-	-	-	-	-
Transportation, Warehousing & Utilities	93%	169	177	189	216	241	272	304
Information	88%	39	49	53	60	67	76	85
Financial Activities	0%	-	-	-	-	-	-	-
Professional & Business Services	18%	58	85	91	104	116	131	146
Education & Health Services	0%	-	-	-	-	-	-	-
Leisure & Hospitality	0%	-	-	-	-	-	-	-
Other Services	93%	380	403	431	491	549	618	692
Government	0% ⁴⁷	-	-	-	-	-	-	-
Total		2,825	3,286	3,510	3,997	4,468	5,035	5,638
Cumulative from 2009		-	461	685	1,172	1,642	2,210	2,812

⁴⁷ Johnson-Gardner estimated 35% of government employment would be industrial space utilizing. The amount of government related industrial land is accounted in the “Public/Quasi-Public” category, thus is not included here.

Industrial Site Requirements

A variety of parcel sizes, building types, and land use designations are required to provide suitable sites to attract targeted industry clusters. In 2005, the *Report to Newberg City Council; Recommendations for Newberg's Future* documented that there was a general lack of suitable large (20+ acre) industrial sites with access to a state highway and physical separation or transitional buffering from residential neighborhoods. The report documented an additional need for 4-5 large (20+ acre) industrial sites for the period 2005-2025. Industrial land needs for the 2005-2025 period totaled about 216 acres, with an additional 6 sites needed for the period 2026-2040. The assumption was that approximately 50 percent of future industrial employment will take place on large parcels.

In 2009, the Department of Land Conservation and Development (DLCD) encouraged the City to refine its target industries analysis and site needs requirements to determine whether a UGB amendment could be justified. The City has since worked closely with OBDD to refine its industrial site requirements.

This section includes four tables:

1. Table 12- 19 describes average site sizes for targeted industry sectors and clusters;
2. Table 12- 20 arranges targeted industry sectors and clusters into site size ranges and provides examples of existing Newberg industries in those clusters and ranges; and
3. Table 12- 21 associates projected employee growth with site sizes, including redevelopment assumptions, to project a number of needed sites within each site size category.
4. Table 12- 22 describes the site suitability characteristics required for light industrial and Airport-related developments.

Table 12- 19 links targeted industry clusters discussed in this EOA with uses identified in the 2005 *Report to Newberg City Council*. These clusters and uses were allocated site size ranges based on ECONW and a meeting with Oregon Business Development Department (OBDD) representative Tom Fox on September 10, 2009. Site size ranges were verified against OBDD data relating to real firms seeking sites in Oregon, in the targeted industry clusters. Industry clusters containing firms that could potentially require large sites – 10-30 acres or 30-50 acres in size – are identified by the Potential Large Site Category columns. Thirteen industry clusters include firms that could potentially require 10-30 acre sites, and nine include firms that could potentially require 30-50 acre sites.

OBDD reviewed the site size ranges by targeted industry cluster in Table 12- 19 and supports the estimated site sizes and ranges as viable and marketable for Newberg's targeted industries.

Table 12- 19: Site Size Ranges by Targeted Industrial Cluster and Sector

Industry Cluster	Uses	ECO/WB* (Acres)	OBDD** (Acres)	Newberg Examples (Acres)	Potential Large Site Categories	
					10 - 30	30 - 50
High Tech Manufacturing	Electronics, Other	10 - 30	10 - 60	6 - 55	X	X
	Health, Nano/Micro Tech, Cyber Security	5 - 20		6 - 55	X	X
	Bio-Tech/Bioscience/ Pharmaceuticals, Health Services	5 - 40	2 - 60		X	X
General Manufacturing	Dental Equipment	5 - 40		2 - 55	X	X
	Fabricated Metals, Plastics	10 - 20	10 - 20	3 - 7	X	
	Transportation Equipment	10 - 30	10	1	X	
	Industrial Machinery	10 - 20	10 - 20	3 - 6	X	
	Lumber and Wood Products (Value Added)	1 - 10	10	243	X	X
	Sustainable Industries	5 - 25	25 - 200	1 - 7	X	X
	Distribution and Logistics Sports and Recreational Campus	5 - 60	30 - 60		X	X
Airport Related Industrial	Specialty Aircraft Equipment, Aircraft Repair, Machine Shops, Small Entrepreneur Business	1 - 70	70	1 - 3		
	Winery			3 - 5		
Agriculture	Specialty Foods and Food Processing	1 - 10	10 - 150	5	X	X
	Nursery and Ag Products (Value Added)	1 - 10		2 - 13	X	
Services	Professional Services	1 - 5		1 - 2		
	Creative Services, Printing, Publishing	1 - 10		1 - 2		

*ECO/WB: EcoNorthwest and Winterbrook Planning

**Outside Investment Prospects, OECDD (OBDD), Oct 2008

Table 12- 20 below arranges the identified target industry clusters and sectors by potential site sizes, and associates those sizes with existing Newberg industries. As shown in Table 12- 19, some industry clusters and sectors appear in multiple site size categories due to wide potential ranges. Of note, Newberg’s existing large industrial sites (A-Dec and SP Newsprint) are over 50 acres in size.

Newberg has an excellent example of a high tech traded-sector manufacturing cluster – three large firms in the dental industry. A-Dec, A.R.E. Manufacturing, and Dental Components Inc. employ slightly over 1,000 people on 67 acres of industrial land. It is not unreasonable for Newberg to assume similar success with another targeted-industry cluster. As such, 10-30 and 30-50 acre sites should be included to provide the City with this opportunity.

Table 12- 20: Targeted Industry Clusters and Sectors by Site Size Ranges and Existing Newberg Industrial Firm Examples

Site Size Range	Industry Clusters/Uses	Newberg Industry Examples
<10 Acres	<ul style="list-style-type: none"> • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Fabricated Metals, Plastics • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Airport Related Industrial • Winery • Specialty Foods and Food Processing • Nursery and Ag Products (Value Added) • Professional Services • Creative Services 	<ul style="list-style-type: none"> • Climax Portable Machine Tools • PPM Technologies • A.R.E. Manufacturing • Dental Components Inc. • Ushio Oregon • Harris Thermal Transfer Products • Airpark Business Complex
10 – 30 Acres	<ul style="list-style-type: none"> • Electronics • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Fabricated Metals, Plastics • Transportation Equipment • Industrial Machinery • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Sports and Recreational Equipment Campus • Specialty Foods and Food Processing • Nursery and Ag Products 	<ul style="list-style-type: none"> • Suntron Corporation⁴⁸
>30 Acres	<ul style="list-style-type: none"> • Electronics • Health, Nano/Micro Tech, Cyber Security • Bio-Tech/Bioscience/Pharmaceuticals • Dental Equipment • Lumber and Wood Products (Value Added) • Sustainable Industries • Distribution and Logistics • Sports and Recreational Equipment Campus • Specialty Foods and Food Processing 	<ul style="list-style-type: none"> • SP Newsprint Company • A-dec, Inc.

⁴⁸ Suntron announced plans to close operation in Newberg in 2010.

Table 12- 21 links projected 2030 industrial employment from Table 12- 18 on page 41 with potential site size ranges. While examples can be found of large sites with few employees, and small sites with many employees, larger employers generally require larger sites. This table is one way to address that dynamic while relating projected industrial site needs to adopted employment projections.

The data is based on the assumption that most sites under 10 acres will be located in industrial parks, which will require dedication of an average of 15% right-of-way for streets and utilities. For sites over 10 acres, the table assumes 5% of the area for streets and utilities. The table also includes assumptions that most (55%) of Newberg’s future industrial employment will be located on sites 10 acres or less, and that one-third of those future new industrial firms under 10 acres in size, and one-half of firms under 2 acres in size, will find a site through infill redevelopment or intensification of existing employment land uses.

Table 12- 21 shows the 2030 need for approximately 24 acres of very small (under 2 acre) sites, 75 acres of small (2- to 10-acre) sites,⁴⁹ two sites in the 10-30 acre range, and one site in the 30- to 50-acre range, for a total industrial site need of 183 gross buildable acres by 2030. These needs for small and medium sites are consistent with recent demand for industrial land in Newberg. From 2005 to 2009, there were 24 acres of industrial land developed. A number of industrial employers expanded or constructed new facilities over that time, including Action Equipment, Climax Portable Machine Tools, Harris Thermal, A-dec, and Freeman Manufacturing. The total land needs equate to approximately 10 employees per developed acre, which reflects the reality that many firms look for sites that allow for future expansion, and is consistent with the site size per employee ratio of many of Newberg’s largest industrial employers.⁵⁰

Table 12- 21: Site Size Distribution by Firm Employment (2010-2030)

Employees per Firm	Percent of Employment	Number of Employees	Number of Firms	Sites Needed	Size Range (Acres)	Average Site Size (Acres)	Average ROW Need (Acres)	Gross Buildable Acres Needed
0-9	15%	246	41	21	<2	1	0.15	24
				20	<i>infill & redevelopment</i>			0
10 to 74	40%	657	19	13	2 - 10	5	0.75	75
				6	<i>infill & redevelopment</i>			0
75 to 150	15%	246	2	2	10 - 30	20	1.00	42
150+	30%	493	1	1	30 - 50	40	2.00	42
Total	100%	1,642	63	63				183

Source: Winterbrook Planning 2009, Newberg Planning Division

In addition, there is a projected need for 1,170 industrial employees for the period 2031-2040.

⁴⁹ Much of this site size need can be most efficiently accommodated by master planned business parks.

⁵⁰ Review of site sizes for existing industrial firms with over 50 employees in Newberg determined an average of 4.75 employees per acre. A fully developed site for an employee-rich industrial firm like A-Dec is able to achieve about 16 employees per acre. Firms like A.R.E. Manufacturing, Dental Components Inc., Ushio Oregon Inc., and Harris Thermal Transfer Products come in around 7-11 employees per acre.

At an average of 11 employees/acre, which represents a 10% increase in future industrial density as a further efficiency measure, plus 10% of the land area for right-of-way (based on an a mix of small and large sites), this will generate an additional need for 117 gross buildable acres of land for the period 2031-2040.

Table 12- 22 shows the site suitability characteristics needed for these targeted industries.

Table 12- 22: Required Industrial Site Suitability Characteristics

Required Site Characteristic	Description	Statutory, Rule or Plan Basis
Site Size	<ul style="list-style-type: none"> • Minimum parcel size 5 vacant acres (or vacant with less than ½ acre occupied by permanent structures) • Group of at least 20 suitable acres as defined below • May include parcels with less than 5 vacant acres if site is currently an industrial use or is vacant and adjacent to industrial use or group of 20 suitable acres • Inventory to include sufficient large sites (10-30 acre and 30-50 acre categories) 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Topography	Exclude: <ul style="list-style-type: none"> • Slopes of 10% or greater • Inventoried and protected riparian corridors / wetlands • Areas within the designated Stream Corridor Overlay (which include the 100-year floodplain) • Remaining suitable area contiguous and generally rectangular in shape for efficient development 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Proximity to Transportation and Services	Include parcels (or group of parcels): <ul style="list-style-type: none"> • Within, or contiguous to existing UGB to allow for efficient extension of urban services, or as part of group of parcels that could immediately be added to UGB • Adjacent to or within 1/8 mile of a major arterial or state highway access without travel through non-industrial properties. • Provides connection to I-5 via Highway 219 • Site adjacent to Sportsman Airpark necessary for airport-related industrial uses • Adjacent to existing industrial areas, or agglomeration of at least 100 new acres to facilitate agglomeration economies and minimize adverse impacts 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA
Compatibility (residential, downtown and resource land)	Exclude sites that: <ul style="list-style-type: none"> • Abut residential neighborhood on more than 25% of the site perimeter unless effective topographical or road buffers present or planned • Abut large contiguous tracts of agricultural land unless effective topographic or road buffers are present or planned • Result in truck traffic through downtown 	ORS 197.712; Goal 14; OAR 660-009-0025; OAR 660-024-0060; Revised Newberg EOA; Goal 14 Locational Factors

Industrial Land and Sites

The comprehensive plan inventory of buildable industrial land was updated in 2009, consistent with the requirement in OAR 660-009-0015 (3) for an inventory of industrial and other employment land. The term “buildable industrial land” as used in this plan is consistent with the terms defined in OAR 660-009-0005 as “total supply” of “vacant” or “developed” industrial land that is “suitable” and “serviceable.” Buildable land:

1. Includes lots that have any “Industrial” comprehensive plan designation. This includes land in the “Employment” Springbrook District, specific plan industrial districts, and land in the MIX comprehensive plan district zoned industrial. It excludes publicly owned properties intended for city facilities such as the wastewater treatment plant expansion, which are counted in the “public/quasi-public” category.
2. Includes lots that are:
 - a. equal to or larger than one half-acre not currently containing permanent buildings or improvements; or
 - b. between one-half and five acres that are likely to be redeveloped during the planning period.
 - c. equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.
3. Excludes portions of lots within stream corridors, with slopes over 10 percent, or currently occupied by buildings or industrial uses, or contained within the Newberg-Dundee bypass “build design alternatives options” published August 2008.

Table 12- 23 shows the existing buildable industrial land in the UGB as of 2009. Figure 12- 3 is a map of the buildable industrial land in the UGB in 2009.

Table 12- 23: Buildable Industrial Land in Newberg UGB (2009)

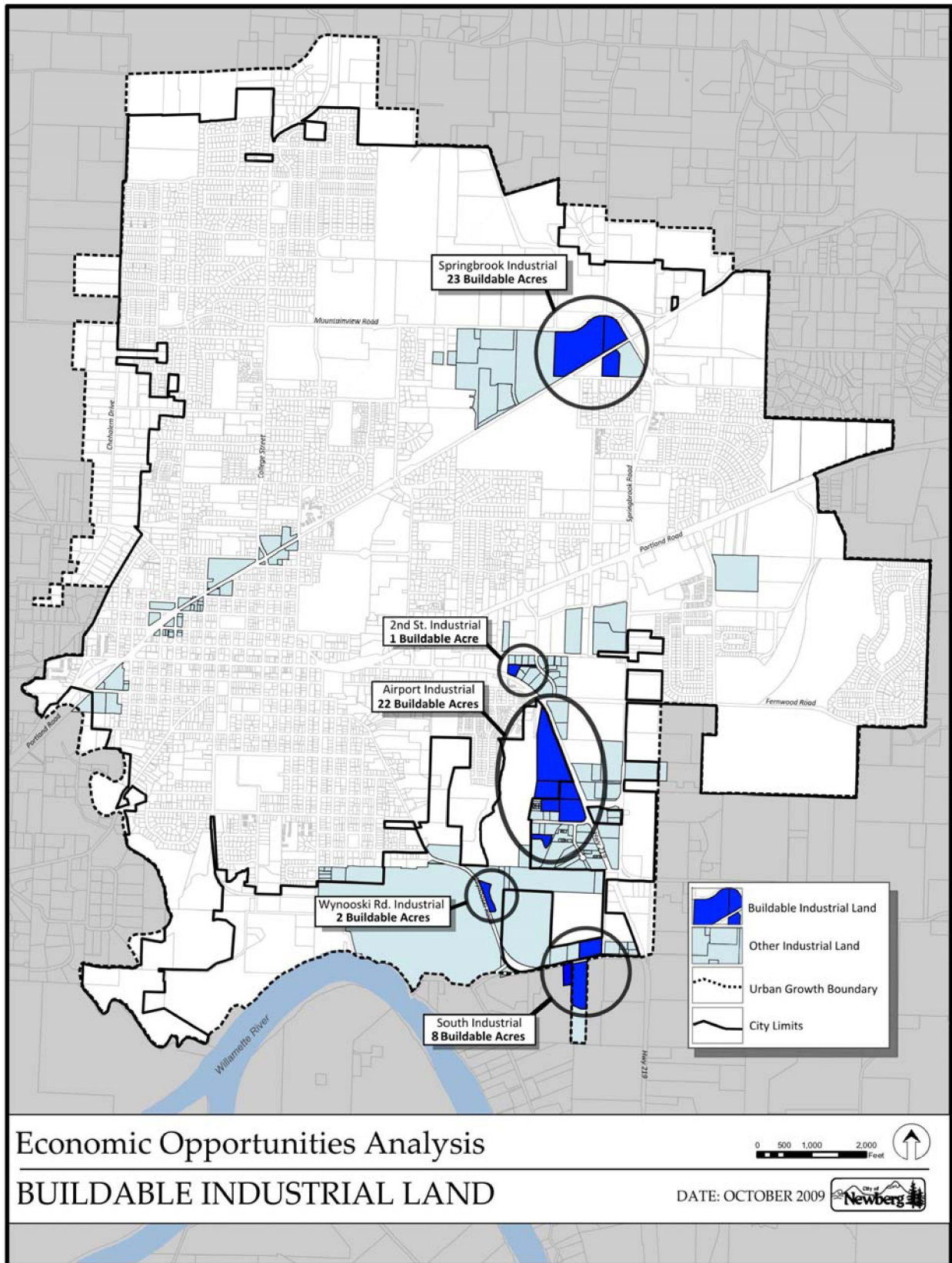
Location	Potential Uses	Buildable Acres	Site Sizes				
			< 2 ac.	2-10 ac.	10-30 ac.	30-50 ac.	Total
Springbrook Employment	Light Manufacturing or Industrial Office	23		1	1		2
Sportsman Airpark ⁵¹	Airport Industrial	22	2	4			6
Wynooski Industrial	Light Industrial	10	1	2			3
Elliot Road Industrial	Light Manufacturing or Industrial Office	1	1				1
Total		56	4	7	1		12

Source: Newberg Planning Division

The current UGB has approximately 56 buildable industrial acres. Newberg’s existing industrial land supply is mostly contained within two industrial/employment park areas: approximately 23 buildable acres zoned SD/E (Springbrook District Employment) in the Springbrook area and approximately 22 vacant acres near the Sportsman Airpark. There are also about 10 acres of buildable industrial land scattered throughout the City on individual lots.

⁵¹ The Sportsman Airpark contains one large 55-acre property that contains the existing airport, plus approximately 10.8 acres of buildable industrial land. The approved Sportsman Airpark Master Plan includes a plan for developing the buildable industrial land into an industrial park with aviation related uses. This site was counted in the 2-10 acre category, even though it contains slightly over 10 acres of buildable land, because the approved master plan envisions further division, and the aviation related uses are more likely to be separate smaller firms rather than one large firm.

Figure 12- 3: Buildable Industrial Land, Newberg UGB 2009



2030 Industrial Site Need vs. Supply

As shown in Table 12- 24, Newberg has an unmet need for one 30- to 50-acre site, two 10- to 30-acre sites, 45 acres of 2- to 10-acre sites, and 18 acres of sites under 2 acres in size.

Table 12- 24: 2010-2030 Industrial Land Supply and Need

Size Range (Acres)	Number of Sites - 2009 UGB	Buildable Acres - 2009 UGB	2010-2030 Needed Sites	2010-2030 Needed Gross Buildable Acres	2010-2030 Deficit # of Sites	2010-2030 Deficit Gross Buildable Acres
<2	5	6	21	24	(16)	(18)
2 to 10	7	30	13	75	(6)	(45)
10 to 30	1	20	2	42	(1)	(22)
30 to 50	0	0	1	42	(1)	(42)
Total	13	56	37	183	(24)	(127)

Source: Winterbrook Planning, City of Newberg

This means that Newberg’s UGB should be expanded by approximately 127 buildable industrial acres to include:

- 1) A 30- to 50-acre site;
- 2) A 10- to 30-acre site; and
- 3) Industrial park sites totaling approximately 63 buildable acres.

In addition, for the period 2031-2040, Newberg will need an additional 117 gross acres of buildable industrial land. This need has not been divided by site size, but is likely to be similar to the site needs distribution for the 2010-2030 period. The best approach would be to reserve sufficient land in the urban reserve to meet this acreage need, then include suitable land in the UGB as needs arise.

Commercial Land Need

Commercial Land Need

As Newberg’s population grows, so will its needs for commercial land. Additional population will bring additional retail, office, and other commercial opportunities. In 2004, Johnson-Gardner prepared a preliminary forecast for the need for office and retail commercial land. The office land need is a function of employment growth based on long-range forecasts by the Oregon Employment Department. The retail land need is a function of household growth and typical household spending patterns. In November 2009, the Oregon Employment Department issued new employment growth forecasts for the 2008-2018 period. The Newberg Planning Division then updated the commercial land need projections for the 2010-2040 period based on this new data, as detailed below.

Office Land Need

Table 12- 25 projects office space utilizing employment for 2010-2040. The table uses the total employment projections from Table 12- 14 on page 26. The table then determines the percentage of that employment that will utilize office space using estimates from the 2004 Johnson-Gardner *City of Newberg – Demand for Commercial and Industrial Land* report.

Table 12- 25: Office Space Utilizing Employment through 2040

Industry	% Office Space Utilizing	2009	2018	2020	2025	2030	2035	2040
Construction	2%	8	13	14	16	18	20	22
Manufacturing	5%	112	126	134	153	171	193	216
Wholesale Trade	5%	4	5	6	6	7	8	9
Retail Trade	5%	42	56	60	68	76	86	96
Transportation, Warehousing & Utilities	30%	54	57	61	70	78	88	98
Information	90%	40	50	54	61	69	77	87
Financial Activities	90%	217	255	273	310	347	391	438
Professional & Business Services	90%	289	427	456	519	580	654	732
Education & Health Services	40%	1,314	1,259	1,344	1,531	1,711	1,929	2,159
Leisure & Hospitality	40%	407	554	582	662	740	834	934
Other Services	40%	164	174	185	211	236	266	298
Government	35%	61	67	72	82	91	103	115
Total	28%	2,710	3,033	3,240	3,689	4,124	4,648	5,204
Cumulative from 2009		-	323	530	979	1,414	1,938	2,494

Table 12- 26 converts the office employment projections to land needs. The table uses the assumptions from the 2004 Johnson-Gardner report for office area per employee and floor-to-area ratio (FAR). The table also included a 15% allowance for right-of-way, utilities, and other unbuildable areas.

Table 12- 26: Office Land Needs through 2040

Industry	Office Sq. Ft. per Emp.	FAR	ROW	2009	2018	2020	2025	2030	2035	2040
Construction	225	40%	15%	0.1	0.2	0.2	0.2	0.3	0.3	0.3
Manufacturing	200	40%	15%	1.5	1.7	1.8	2.1	2.3	2.6	2.9
Wholesale Trade	200	40%	15%	0.1	0.1	0.1	0.1	0.1	0.1	0.1
Retail Trade	200	40%	15%	0.6	0.8	0.8	0.9	1.0	1.2	1.3
Transportation, Warehousing & Utilities	225	40%	15%	0.8	0.9	0.9	1.1	1.2	1.3	1.5
Information	200	40%	15%	0.5	0.7	0.7	0.8	0.9	1.0	1.2
Financial Activities	200	40%	15%	2.9	3.4	3.7	4.2	4.7	5.3	5.9
Professional & Business Services	200	40%	15%	3.9	5.8	6.2	7.0	7.8	8.8	9.9
Education & Health Services	200	40%	15%	17.7	17.0	18.2	20.7	23.1	26.0	29.2
Leisure & Hospitality	200	40%	15%	5.5	7.4	7.9	8.9	10.0	11.3	12.6
Other Services	200	40%	15%	2.2	2.3	2.5	2.9	3.2	3.6	4.0
Government	200	40%	15%	0.8	0.9	1.0	1.1	1.2	1.4	1.6
Total (Gross Buildable Acres)	201	40%	15%	36.7	41.1	43.9	50.0	55.9	62.9	70.5
Cumulative from 2009					4	7	13	19	26	34

Retail Land Needs

Table 12- 27 projects the need for retail land in Newberg for the 2010-2040 period. The table uses the methodology outlined in the 2004 Johnson-Gardner *Demand for Commercial & Industrial Land Report*. That report uses a five step process to determine commercial land needs:

1. Project future household growth.
2. Estimate Newberg per-household spending in a number of retail categories.
3. Project Newberg retail sales per retail category.
4. Project demand for retail space based on projected sales in each retail category.
5. Convert retail space demands into acreage needs for retail land.

The result of the report’s calculations is that for every 1,000 new households, there will be a need for 14.8 net buildable acres of retail land. Thus, using this simple factor, we can project future retail land needs based on the projected household growth. Household growth was updated using the 2009 population estimates for the Newberg urban area as a base.

The table also made three other adjustments to the retail land needs. First, the table includes a 15% allowance for right-of-way, utilities, and similar unbuildable land. Second, as an efficiency measure, the table assumes that 5% of retail land needs will be met through infill or redevelopment of existing commercial land, such as in downtown Newberg. Third, the table includes an allowance for one acre of commercial land inside the UGB estimated to be displaced by construction of the Newberg-Dundee Bypass.

Table 12- 27: Retail Land Needs through 2040

Category	2009	2015	2020	2025	2030	2035	2040
Population	23,582	28,559	33,683	38,352	42,870	48,316	54,097
Households ⁵²	7,799	9,445	11,140	12,684	14,178	15,980	17,892
New Households (from previous column)	-	1,646	1,695	1,544	1,494	1,801	1,912
Net Buildable Acres per 1,000 households	-	14.8	14.8	14.8	14.8	14.8	14.8
Right-of-Way	-	15%	15%	15%	15%	15%	15%
Infill/Redevelopment	-	(5%)	(5%)	(5%)	(5%)	(5%)	(5%)
Displaced by Bypass	-	-	-	1	-	-	-
Total Gross Buildable Acres Needed	-	27	28	25	25	30	31
Cumulative from 2009	-	27	55	80	105	135	166

Total Commercial Land Needs

Table 12- 28 below sums the office land needs projected in Table 12- 26 on page 52 and the retail land need projected in Table 12- 27 on page 53 to yield total commercial land needs. These land needs are categorized by the 2010-2030 timeframe, and by the 2031-2040 timeframe.

Table 12- 28: Commercial Land Needs, 2010-2040

Type	2010-2030	2031-2040
Office	19 ac	15 ac
Retail	105 ac	61 ac
Total	124 ac	76 ac

Note: All acreages are gross buildable acres.

⁵² Projected population was converted to projected households using a conversion factor of 3.024 population per household. This factor was determined using the 2007 Census population estimate for Newberg city of 22,541, and dividing it by the 2006-2008 American Community Survey estimate of 7,455 households. Note that this factor is different than the 2006-2008 ACS estimated population per household of 2.7, because total population includes non-households.

Commercial Site Requirements

In 2004-05, Newberg prepared the *Report to Newberg City Council; Recommendations for Newberg's Future*, which documented the development form necessary to accommodate identified commercial land needs. As can be seen, most of the commercial growth is expected to occur within Newberg's existing commercial areas. Newberg has many commercial opportunities in its downtown core. The Newberg Downtown Revitalization Committee is actively working on projects to revitalize the downtown commercial core, including the addition of a new downtown gateway sign, a downtown demonstration block, and efforts to publicize available public parking areas. There is currently approximately 1 buildable acre in the downtown core; however, it can be assumed that redevelopment, infill, and intensification of uses in the downtown core and other commercial areas will contribute an additional 5% of buildable land supply through 2040.

In addition, Newberg will need to provide large parcels for shopping centers. The Urban Land Institute has identified three types of shopping centers that potentially could be developed in communities such as Newberg: neighborhood centers, community centers and regional centers. A large regional shopping center is not consistent with Newberg's desire to maintain a small town feeling and have a complete community rather than a bedroom suburb; therefore, smaller neighborhood and community shopping centers are preferred.

Newberg needs to ensure that there is an adequate supply of sites with appropriate characteristics for smaller neighborhood and community shopping centers in terms of size, access, and location. Under this approach, future land needs will include needs for 2-3 community centers (10-15 acres each) and 2-3 smaller neighborhood centers (3-5 acres) through 2040. The smaller neighborhood commercial centers should be scattered throughout the community to provide goods and services near where people live and reduce the need to drive into the central area for basic needs.

Table 12- 29: Required Commercial Site Suitability Characteristics

Required Site Characteristic	Description
Site Size	<ul style="list-style-type: none"> For neighborhood centers – 3 acres minimum For community centers – 10 acre minimum No more than two separate ownerships
Topography	Exclude: <ul style="list-style-type: none"> Slopes of 10% or greater Inventoried and protected riparian corridors / wetlands Areas within the designated Stream Corridor Overlay (which include the 100-year floodplain) Remaining suitable area contiguous and generally rectangular in shape to enable efficient development
Proximity to Transportation and Services	<ul style="list-style-type: none"> For neighborhood centers – access to major collector or minor arterial street at a minimum. For community centers – access to minor or major arterial.
Compatibility	Exclude sites that: <ul style="list-style-type: none"> For community centers, abut residential neighborhood on more than 50% of the site perimeter unless effective topographical or road buffers present or planned

Commercial Land and Sites

The commercial buildable land inventory inside the 2009 Newberg UGB has approximately 120 buildable acres. Newberg has seven main commercial areas. These are shown on Figure 12- 4 on page 57. Table 12- 30 shows the location and amount of buildable land in each area.

Table 12- 30: Buildable Commercial Land in Newberg UGB (2009)

Location	Potential Uses	Buildable Acres	Parcels over 5 Acres Buildable
Downtown	Infill Retail and Office Uses	1	0
College/Mountainview Neighborhood Center	Neighborhood or Community Commercial Center	12	1
Springbrook Hospitality and Village	Tourist Retail and Hospitality	25	2
East Portland Road	Community Commercial Center	28	2
Portland Road	Retail and Office	19	1
Riverfront	Tourist Retail and Hospitality	10	0
Providence Drive	Medical Offices	25	2
Total		120	8

2030 Commercial Site Need and Supply

Overall, Newberg has nearly an adequate supply of commercial land to meet needs through 2030. The overall land supply is weighted toward medical office land (Providence Drive) and tourist commercial land (Springbrook and Riverfront), and less toward general retail land. There is land for two community commercial centers. There is an overall deficit of 10 acres of retail commercial land.

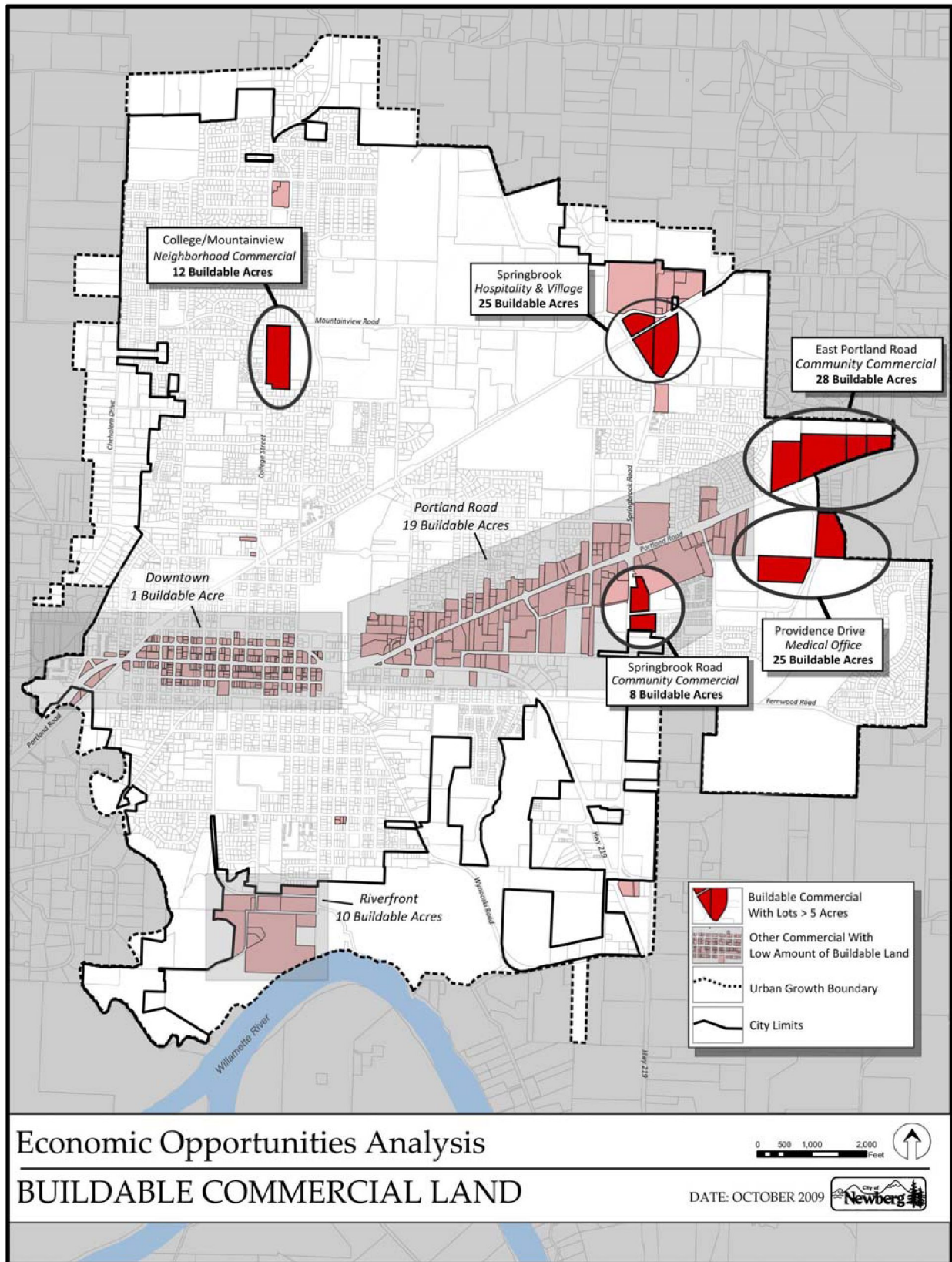
Table 12- 31: Commercial Land Supply and Need

Type	Buildable Acres Needed 2010-2030	Buildable Acres in 2009 UGB	Surplus or (Deficit)	Buildable Acres Needed 2031-2040
Office	19	25	6	15
Retail	105	95	(10)	61
Total	124	120	(4)	76

Note: All figures are gross buildable acres.

There is a need for 76 buildable acres for the time period from 2031-2040. There is a built in assumption that approximately 5 percent of the commercial land need will be made up by downtown redevelopment and infill. The remainder of the future commercial land supply should include an additional community commercial center and 2-3 neighborhood commercial centers.

Figure 12- 4: Commercial Areas and Buildable Commercial Land, Newberg UGB 2009



VI. Conclusion

Newberg’s economic base has diversified over time and several of its home-grown industries have become national and international leaders in their respective fields. The City is slowly transitioning into more of an urban center for east Yamhill County as the population grows. However, Newberg citizens have made it clear that they value the “live here, work here, shop here” values and way of life. To keep up the City’s commitment to the values of its residents, Newberg must strengthen its economic base and provide adequate industrial and commercial land for current and future populations.

The industrial and commercial buildable land supply tables in this report indicate a shortage of both types of land within the current Newberg Urban Growth Boundary. It is critical for economic development efforts to have adequate buildable land available that meets the identified site suitability requirements for both industrial and commercial areas. The City cannot help provide enough jobs for current and future residents without adequate land to locate new businesses on, and without adequate land for existing businesses to expand onto.

Fortunately, Newberg has many advantages that make it stand out in the regional marketplace, including the following:

- Small town quality of life
- Access to quality education and skills training
- Strong established and growing industry clusters
- Strong local support for business and employment opportunities
- Proximity to the Portland Metropolitan Region
- Future Newberg-Dundee Bypass
- Compliance with Oregon’s statewide planning goals

In addition, Newberg has easy access to Interstate 5 on its south side for easy access to industrial locations. One of the most important advantages on the list is that Newberg has strong existing and growing industry clusters in the areas of manufacturing, health care, higher education, and wine tourism. Providing additional adequate land for industrial and commercial businesses that are in these same sectors and other compatible sectors will help strengthen Newberg’s economic base for the future.

By following the recommended actions in the plan, Newberg can maintain and build a strong economic base to benefit all its citizens.

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