February 20, 2014

Oregon Department of Land Conservation and Development
Attn: Larry French, Periodic Review Specialist
Via e-mail: larry.french@state.or.us

Re: Newberg South Industrial Urban Growth Boundary Amendment
Response to Issues Raised at the 2/13/14 LCDC Meeting

Please accept the attached response to issues raised at the February 13, 2014, LCDC meeting. We have included detailed responses to the questions raised in the department’s supplemental inventory of issues related to Newberg’s UGB amendment, and we have also addressed related issues that came up during the discussion. We request that LCDC consider our responses to the issues and approve Newberg’s UGB amendment submittal.

If you have any questions; please contact me at 503-538-9421 or barton.brierley@newbergoregon.gov.

Sincerely,

Barton Brierley, AICP
Planning & Building Director

Enc
Cc: Tim Ramis, Truman Stone, Ken Friday, objectors via e-mail
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General Discussion

Newberg’s Economic Development Strategy and Purpose of Comprehensive Planning for Industrial

The commission asked for a more thorough explanation of Newberg’s economic development strategy. Newberg’s strategy corresponds with the State of Oregon’s requirements for comprehensive land use planning, as specifically directed by Oregon Administrative Rule 660 Division 9 and others. In Oregon, local governments are required by Goal 9, Goal 14, and the implementing rules to provide adequate land in the urban growth boundary to provide for employment opportunities over a 20 year planning period. Goal 9 requires local governments to, “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 . . . .” Thus, local governments are not allowed to focus on a single potential industrial use, but must provide opportunities for a variety of different uses over a 20 year period. The vision of Goal 9 is that at the beginning of the 20 year planning period, a city should have an adequate number of sites and acres of vacant industrial land to provide opportunities for industries to locate in, factually based on employment projections for the city. It is generally expected that a number of different businesses of various kinds will locate in that industrial land over the 20 year planning period. An industrial area might have a warehouse on one parcel, a metals fabricator on the next parcel, a food processing plant on the next parcel, and a high tech research and testing lab on the next. Over time, some of those uses might change: a warehouse might be converted to a winery, a metals manufacturer might change to a research facility, and so forth. The city should re-evaluate its needs in accordance with Goal 9 at some point when much of the available industrial land is in use, and possibly add another hundred acres or so of industrial land to replenish the industrial land supply so that a 20-year supply is again available.

Bringing a property into the UGB for industrial uses is a beginning step in attracting industry to an area. After the property is in the UGB, the city will continue other steps, such as annexing the land and bringing sewer, water, and roads to the area to get it to a “shovel-ready” state. Once it is shovel ready, then various businesses will begin looking at the area to site their industry. According to the state agency Business Oregon, “Industrial land is one of the state’s most valuable resources in terms of net contributions to the state's economy and tax base.” Newberg has worked extensively with Business Oregon and other officials at DLCD in an effort to provide shovel-ready industrial land that Newberg can rely upon for the next 20 years.

Newberg’s strategy focuses first on retention and expansion of existing businesses and second on recruitment of new businesses. Therefore, we know some of the types of uses that will go into the new industrial land because they are the types of uses that already are in the community, and are uses that we actively work to retain and expand locally. Other new businesses may start up or relocate to the community based on many factors, including existing working relationships, partnerships, synergy with
existing businesses, the quality of industrial sites Newberg can provide, the quality of life amenities for employees, and more.

The strategy is not to look for one specific use one year, then look for another specific use the next year. Industry is always evolving and thus it would be short-sighted of us as a city to not provide a variety of sites suitable for general industrial users in lieu of trying to predict which specific industry might locate on a specific site each year over the next 20 years. Newberg’s Economic Opportunities Analysis identifies 17 targeted uses that we hope to continue to retrain and recruit in a variety of types and sizes over the next 20 years. It would be both unwise and a violation of the statewide planning goals to wait until a specific business was looking at site to begin the process of including land into the UGB. In fact, doing so would just about guarantee that no industry would ever pursue or locate in an area.

**Site Suitability Characteristics and the Court’s “Pragmatic Approach” of “Typical” and “Meaningful”**

The commission discussed the Court of Appeals “pragmatic approach” to site characteristics and whether it wished to weigh in with a somewhat different interpretation. While the commission could do that, we question the wisdom of doing so. The court’s ruling was very thorough and thoughtful, and we believe it gives accurate direction on the topic. Both Newberg and the opponents agree that the Court’s ruling should be applied, so we don’t see any reason why the commission should weigh in differently.

We do ask that the commission actually apply the “pragmatic approach” and “meaningful connection” test, rather than the “strict indispensability” or other test that was the basis of the department’s recommendation. We appreciate that the department’s supplemental report dated February 10, 2014 began the thought process about what the Court’s decision meant:

> As LUBA notes, this interpretation is subjective, giving the city some latitude in determining what site characteristics are “necessary” for successful operations. It is not a “strict” necessity test; it does not require that the city demonstrate that the selected site characteristic is one that a particular use must have or cannot do without. Friends of Yamhill County v. City of Newberg, 62 Or LUBA at 18. However, it is also not a test that asks whether a characteristic might be nice to have, or might result in a more attractive site, or one that gives the city a marketing advantage. Id. (rejecting the city’s suggestion that a site characteristic can be one that would give the city advantage in competing with other areas). In its most simplistic form, it is a test that asks what is needed, not what is wanted.

DLCD Supplemental Report 4-5.

While the department at least acknowledged the Court’s decision, they still don’t capture the meaning of the “pragmatic approach” the Court of Appeals endorsed. They are forgetting or ignoring the fact that Goal 9 is an economic development rule; one that is designed to encourage, promote, and even require that local communities have a quality supply of employment land. In looking at “needs” vs.
“wants,” if one construes “needs” to be those characteristics that a business “cannot do without,” then we are back to the “strict indispensability” test that the court rejected. If one considers “needs” to be those things that “have a meaningful connection” to the use, then we are on the right track back to the Court of Appeals’ interpretation.

The pitfall in the department’s explanation is that “needs” are also “wants.” For example an industry may “need” a level site with good access (in the Court of Appeals sense of the term), but they also invariably will “want” a level site and good access because they don’t want their business to fail. In fact it is hard to find anything that is “reasonably necessary for the successful operation of a particular industrial or employment use” that also isn’t “nice to have,” doesn’t “result in a more attractive site,” and that doesn’t “give the city a marketing advantage.” Under the department’s analysis it becomes too easy to cast aside those attributes that do have a “meaningful connection with the operation of the industrial or employment use” by simply saying they are “nice to have” and therefore don’t qualify. Unfortunately, that is exactly what the department did. Once they started reading about the “benefits” of a particular characteristic, they stopped reading and stamped the characteristic merely “nice to have,” rather than giving the issue the thorough examination it deserves.

If the department does want a way to distinguish appropriate vs. inappropriate site characteristics, we suggest looking at the Court of Appeals “meaningful connection” test, and considering what would not meet that test. We suggest that attributes that “only have a casual connection” with the operation of the employment use would not qualify as valid site characteristics.

As an example, “visibility” is one site characteristic allowed under the Goal 9 rule. The Court of Appeals deliberated on how “visibility” ever could be valid site characteristic if “necessary” is considered too strictly. That is why they adopted the “pragmatic approach.” It probably would be fairly easy for most retail uses to show that “visibility” from a major road has a “meaningful connection” to their uses, in that they are in the business of attracting customers to their stores, and they need visibility to do that. On the other hand, it probably would be challenging for most industrial uses to show that “visibility” has anything more than a “casual connection” to their use. Using the department’s “needs” vs. “wants” analysis, however, we think the department could always call “visibility” a “want” rather than a “need” even for a retail use, because undoubtedly that retail use “wants” visibility in addition to “needing” it. This would render allowance of “visibility” as a site characteristic meaningless, and we don’t believe the commission meant that characteristic to be meaningless. Given that, we believe that if the department really looks at the site characteristics we adopted, they will find that they have a “meaningful connection” rather than a “casual connection” to the use.

We also need to point out that there may be a long list of reasons why a particular characteristic has a meaningful connection to a use. In considering whether the characteristic has a meaningful connection, one needs to look at the entire list together, and not simply isolate one reason, dismiss that reason, then move to the next. This too is what the department did for at least some of the characteristics.

Some “meaningful connections” are more easily quantified than others. For example, in Salem, government offices cluster around the state capitol building. We expect this isn’t a random occurrence.
and that there is a “meaningful connection” between such clustering and the government office’s operations. Quantifying why that connection is meaningful is a bit ethereal. One could try to measure it in terms of how many miles department directors need to travel to the state capitol to attend sessions and how much gas they save, but that really misses the point. The real answer is that there is a “synergy” and “coordination” between these uses that provides a very “meaningful connection” to them being located in close proximity, even though that is hard to quantify. We too have found that there is a synergy that occurs in industrial parks and districts that is just as meaningful, and should not be dismissed as only casually related.

While there certainly is some judgment on what is “indispensable” vs. “meaningful” vs. “casual,” we also want to remind the department and commission that they are not the ones making that judgment. It is up to the local government to make that judgment. Thus, even if the commission might feel like they would cast a different opinion, ultimately the commission’s role is to see if the facts lead to the conclusion.

We also would like to remind the Commission about what we are trying to prove:

- Some industries need small parcels and some industries need large parcels.
- Industries need level sites.
- Industries need close access to a highway or arterial to bring materials in and ship goods out.
- Industries need to be clustered with other industries rather than on scattered individual sites to take advantage of this synergy.
- Industrial uses can’t be in the middle of residential neighborhoods because it hampers industrial operations.

All of these are very simple, common standards that are abundantly supported by research contained in our Economic Opportunities Analysis. We don’t believe any of them are so unusual as to require extraordinary findings. We ask that the department take another look at our findings, and with this better understanding, at least express a new opinion about whether they find substantial evidence to support the characteristics. We do believe the submittal meets the requirements of law, and we ask the commission to approve the submittal.

**Balancing of Statewide Planning Goals**

The commission discussed a desire to balance the various statewide planning goals in their analysis. We share that desire, and wish the laws and rules were written to allow selection of the alternative that best meets the goals as a whole. However, the laws and rules establish very specific ways in which each of the goals must be applied, which results in some goals being given far more weight than others. In the context of UGB amendments, farm land preservation is the goal that is given far more weight than any others, including Goal 9, although cities are still expected to meet all of the Goals. Farm land preservation is considered both under the ORS 197.298 priorities and in the Goal 14 Location factors.
The relatively minor weight given to other important goals, such as energy conservation, natural resources, economic development, public facilities and services, and transportation is disturbing. Where we can find ways within the framework of the rules to meet all of these goals, we should embrace them.

Responses to Questions Posed by DLCD Staff

We agree with the department that it would be useful to direct the commission’s deliberations by posing a series of questions and considering the responses to those questions. Obviously it is critical to begin by asking the right questions that point to the correct legal standard. We believe overall that the department was asking the right questions, but do not believe they quite framed the questions correctly. In addition, in several cases the objectors asked questions that led the staff and commission down errant paths. While for the most part the department refrained from going down these foreign roads, in a few cases the department did follow the objectors down these errant paths. Therefore, we have reframed the questions so the proper legal question is asked in each instance, and we ask the commission to use these questions to guide their discussions.

1a. Site Characteristics as “Typical”

*Question:* Is there substantial evidence in the whole record to show that the site characteristics are “typical” of the targeted uses?

*Response:* Yes. The department’s report agreed with this conclusion. Newberg has conducted extensive research to show that the site characteristics are typical of the targeted uses. This research includes scholarly research, interviews with businesses, review of other Economic Opportunities Analyses, consultation with Business Oregon, and much more. See Record 5867-5868, which is reproduced in Attachment 1. This includes findings that show not only that industrial uses in general typically have these characteristics, but also that each separate industrial use has these characteristics.

1b. Establishing a “Meaningful Connection”

*Response:* Yes. Newberg has established that each site characteristic has a meaningful connection to each targeted use. See Record 5882-5888, which is reproduced in Attachment 1.

1c. Location within Industrial Parks or Districts

*Question 1c.i:* Is there substantial evidence in the whole record to show that targeted industrial uses typically locate in industrial parks or industrial districts rather than on isolated parcels, and that locating in industrial parks or districts has a meaningful connection to the operations of the targeted industrial uses?

*Response:* Yes. Our findings are shown on Record 5781-5873.

*Question 1c.ii:* Given the positive responses to the above, could Newberg designate a number of isolated parcels for industrial uses and still, “[p]rovide 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” as required by Goal 9?

Response: No. If targeted industrial uses need to locate in industrial parks rather than on isolated parcels, but Newberg’s industrial land supply consists only of isolated parcels, and then Newberg won’t have the opportunity to locate targeted industrial uses in the community.

Given that, it is essential to look at what characteristics are needed to create an industrial park or district, such as minimum size, access, and so forth. Again using the shopping center example, if a particular type of retail use needs to locate in a shopping center but there are no sites to put a shopping center, then that retail use won’t locate in the community. A typical shopping center might need frontage on a major road to be successful. That doesn’t mean that every business within that shopping center has to have frontage on a major road. You don’t need 20 driveways directly onto the highway. It is a very typical form of retail development that customers enter the shopping center from the major road, then circulate within the site to go to the particular business. The same is true of industrial parks. Each individual industrial parcel doesn’t need to access directly to a highway as long as the industrial park it is in has that close access, as some circulation within the park is expected. We are concerned that the department’s position appears to preclude this kind of rational planning.

1d. Distinction between site suitability characteristics and Goal 14 location factors.

Question: Are the site suitability characteristics used separate and distinct from the Goal 14 Location Factors?

Response: Yes. The department’s report states, “The department concludes that a valid site characteristic may be use by a city to exclude land from application of the priorities in ORS 197.298 and consideration of the Goal 14 Location Factors even if the site characteristic is similar to a location factor.” We concur. Our exception on Pages 13 and 14 responds to this issue.

2. Residential Compatibility

Question 2.a.: Is there substantial evidence in the whole record to show that the residential compatibility site suitability characteristic has a meaningful connection to the targeted industrial uses?

Response: Yes. Our detailed response to this issue is found in our exception on pages 16-19.

Question 2b.: Is the residential site suitability characteristic separate and distinct from the Goal 14 Location Factor 3 analysis?

As we explained in our exception, the residential compatibility characteristic is a site suitability characteristic and not a Goal 14 location inquiry. These characteristics are not about the social impacts of industrial development on surrounding residential development; they are about the impact residential development has on nearby industrial development! If an industrial development cannot expect to load trucks early in the morning, have a night shift, operate machinery outside, use some hazardous materials, or emit some level of odor or noise because they are limited by complaints and
restrictions related to residential neighbors next door, their operations will be severely hampered. In fact, most site selectors will simply choose a different site for their industry. That is why industrial uses are typically located away from residential areas, and why residential separation has a meaningful relationship to the operation of the industry.

A 25 percent maximum border was established because that is what is “typical.” That is not to say that a 25 percent border is “good.” In fact it would be desirable for there to be a zero percent border. Thus, in the later Goal 14 Location Factor inquiry, one would expect that a site with a zero percent residential border would get some weight over a site with a 25 percent border. Thus, the site suitability characteristic does not obviate the need for the later Goal 14 Location Factor inquiry.

Questions 2c: Is there substantial evidence in the record to show that residential compatibility characteristic is applicable to semi-urban residential areas as well?

Response: Yes. Our detailed response to this issue is found in our exception on pages 19-21.

3. Location as a Suitability Characteristic

Question 3: Can the proximity of a site be a valid site suitability characteristic?

Response: Yes. The department concluded that the proximity of a site can be a valid site suitability characteristic. DLCD Report 24. The commission appeared to agree with that conclusion. We briefly will add that both Goal 14 and Goal 9 identify “proximity” as a potential site suitability characteristic. For example the Goal 14 Land Need Factors include:

In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

(emphasis added)

So it is clear that “proximity” can be considered as a suitability characteristic, which is exactly what Newberg did.

Friends argues that “proximity” means “location,” and that “location” only can be considered in the Goal 14 Location Factor analysis. This interpretation would mean the commission erred when it established “proximity” as an allowable site characteristic. We believe the commission was correct in including “proximity” as a site characteristic, and ask that the rule continue to be correctly interpreted in that way.

4. Access standards

Question: Is there overriding evidence in the record that close access to a major collector is a substitute for close access to a state highway or arterial as a major transportation route as a suitability characteristic?

Response: No.
One site characteristic allowed under OAR 660-009-0015(2) is “... proximity to ... major transportation routes.” Newberg has established a site characteristic of close access to state highways or arterials, and has shown that such close access is both (1) “typical” of the targeted industrial uses, and (2) has “a meaningful connection” to those uses.

Objectors contend that close access to a major collector can substitute for close access to a highway or arterial as a major transportation route. However, as we noted at the hearing, “arterial” and “collector” are not simply descriptions of the width of the pavement, they are descriptions of the function of the facility. OAR 660-012-0065 (b) and (c), part of the Transportation Planning Rule, provides the following definitions:

(b) "Collectors" means public roads that provide access to property and that collect and distribute traffic between access roads and arterials or as specified in an acknowledged comprehensive plan;

(c) "Arterials" means state highways and other public roads that principally provide service to through traffic between cities and towns, state highways and major destinations or as specified in an acknowledged comprehensive plan;

Thus, arterials and collectors have distinctively different functions in the transportation system.

Objectors contend that close access to a major collector can substitute for close access to a highway or arterial simply by widening the pavement. If this were true, then even a residential cul-de-sac street, if wide enough, could be considered a substitute for a state highway as a “major transportation route.” We do not think the commission intended such an illogical result.

To prove their point, objectors would need to show not only that major collectors serve the same function as state highways and arterials, but also that there is overriding evidence in the whole record that Newberg’s targeted industries typically locate in areas that have close collector access but not close highway or arterial access (or at least an abundance of such contrary examples). Objectors have failed to do either.

5. Slope

**Question:** Is there substantial evidence in the record to show that targeted industrial uses (1) typically are located in area with predominantly less than 5 percent slope and (2) that having less than a 5 percent slope has a meaningful connection to those uses?

**Response:** Yes. Our findings have shown both. Further explanation is contained in our Exception on pages 23-25. To prove the contrary, the objectors would need to show that there is overriding evidence in the record that the targeted uses (1) typically locate in areas that are predominantly greater than 5 percent slope and that (2) having a 5 percent slope only has a casual relationship to the operation of the targeted uses. Objectors have done neither.
6. Goal 14 Location Factors

Question: In deciding which farmland to include in the UGB, did Newberg adequately describe the nature of farm use and compatibility with adjacent industrial development in its consideration of Goal 14 location factors?

Response: Yes. Our response is detailed on Newberg Exception pages 39-41.

7. “Nearby” when considering the Goal 14 location factor

Question: Did Newberg address compatibility of UGB amendment with farmland in northern Marion County to the extent required by law?

Response: Yes. The department’s report addresses this issue on page 57. We concur with the department that the objection should be rejected.

8. ORS 197.298 priorities

Did Newberg correctly implement ORS 197.298?

Response: Yes. The department agrees that Newberg used the correct process in implementing the ORS 197.298 priorities. The objections are simply expressions of opinion that certain areas not suitable for industrial uses should nonetheless have been designated for industrial use.

9. “Typical Characteristics” Study

Question: In considering the evidence, was Newberg required to reject professionally prepared factual study of typical characteristics and substitute the opponent’s study that was prepared using different criteria and standards?

Response: No. Part of the evidence used to determine what characteristics are typical of targeted industrial uses was a study prepared by a certified professional that looked at typical characteristics in comparable communities and other information. Friends prepared an alternate study that looked at different criteria and arrived at different results. For example, Friends’ study looked at industrial areas that did not contain Newberg’s targeted industrial uses, divided larger industrial areas into smaller industrial areas to try to show the districts were smaller, and considered industrial uses developed as early as the 19th Century as examples that are “typical of expected uses.” See Record 3230-3232. This is reproduced in Attachment 3.

Ultimately the decision on which facts to accept lies with Newberg. Newberg is not required to accept Friends’ alternate study. See Mazeski v. Wasco County, 28 Or LUBA 178, 184 (1994), aff’d 133 Or App 258, 890 P2d 455 (1995). (Where the evidence in the record is conflicting, if a reasonable person could reach the decision the city and county made in view of all the evidence in the record, the choice between conflicting evidence belongs to the local government).
10. Road Classifications and Future Road networks

*Newberg did analyze both current and future road networks and classifications, therefore Friends assertion that it did not is false, and the question of whether Newberg is required to do so is moot.*

One allowed site characteristic under the Goal 9 rule is “...proximity to ... major transportation routes.” As explained in our response on page 9, Newberg correctly has established that close access to a state highway or arterial is a valid site suitability characteristic for Newberg targeted industrial uses.

In applying this characteristic, Newberg looked both at the existing transportation network and potential future transportation network. In at least one case (Wilsonville Road), Newberg concluded that an arterial reasonably could be provided in the area to provide access, and thus found that area suitable for industrial uses. See Record 5761. In other cases, such as Zimri Drive, Newberg concluded that an arterial could not reasonably be provided to serve the area. See Record 5730. Thus Friends’ blanket assertion that Newberg did not consider future road networks is false. The department’s question about whether Newberg is required to consider future road networks is an intriguing one, but in fact is moot because Newberg did consider both existing and future road networks.

The real issue is that Friends believe that creating an arterial is a much more casual process than the facts show. As explained in the hearing, creating a state highway or arterial is not a simple process. State highways and arterials primarily serve through traffic. Thus creating one requires through destinations, in addition to a myriad of other analysis. It typically takes several decades of planning to establish one in an area, and is based on analysis in an adopted Transportation System Plan, which is required to meet Goal 12. It is not a mere matter of widening the pavement.

11. Site Sizes

**Question:** Did Newberg’s analysis of required industrial site sizes include conclusions unsupported by evidence that resulted in required site sizes larger than the record shows is necessary?

**Response:** No. The department recommended that the commission reject this objection. Friends’ exception only reiterates their previous objection. We agree with the department that the objection should be rejected.

Newberg’s choice of site sizes was based on the expert opinion of Winterbrook Planning and the professionals of the Newberg Planning Division. See Record 5863. Friends assert that all the assumptions underlying this selection be in the record and explained. However, case law is clear that this is not required. *See ODOT v. Clackamas County*, 27 Or LUBA 141 (1994). (There is no requirement that an expert witness explain the basis for all assumptions underlying the expert’s evidence, or that evidence supporting the expert's assumptions be included in the record).

12. Employment Land Inventory

**Question:** Was the city’s inventory of employment land completed in conformity with the requirements of OAR 660-009-015(3)?
Response: Yes. The department’s report on pages 37-38 recommends that the commission reject the objections. We concur. See our exception at page 27.

We would like to add a couple of points to address Friends exception.

Friends raise an objection about a vacant portion of the A-dec site that was identified as buildable land. Friends proposed that that vacant portion be counted as a separate site. This would be inappropriate because it is not a separate site, but part of the A-dec site. The acreage of land was counted in the inventory of buildable land. Friends make a similar objection in consideration of Site 11.3, but the explanation is the same.

We also would like to point out what the rules say about inventories of employment land. OAR 660-009-0015 (3)(b) states, “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.” Since that the purpose of the Economic Opportunities Analysis is to compare current land supply with projected demand, it is natural that the plan would report the inventory just as we have done: by inventorying contiguous lots or parcels together and reporting the total amount of buildable land and sites within that contiguous group.

Friends raise objections related to inventories of properties that have mixed-use zoning. Friends objection 36-37, Friends exception 14-15. OAR 660-009-0015(3) requires an inventory of “land designated for employment use.” OAR 660-009-0025 (1) states, “Cities and counties may also designate mixed-use zones to meet multiple needs in a given location.” Determining whether mixed-use zoned land constitutes “employment land” is admittedly a bit of challenge. In some cases it may and in others it might not. Newberg did methodically consider such mixed-use zones, and, where the evidence in the record supported designating such land as “employment land” it did so, and where the evidence did not support such a designation it did not. For example, the Providence Drive Medical Office area was included in the employment land inventory, and that area contains land that is both zoned Institutional and Residential-Professional. This was included because both areas were specifically planned for medical office uses. Record 5730, 5901. The Springbrook District/Village area also is a mixed-use area planned part for residential uses and part for commercial uses. Record 5732, 5733. Newberg accordingly inventoried the part designated for commercial uses as commercial. Other sites, such as school sites, aren’t classified as employment land, though the analysis does factor that some employment will occur on school sites. Friends assertion is essentially that all mixed-use zoned land is “designated for employment use,” and this assertion lacks factual support in the record.

12a. Capacity of Built Land

Question: Did Newberg appropriately address the capacity of the UGB to accommodate employment on built land?

Response: Yes. Our response to this issue is on our exception on page 26-27.
12b. Commercial land  
*Is there substantial evidence in the whole record that shows that Newberg has a deficit of commercial land to meet needs through 2032?*

**Response:** Yes. The EOA projects a need for 127 buildable acres of commercial land through 2032, and inventories 120 buildable acres of commercial land within the UGB. Thus there is substantial evidence in the record to show a deficit of commercial land. See Record 5900, which is reproduced on Attachment 6.

13. Alternative Areas  
**Question 13a:** Is the analysis of alternative areas based on substantial evidence?  
**Response:** Yes. Newberg adopted substantial findings in support of its analysis.

**Question 13b:** Does the analysis demonstrate how much of the need reasonably can be accommodated inside the existing UGB?  
**Response:** Yes. Newberg adopted extensive findings in support of its analysis. See Record 5724-5727, which is reproduced on Attachment 7.

13c. Sites inside the UGB adjacent to sites outside the UGB  
**Question:** In the two specific cases challenged where study sites inside the UGB are adjacent to study sites outside the UGB, is there substantial evidence in the record to support the conclusion that the sites inside the UGB cannot reasonably accommodate industrial use even if adjacent sites outside the UGB are considered?  
**Response:** Yes.

On this topic, the department’s report at page 43 states:

> Before discussing the city’s explanation for exclusion of these areas, the department will address the assertion that the two subareas, one inside the existing UGB and one outside, should have been combined. The department disagrees. The land inside of an existing UGB is subject to a different standard for suitability that is land outside of an existing UGB. The city is required to assess whether lands within its existing UGB can “reasonably” meet the identified need pursuant to OAR 660-024-0050(4), which provides no specific standards as to how that assessment is to be conducted. In contrast, a city may screen lands outside of a UGB for suitability pursuant to OAR 660-024-0060(5), which provides more specific guidance as to the types of factors that may be used to exclude unsuitable lands. The city has much more flexibility in devising standards for considering re-designation of lands within the UGB to meet the identified need, as opposed to identifying standards for consideration of lands outside of the UGB to meet that need.
We appreciate and agree with the department’s detailed analysis of this issue, which we believe accurately captures a rather complex part of state law.

Friend’s position on this issue is expressed at Friends Exception 18. Their basic concern is with a policy that sites inside and adjacent site outside never should be considered together, and that is should be more of a case-by-case consideration. Perhaps surprisingly, we believe there is an element of truth in Friends’ position. We do think there are instances where it is appropriate to look at adjacent lands inside and outside the UGB together to some extent, so we agree it is a case-by-case proposition. We hardly can take any other position, since that is exactly what we did with Site XIII. Newberg found that Site XIII (inside the UGB) should be redesignated industrial only if Site 11 (outside the UGB) is also brought in and designated industrial. We believe this is the appropriate way to analyze the issues.

In looking at this case-by-case, neither of two challenged areas, Site I nor Site XII, can reasonably accommodate industrial use, whether adjacent sites outside the UGB are included or not. Contrary to Friends assertion, the reasons for finding that Site I cannot reasonably accommodate industrial use do not go away if additional land outside the UGB is added. The same is true for Site XII. Therefore, Newberg correctly analyzed the sites.

14. Inclusion of Large Sites
We agree with the department’s analysis that Newberg “has not included more land than it has shown is needed.” The plan anticipates that some of the currently large parcels could be subdivided to meet identified needs for smaller parcels. It certainly would not be reasonable to require that the parcels be subdivided before they were included in the UGB just so that smaller sites were included on their own.

Friends’ exception is based on a theory that Newberg did not determine a need for a specific number of industrial acres. However, the record is clear that Newberg determined a need both for a specific number of sites and for a specific number of buildable acres of industrial land. See Record 5892, which is reproduced in Attachment 4.

14a. Waste Management Site
Question: Is there substantial evidence in the whole record to support Newberg’s finding that the storage yard at the Waste Management site is neither vacant nor likely to be redeveloped within the planning period?

Response: Yes. We have prepared a detailed response to this question in our exception on pages 34-38. This is a case where the department misread the instructions. The storage yard is not vacant in that it does contain permanent improvements. The storage yard also is not likely to be redeveloped, as it is likely to continue to be needed for and used for a storage yard in the planning period.

15. Inclusion of Stream Corridors
Question: Is there substantial evidence in the whole record to support Newberg’s finding that the included stream corridors are needed to meet livability needs as allowed under Goal 14?
**Answer: Yes.** Goal 14 allows and even encourages communities to include land in the Urban Growth Boundary to meet livability needs. Goal 14 states: “Establishment and change of urban growth boundaries shall be based on . . . Demonstrated need for housing, employment opportunities, livability . . .” Newberg adopted findings showing that the stream corridors are needed to meet livability needs. See Record 5782-5784. This is copied in Attachment 2.

**Other Issues**

**Specific reasons for each site**
The commission asked for a summary of the analyses for each alternative site. Newberg prepared a table and maps that summarizes these reasons. See Attachment 5.

**Agreement with property owner**
The commission asked for further information about the city’s agreement with one of the property owners. The explanation for that agreement is found at Record 6002-6003, which is reproduced below:

> As Newberg analyzed its needs for industrial, commercial, residential, land, it found that the South Industrial Area has all the features industrial users look for: good access, separation from residential areas, close access to utilities, and large, level sites. These are not found in any other areas. The South Industrial area meets all the statewide planning goals, rules, and statutes for inclusion in the UGB as industrial, as well as the Newberg and Yamhill County comprehensive plan goals. DLCD staff encouraged the city to pursue the urban growth boundary amendment for this area, and provided funding for the planning.

> While this planning was happening, the Gaibler family, whose property is in the middle of the South Industrial area, applied for and received from Yamhill County Measure 37 approval to pursue a residential subdivision on their property. Having a rural residential subdivision in the middle of an industrial area would have been devastating to the community’s economic future.

> The Gaibler family was kind and community minded and, at the city’s request, agreed to suspend their plans for developing the property residentially in order to allow the industrial designation process to move forward. **The agreement with the Gaibler family is not and never has been the basis for including the land in the UGB.** That land is being included because it meets statewide planning goals, rules, laws, and priorities, the local comprehensive plan goals, and it has the site characteristics that industrial users need. As shown in the findings, the area best meets the Goal 14 location factors. It best meets Factor 1: “Efficient accommodation of identified land needs.” It best meets Factor 2: “Orderly and economic provision of public facilities and services.” It also best meets Factor 3: “Comparative environmental, energy, economic and social consequences.” See
pages 48 through 57 of the findings. This is why the area must be included in the UGB and cannot be excluded as opponents suggest. (emphasis in original)

Thus, the agreement with the property owner has nothing to do with the criteria or standards the commission needs to address.

There is a bigger issue, however, that the commission must address. Measure 37 should have been a wake-up call to the commission and to the State that the land use planning system needs to work better for Oregonians. While Measure 49 bought some time to work on these issues, it would be foolhardy to think the work is done. If the commission and the state cannot make the land use planning system work for the benefit of Oregonians, Oregonians have shown they are not shy about going to the ballot box and replacing parts with something else, even if that “something else” gives little regard to land use planning, farmland protection, environmental sensitivity, orderly development, and the other provisions that are so important to the state. In this case, if the state cannot make one small, well-planned, greatly needed, carefully analyzed, expertly designed UGB amendment work, we fear, and the commission should too, that the planning system is not working as it should and that it could lead to a backlash that throughout the state. There is clearly a problem when local jurisdictions have to expend such incredible time and effort to meet the statewide planning goals that the commission itself has established.

**Attachments**

1. Explanation of Site Characteristics (Record 5866-5888)
2. Findings Related to Stream Corridor (Record 5791-5792)
3. Explanation of flaws in Friends study (Record 3230-3233)
4. Industrial land need and supply in both number of sites and number of acres (Record 5892)
5. Summary of finding relating to individual sites (Record 5729-5732, Record 5747-5752; Record 5803-5806)
6. Commercial Site Need and Supply (Record 5900-5901)
7. Meeting Newberg’s Land Needs inside the UGB (Record 5724-5727)
Industrial Site Suitability Requirements

Cities are required by OAR 660 Division 9 to identify required site types to accommodate expected employment growth based on the site characteristics typical of expected uses. Site characteristics are attributes of a site such as shape, topography, visibility, infrastructure, proximity to facilities and transportation infrastructure. Many common elements of industrial site requirements can be found in the many Economic Opportunities Analysis reports from around the state that we reviewed. ECONorthwest completed many of the EOAs, and concludes in these plans that “previous research conducted by ECO has found that while there are always specific criteria for individual firms, many firms share common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints, with minimal residential conflicts, and located with good access to transportation, public facilities and services.”

State Rules Governing Site Suitability Characteristics

There are many state rules and goals that govern economic development planning for cities, and those rules specify certain requirements and guidelines for site suitability characteristics. The applicable rules and guidelines from OAR 660 Division 9 (Economic Development) and Statewide Planning Goal 14 (Urbanization) are listed below.

OAR 660-009-0005 Definitions

2) Development Constraints means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archaeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

3) “Industrial Use” means employment activities generating income from the production, handling or distribution of goods. Industrial uses include, but are not limited to: manufacturing; assembly; fabrication; processing; storage; logistics; warehousing; importation; distribution and transshipment; and research and development. Industrial uses may have unique land, infrastructure, energy, and transportation requirements. Industrial uses may have external impacts on surrounding uses and may cluster in traditional or new industrial areas where they are segregated from other non-industrial activities.

11) “Site Characteristics” means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

OAR 660-009-0015 Economic Opportunities Analysis

(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.

Statewide Planning Goal 14 - Urbanization
In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.

LUBA 2010-015 & Court of Appeals Decisions
On February 1, 2010, the Newberg City Council adopted Ordinance 2010-2723, updating its EOA. Friends of Yamhill County and several citizens appealed the decision to the Land Use Board of Appeals (LUBA) in February 2010. LUBA remanded the EOA and ruled on five of the six arguments presented by the petitioners, with the heart of the decision centering on how to define needed site suitability characteristics. LUBA ruled that “site characteristics are properly viewed as attributes that are (1) typical of the industrial or employment use and (2) have some meaningful connection with the operation of the industrial or employment use.” (Friends of Yamhill County v. City of Newberg, Or LUBA (August, 2010)). The petitioners appealed LUBA’s remand order to the Court of Appeals for judicial review in September 2010.

The Court of Appeals held oral argument in November 2010 and affirmed LUBA’s decision on February 16, 2011. The petitioners had initially appealed for the Court to review the entirety of LUBA’s ruling; however, the Court addressed only the site characteristics argument. The Court stated the following in their affirmation:

“In that statutory and regulatory context, we agree with LUBA that ‘site characteristics’ need not be ‘indispensable’ to a particular use in order to be ‘necessary for a particular industrial or other employment use to operate.’ The intent of Division 9 is to ensure that there is an ‘adequate supply of land for economic development and employment growth in Oregon,’ OAR 660-009-0000, which is vital to the health, welfare, and prosperity of the state. ... That overriding intent to allow and plan for anticipated economic growth – in part, through the identification of ‘site characteristics’ that make the land ‘suitable’ to meet the needs of anticipated growth – suggests something other than petitioners’ strict ‘indispensability’ test that would take into consideration only those ‘site characteristics’ without which particular industry and employment uses could not operate. Rather, the planning scheme (based on projections and economic trends) suggests, as LUBA adopted, a more pragmatic approach toward accommodating economic growth: That ‘necessary’ site characteristics are those attributes that are reasonably necessary to the successful operation of particular industrial or employment uses, in the sense that they bear some important relationship to that operation.” (Friends of Yamhill County v. City of Newberg, Or App (February 16, 2011)).

Background on Newberg’s Industrial Site Characteristics
Newberg’s industrial site characteristics come from many different sources, and are representative of what is typical for our city and region. To determine the suitable industrial site
characteristics for Newberg, we used the following sources:

- Interviews with local businesses – Climax Portable Machine Tools, ARE Manufacturing, Harris Thermal, and Owen Roe Winery – and with a local industrial land broker, Mike Gougler.
- Inventory of existing industrial sites in the region – sites in Canby, Forest Grove, McMinnville, Newberg, Sherwood, Tualatin, Wilsonville, and Woodburn – resulting in the report *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses* (Newberg Planning Division, 2011).
- Inventory of the Economic Opportunities Analysis plans of other cities to gather information about their industrial site characteristics – Newberg looked at the economic opportunities Analyses for the Cities of Ashland, Springfield, McMinnville, Cottage Grove, Silverton, Klamath Falls, and Cascade Locks.
- Review of statewide RFPs for industrial land requests.
- Review of materials from Business Oregon, including the State of Oregon Industrial Development Competitiveness Matrix and the application for Oregon Industrial Site Certification.
- Reports and materials from the Department of Land Conservation and Development, including a memo on Tips for Conducting an Economic Opportunities Analysis, a fact sheet on Economic Opportunities Analyses, Goal 9 Handbook – Appendix A: Glossary, and *Sufficiency of Commercial and Industrial Land in Oregon - Recommendations for Oregon Communities* (2002).
- The *Ad Hoc Committee on Newberg’s Future Report to City Council* (2005), which specified site characteristics for each land type. This report included expert materials from Winterbrook Planning and ECONorthwest, in addition to interviews with local businesses.

The research led us to establish our industrial site suitability characteristics in the categories of individual site size, industrial district size, topography, proximity and compatibility as shown in Table 12-23 below. Each category is explained in further detail in the sections below.
Table 12-23: Required Industrial Site Suitability Characteristics

<table>
<thead>
<tr>
<th>Required Site Characteristic</th>
<th>Description</th>
</tr>
</thead>
</table>
| Site Size                   | • Inventory to include a sufficient number of sites within each site category to meet identified needs (<2 buildable acres, 2 to 10 buildable acres, 10 to 30 buildable acres, and 30 to 50 buildable acres).  
  • Site contains a parcel or group of parcels in close proximity with buildable land that contains at least 20 buildable or industrially developed acres (or smaller if adjacent to existing industrial district). |
| Topography                  | Exclude:  
  • Slopes of 10% or greater,  
  • Sites that are not predominantly less than 5% slope within buildable areas, and  
  • Areas within stream corridors and wetlands. |
| Proximity                   | Include parcels or contiguous group of parcels:  
  • Within, or adjacent to existing UGB, or as part of group of parcels in the vicinity of the UGB that immediately could be added to the UGB.  
  • Adjoin an existing industrial or commercial area, or an area with sufficient buildable land to allow expansion of the industrial district.  
  • That have suitable truck access to a state highway or arterial street within 1/4 mile. |
| Compatibility               | Exclude sites that:  
  • Abut residential neighborhoods on more than 25% of the site perimeter unless effective topographical buffers are present, such as a stream corridor, arterial street, state highway, rail line, or park.  
  • Require truck traffic to travel through or adjacent to a residential neighborhood to reach an arterial street or state highway. |

Industrial Site Size

The most basic characteristic needed by industrial users is site size. Industrial users need adequate land to site buildings, storage areas, outdoor production areas, parking areas, and on-site circulation. They also need or are required to have land for utilities, landscaping, environmental mitigation, and security. Some sites require buffers for noise, smell, vibration, and visual barriers. In addition, industries now find needs to provide amenities for employees such as outdoor park-like or recreation areas for lunches, breaks, or fitness, to increase morale and productivity. One Newberg industrial representative stated that they would like to incorporate a park area for employees if and when they need to move their facility to a new area in order to provide a quality work environment (they are currently constrained on their site and will need to move with any future growth of their business). These quality of life factors are included in the site size calculation that firms make when looking for a new site. As a result, most industrial sites are only 40% to 60% developable for basic industrial use with remaining areas used for parking, landscaping, buffers, utilities, environmental protections, employee break areas, and security. In addition, many industries require land for long-term expansion so that they aren’t forced to move their business down the road or split their sites, resulting in lost production and investment.
Site size needs vary widely by industry. In interviews, local industrial businesses told us that the minimum site size they would need was typically 5 – 10 acres minimum for each business. The Business Oregon Industrial Development Competitiveness Matrix lists site size requirements for ten categories of businesses. The smallest site size listed is 3 acres for call center/business services and 5 acres for rural/frontier industrial. Neither of those are likely business types that would apply to Newberg. The next smallest site size listed is 10 acres minimum for general manufacturing. The site sizes go up from there to 200 acres minimum for regional distribution centers. In addition, a review of recent RFP’s for industrial businesses looking to locate in Oregon revealed that an average of 10 acres was the minimum site size required. Newberg’s study of industrial sites in nearby communities found a variety of industrial site sizes within those areas. Note that many of the sites studied have individual sites larger and smaller than the typical sizes noted.

**Figure 12-4: Typical Site Sizes in Nearby Industrial Areas**

<table>
<thead>
<tr>
<th>Site Size Range</th>
<th>Percentage</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;2 ac.</td>
<td>12%</td>
</tr>
<tr>
<td>2-5 ac.</td>
<td>32%</td>
</tr>
<tr>
<td>5-10 ac.</td>
<td>24%</td>
</tr>
<tr>
<td>10-30 ac.</td>
<td>16%</td>
</tr>
<tr>
<td>30-50 ac.</td>
<td>4%</td>
</tr>
<tr>
<td>50+ ac.</td>
<td>8%</td>
</tr>
<tr>
<td>2-5 ac.</td>
<td>32%</td>
</tr>
</tbody>
</table>

Source: *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2013)

Newberg’s industrial site size characteristic is in accordance with the typical site size requirements and needs seen locally and regionally today. The needs for sites in each size category are detailed Table 12-20 on page 47. This breaks outs site needs in four general categories. In total, the inventory must include a sufficient number of sites within each site category to meet identified needs (<2 buildable acres, 2 to 10 buildable acres, 10 to 30 buildable acres, and 30 to 50 buildable acres). If there are insufficient sites within any particular category,

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46 Letter from Michael Williams, Industrial Lands Specialist, Business Oregon (July 2010); Newberg Industrial Users Survey (November 2010)
then Newberg will need to seek sites with sufficient land to meet needs in that category.

**Industrial District Size and Industrial/Commercial Proximity**

A common form of industrial development is to cluster industrial uses in industrial districts or industrial parks. There are many reasons for this, including:

- The district can have adequately sized power and other utilities to serve industrial uses.
- The district can have adequately sized roads for heavy truck traffic.
- There are fewer issues of compatibility when industrial uses are located adjacent to each other rather than next to residential type uses.
- There are economies of scale when many industrial uses can be served by the same suppliers or delivery systems.
- Industrial uses can create synergy with each other. For example, one industry’s by-products can be used by another industry as resources.
- Businesses can share employee amenities such as parks, fitness centers, lunch areas, and day care facilities.
- Larger districts provide opportunities for business expansion onto adjoining or nearby sites.

Having clustered uses is a common theme throughout industrial development in most cities. The very definition of “industrial use” in OAR 660-009-005(3) says, “Industrial uses . . . may cluster in traditional or new industrial areas where they are segregated from other non-industrial activities.” The Cottage Grove EOA states that “firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. Firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities.”

In addition, the report *Methods for Evaluating Commercial and Industrial Land Sufficiency: A Recommendation for Oregon Communities* (Otak, Inc & ECONorthwest, 2002) states that “Economists have shown that firms locate in a city because of the presence of factors other than direct factors of production. These indirect factors include agglomerative economies, also known industry clusters, location amenities, and innovative capacity.” Clustering, or industrial districts, are meaningful to the operation of industry because of the shared economies of scale and synergy it can create.

Clustering industrial uses is also related to the other site suitability characteristics of topography, proximity to transportation and services, and compatibility with residential uses. An obvious choice for an industrial park or district to develop is in an area large enough for industrial development that meets the other three site suitability characteristics. Different sources on industrial site analysis state that around 50 – 100 acres is the average site size for an industrial district.

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47 Cottage Grove EOA, ECONorthwest (2009).
Newberg’s review of local and regional industrial areas showed that about two-thirds of existing industrial districts where Newberg’s targeted industries have located recently in our area are over 100 acres in size. Nearly all (92%) of the studied areas are over 20 acres in size.

**Figure 12-5: Typical Industrial District Size of Nearby Communities**

Source: *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2013)

In addition, the types of industries Newberg is targeting have typically located in either large industrial districts or districts near commercial areas. Of the 25 industrial districts studied, 23 or 92%, were adjacent to a large commercial area, were over 50 acres in size, or were both. Small, isolated industrial districts are notably atypical. See Figure 12-6. Adjacency to a commercial area can provide some of the same benefits as adjacency to industrial areas. For example, street and utility sizes are similar for commercial and some industrial users. Compatibility issues are not as great between commercial and industrial uses. Delivery services can serve both commercial and industrial businesses for many supplies such as office equipment. Employee amenities such as a fitness center, daycare, or coffee shop, can be provided in the commercial area. While not all proximity needs, such as byproduct sharing or expansion needs, can be met simply by being adjacent to commercial uses, many can.
Therefore, Newberg has established the following site size suitability characteristic for industrial uses:

*Site contains a parcel or group of parcels in close proximity with buildable land that contains at least 20 buildable or industrially developed acres (or smaller if adjacent to existing industrial district).*

Newberg also has established the following proximity criterion:

*Adjoin an existing industrial or commercial area, or an area with sufficient buildable land to allow expansion of the industrial district.*

This recognizes that typical targeted industrial uses either locate in areas that already have the benefit of commercial/industrial proximity, or will locate in areas that can grow to provide those same benefits. If an area is not adjacent to an existing commercial or industrial area, the area will need to allow initial creation or future expansion of an industrial district to be at least 50 acres and preferably larger.

The importance of this characteristic to each targeted industrial use is shown in Table 12-24 on page 67.

**Topography**

Topography is a critical factor in industry site location. Industrial uses require level sites for a
number of reasons, including:

- Many industries move supplies, equipment, and product from one part of the site to another. This movement becomes very difficult if the grade changes requiring steps or ramps within the site.
- Trucks, forklifts, and other equipment are limited as to the grade at which they can safety operate.
- Most buildings and structures require level floors. If a site is sloped, the site usually needs graded to be level. Grading sites can weaken the structural stability of the soil, or require retaining walls. Many industrial uses include heavy equipment which demands stable footings. Grading and retaining walls can weaken this stability.

According to Bill Grunkmeyer, author of the Ohio State University Extension fact sheet on the characteristics of an industrial site:

“Topography of the site is also an important factor. Companies usually seek fairly level sites with adequate drainage to avoid standing water. Depending on a firm's desire for aesthetic considerations, a gently sloping site may be attractive. Once again, in considering topography a firm is trying to decrease the cost of site work. If a community is located in a hilly region it is still possible to find an acceptable site by laying out a plan that locates the firm on a plateau or terraced section of a hill. This could be very attractive, particularly if the community takes into consideration easy access and high visibility potentials.”

In the book *Planning the Built Environment*, author Larz T. Anderson discusses the effect of slope on the feasibility of industrial land uses. The following is a summary of his findings:

- 1 to 3% slope: May accommodate moderate and small plans without extensive linear production; trucking terminals; and warehouses.
- 3 to 5% slope: Intensive, small-scale industry with minimum trucking needs (truck access is difficult and perhaps impossible with icing).
- 5 to 10% slope: Intensive, small-scale industry on slopes up to 7% (truck access becomes difficult and expensive when the slope exceeds 7%).
- 10 to 15% slope: This slope range is economically impractical for industrial development.

The Department of Land Conservation *Goal 9 Guidebook* includes a definition of constrained land that says that over 10% slope for industrial use is a physical constraint.

One Newberg business stated that they would need a level site with stable soil to facilitate a level concrete floor around 30,000 square feet in size. Two other Newberg examples illustrate the necessity of level sites: Action Equipment’s new building, and A-dec’s expansion on their existing site. Action Equipment recently located a new facility on level industrial land on Hayes 50 Bill Grunkemeyer, *Characteristics of an Industrial Site*, Ohio State University Extension Fact Sheet. http://ohioline.osu.edu/cd-fact/1525.html.
52 Department of Land Conservation Development, *Goal 9 Guidebook*, Appendix A.
Street. In their site search, they specified a need for a level site. The company manufactures large, long conveyor equipment. The building design had to focus on being large and level in order to accommodate set up, processing, and moving of the equipment, which in some cases is over a hundred feet long. In the second example, even though you would think the A-dec site is level just from looking at it, the topography caused problems when they needed to expand. A-dec had two buildings close together, and had to build a complex ramp to run forklifts from one building to another in order to make the operation work.

All of the 25 local and regional industrial districts studied were predominantly less than 5% slope, and all had our targeted industries represented in them.\textsuperscript{53}

\begin{figure}
\centering
\includegraphics[width=\textwidth]{figure12_7.png}
\caption{Predominant Slope of Industrial Districts}
\end{figure}

\textbf{Figure 12- 7: Predominant Slope of Industrial Districts}

Source: \textit{Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses,} Newberg Planning Division (2013)

Therefore, a slope of less than 5% is typical for industrial uses, and slopes over 10% are not considered buildable industrial land. In addition, development is not permitted in stream corridors or wetland areas, so these areas also must be excluded. Note that stream corridors or wetland areas may be included on the periphery of sites to provide buffer or open space amenities for the industrial sites.

Thus, Newberg has established the following topography

\textit{Exclude:}

- Slopes of 10% or greater.
- Sites that are not predominantly less than 5% slope within buildable areas, and
- Areas within stream corridors and wetlands.

The importance of the slope characteristic to each targeted industrial use is shown in Table 12-

\textsuperscript{53} Newberg Planning Division, \textit{Typical Characteristics of Industrial Sites for Newberg Targeted Industries}, (November 2010)
Proximity to UGB

Newberg’s targeted industries need to be within the urban growth boundary. With some exceptions, state land use laws restrict Newberg’s targeted industrial uses from locating outside the UGB. Extensions of public facilities to serve uses outside UGBs are also severely limited. Thus, Newberg’s industrial land needs only can be met by land that is either already within the UGB, or on land that can be added to the UGB.

ORS 197.298 essentially limits UGB expansions to lands adjacent to the UGB. OAR 660-024-660-024-0060 (4) states, “In determining alternative land for evaluation under ORS 197.298, "land adjacent to the UGB" is not limited to those lots or parcels that abut the UGB, but also includes land in the vicinity of the UGB that has a reasonable potential to satisfy the identified need deficiency.”

Thus, a required industrial characteristic is that the site must be:

*Within, or adjacent to existing UGB, or as part of group of parcels in the vicinity of the UGB that immediately could be added to the UGB.*

In determining whether a site could be added to the UGB, the analysis should consider whether intervening land also could be added to meet identified needs for industrial or some other use. This needs to consider the priority of that land for inclusion in the UGB, and the reasonableness of adding that land considering other factors, such as the ability to provide infrastructure to the area.

Proximity to Transportation and Services

All of the industrial location site literature references how important having good highway access is for industry. Shipping is an integral part of most industrial businesses. Most shipping is done by the highway system, although some is still done by rail and port. As stated in the Business and Industrial Park Development Handbook,

“One of the most important location considerations for a business park or a large, single-industrial site is the array of transportation services available at the site. Proximity to airports increasingly is sought by businesses, and although rail is no longer considered essential, some manufacturing and distribution tenants still require it. The major difference between earlier planned industrial districts and parks, and modern business parks has been the new freedom in choice of locations made possible by the “clean” uses now found in parks and by improved roads, especially the freeway network and the large trucking industry.”

According to the City of Hillsboro Economic Opportunities Analysis Industrial Development Pattern Type Matrix, for medium industrial users (25k-100k sq ft built space; and/or 4 to 25 acres of outdoor inventory/production areas):

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54 ULI 1998, p. 88
“Transportation system that provides convenient connections to state highways is very important... Rail access is important to many uses and can be essential for some uses... Convenient access to well trained and qualified workforce is essential and industry clustering for access to skilled labor force is common...”

Of the 25 local and regional industrial sites studied, 19 had immediate access to a major road (arterial or state highway). Only two districts had access to a major road that was further than 1/8 mile, and both of those were within ¼ mile of a major road. No districts had access more than ¼ mile away.  

![Figure 12-8: Distance from Studied Industrial District to Arterial or State Highway](image)

Source: *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2013)

It is typical for industries to need to be as close as possible to a major road for easy access; every site in the nearby communities studied was within ¼ mile. Adequate access has a meaningful connection to industry because most businesses rely on being able to receive supplies and ship goods readily and easily. It is harmful to the business, to surrounding uses, and to the safety of pedestrian, bicycle, and neighborhood traffic to have large trucks regularly traveling through neighborhoods that are not built to handle large truck traffic. Therefore, Newberg has established the following industrial site suitability characteristic:

**Sites that have suitable truck access to a state highway or arterial street within 1/4 mile.**

The importance of this characteristic to each targeted industrial use is shown in Table 12- 24 on page 67.

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55 *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2011)
Compatibility with Residential Uses

Cities have to take into account location and compatibility when planning for economic development. At the heart of municipal zoning is an identified need to separate residential and industrial uses. The landmark case of Euclid v. Ambler declared that government has a valid interest in maintaining neighborhood character and regulating where certain land uses should occur.56 The Oregon Administrative Rule that governs economic development includes a provision that guides cities to manage compatibility of uses:

OAR 660-0090-0025 (6) Compatibility. Cities and counties are strongly encouraged to manage encroachment and intrusion of uses incompatible with industrial and other employment uses. Strategies for managing encroachment and intrusion of incompatible uses include, but are not limited to, transition areas around uses having negative impacts on surrounding areas, design criteria, district designation, and limiting non-essential uses within districts.

Most industrial businesses want to be good neighbors and to be able to fully operate their businesses without constraints imposed by being forced into direct contact with residential neighbors. Other cities have determined that industrial uses need to have other compatible uses nearby as well. An explanation for land use buffers is found in several Economic Opportunities Analysis reports done by ECONorthwest for various cities:

“According to the public officials and developers/brokers ECO interviewed, industrial areas have operational characteristics that do not blend as well with residential land uses as they do with office and mixed-use areas. Generally, as the function of industrial use intensifies (e.g., heavy manufacturing) so too does the importance of buffering to mitigate impacts of noise, odors, traffic, and 24-hour 7-day week operations. Adequate buffers may consist of vegetation, landscaped swales, roadways, and public use parks/recreation areas. Depending upon the industrial use and site topography, site buffers range from approximately 50 to 100 feet. Selected commercial office, retail, lodging and mixed-use (e.g. apartments or office over retail) activities are becoming acceptable adjacent uses to light industrial areas.”57

Newberg’s existing industrial users report that it is not prudent to locate industrial development next to residential neighborhoods. One prominent industrial business is currently adjacent to residential development on one side, and says that they have issues with large truck traffic getting mixed in with neighborhood pedestrian, bicycle and vehicle traffic, causing visibility and safety problems. In addition, site noise is undesirable to residential neighbors, whether from the banging and grinding that accompanies manufacturing uses or from onsite loudspeakers used for communication throughout the site. Many industrial uses also have long hours, sometimes even 24 hours a day, compounding noise issues. Other things that can be considered nuisances to residential neighbors are outdoor storage of materials, dust, and vibration; all commonplace things in industrial developments.

In our review of local and regional industrial parks, two-thirds of the areas had less than 15% of their boundary with residential areas. All except two (92%) had less than 25% of their boundary

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57 Economic Opportunities Analysis, Cities of McMinnville (2001) and Springfield (2009), OR
with residential areas.  

It follows that it would be feasible to create a large buffer from residential areas on one side of an industrial development, but it would be very difficult to do that on every side without wasting a large amount of usable space. Therefore, being adjacent to a residential neighborhood on 25% of an industrial property’s boundary would be feasible, but more than that would seriously hamper the industrial use.

![Industrial District Boundaries with Residential Areas](image)

Source: *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2013)

Having to route truck traffic through or adjacent to residential neighborhoods also can severely hamper an industrial business’s operation. As noted in the previous section, residential streets are not built to accommodate truck traffic. Residents in those areas can be bothered by the vibration, noise, and odor of the truck traffic, and demand that truck traffic be rerouted or limited to certain volumes or hours.

In our review of nearby industrial areas, 88% did not have access through or adjacent to residential areas. Thus, typical industries do not access through residential areas.

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58 *Typical Characteristics of Industrial Sites for Newberg Targeted Industrial Uses*, Newberg Planning Division (2011)
In accordance with these standards, Newberg has established the following criteria:

Exclude sites that:

- Abut residential neighborhoods on more than 25% of the site perimeter unless effective topographical buffers are present, such as a stream corridor, arterial street, state highway, rail line, or park.
- Require truck traffic to travel through or adjacent to a residential neighborhood to reach an arterial street or state highway.

The importance of this characteristic to each targeted industrial use is shown in Table 12-24 on page 67.

**Importance of Site Characteristics to Different Types of Targeted Industrial Uses**

As a final step, this study looked at each of the types of targeted industries that are likely to locate in new industrial areas and determined which of the industrial site characteristic had meaningful relationships to that particular type of industry. The results are shown in Table 12-24 on page 67.

As can be seen in that table, all of the site characteristics are important and meaningful to Newberg targeted industrial uses. In some cases, the a part of the targeted industry may be able to locate in other areas, such as office or commercial zones, such as engineering services. Nevertheless, there is some part of that industry that would locate in industrial zones, such as

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59 For these purposes, “residential neighborhood” includes land that is within urban residential comprehensive plan or zoning district, and rural residential zoned land with a 2.5 acre or smaller minimum lot size or developed predominantly with residential lots of 2.5 acres or less.
engineering services related to manufacturing or construction uses, and where it is necessary for that use to locate in an industrial area that has the industrial site characteristics.

Also note that there are other uses that typically locate in industrial land, but that are not on the Newberg targeted industry list. These are mostly uses in the “other services” category such as auto repair, retail repair and maintenance services, and self-storage facilities. To the extent that new employment is expected in these sectors, they are expected to locate in existing industrial areas and not in new industrial areas that may need the site characteristics listed.
Table 12-24: Importance of Site Characteristics to Specific Targeted Industrial Uses

<table>
<thead>
<tr>
<th>Targeted business types</th>
<th>Types to locate in new industrial districts; examples</th>
<th>Is industrial district size and industrial/commercial proximity important?</th>
<th>Are level sites important?</th>
<th>Is close and suitable truck access important?</th>
<th>Is residential compatibility important?</th>
</tr>
</thead>
<tbody>
<tr>
<td><strong>High Tech Manufacturing Business Cluster</strong></td>
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<td>Semiconductors/silicon, imaging &amp; display technology</td>
<td>Most. Examples: Cascade Laser (Newberg), Schimadzu (Canby); MEC Companies (Canby); Westak (Forest Grove), Wave Form Systems (Tualatin)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This dynamic industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites. Typical businesses use heavy production equipment that needs level, stable platforms.</td>
<td>Yes. Typical uses have frequent truck traffic to receive supplies and deliver product. Many serve other industries, so close access is important.</td>
<td>Yes. Typical uses have frequent truck traffic and on-site heavy material movement by forklift, causing noise and vibration. Many have evening, night and weekend shifts. Most use hazardous materials.</td>
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<td>Nano &amp; micro technology, cybersecurity, health/medical information technology</td>
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<td>Biotech/bioscience (medical devices, bioinformatics, pharmaceuticals, genomics, antivirals)</td>
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<td><strong>General Manufacturing Business Cluster</strong></td>
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<td>Dental equipment</td>
<td>Most. Examples: A-dec (Newberg), Beaverstate Dental (Newberg), DCI (Newberg)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This dynamic industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
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<td>Metals, machinery, transportation equipment</td>
<td>Most. Examples: ARE (Newberg), Climax (Newberg), PPM (Newberg), Action Equipment (Newberg), Allied Systems (Sherwood)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
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<td>Yes. Typical uses have frequent truck traffic and on-site material movement by forklift, causing noise and vibration. Many have evening, night and weekend shifts. Most use production equipment that generates noise, vibration, and some smells. Many have outdoor storage of materials and waste. Most use hazardous materials.</td>
</tr>
<tr>
<td>Lumber and wood products (value added)</td>
<td>Most. Examples: Beaudry Cabinets (Newberg), Hardwood Industries (Sherwood), Universal Forest Products (Woodburn)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses may include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites. Typical businesses use heavy production equipment that needs level, stable platforms.</td>
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<td>Sustainable industries (renewable energy, resource efficiency technologies, sustainable building materials, green chemistry)</td>
<td>Most. Examples: Harris Thermal (Newberg), Johnson Controls (Canby)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This dynamic industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites. Typical businesses use heavy production equipment that needs level, stable platforms.</td>
<td>Yes. Typical uses have frequent truck traffic to receive supplies and deliver product. Many serve other industries, so close access is important.</td>
<td>Yes. Typical uses have frequent truck traffic and on-site heavy material movement by forklift, causing noise and vibration. Many have evening, night and weekend shifts. Most use production equipment that generates noise, vibration, and some smells. Some have outdoor storage of materials and waste. Most use hazardous materials.</td>
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<tr>
<td>Distribution &amp; logistics</td>
<td>Most. Examples: Cascade-Columbia (Sherwood), Owens &amp; Minor (Wilsonville), NTP Distribution (Wilsonville), Wesco Distribution (Wilsonville)</td>
<td>Yes. Typical uses have very frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently storage or warehouse space for other industries, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have very frequent truck traffic that requires very level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring very level sites.</td>
<td>Yes. Typical uses have very frequent truck traffic. Many serve other industries, so close access is important.</td>
<td>Yes. Uses have frequent truck traffic and on-site heavy material movement by forklift, causing noise and vibration. Many have evening, night and weekend shifts. Some have outdoor storage of materials and waste. Many store and transport hazardous materials.</td>
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<tr>
<td>Sports apparel/recreation-related products</td>
<td>Most. Examples: HGI (Newberg), Nike (Beaverton), Dakine (Hood River)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This dynamic industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently include small manufacturers producing supplies or parts for other manufacturers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites. Typical businesses use heavy production equipment that needs level, stable platforms.</td>
<td>Yes. Most uses have truck traffic and on-site material movement by forklift, causing noise and vibration. Some have evening, night and weekend shifts. Most use hazardous materials.</td>
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<tr>
<td>Aviation related business cluster</td>
<td>Yes, near Airpark. Examples: Precision Helicopter (Newberg), Van's Aircraft (Aurora)</td>
<td>Yes. In particular, this industry benefits from location in an industrial park near the Sportsmans Airpark. The uses benefit from the synergy created from having aircraft, parts manufacturers, and similar businesses all in close proximity. Typical uses have truck traffic that requires adequately sized roads provided in industrial areas. Typical uses have electrical requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Those servicing aircraft must be very level to allow movement of the craft. Typical uses have truck traffic that requires level sites. Many have forklifts or similar machinery to move materials on site, requiring level sites.</td>
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<td>Agriculture business cluster</td>
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<td>Wineries</td>
<td>Most larger facilities. Small scale and boutique wineries and food processors could locate in other areas. Examples: NW Winery (Dundee); Several on Alpine Ave. (McMinnville); Berry Noire (Newberg), Lieb Foods (Forest Grove)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Larger winery uses generate truck traffic, particularly during harvest time, though truck traffic to storage areas can be year round. These require adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical, sewer, and water requirements that only are met in industrial or industrial/commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently are connected to storage areas or other producers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites.</td>
<td>Yes. Winery uses generate truck traffic receiving produce and delivering product. Winery uses generate truck traffic, particularly during harvest time, though truck traffic to storage areas can be year round.</td>
<td>Yes. These uses typically generate frequent truck traffic. Winery uses generate truck traffic, particularly during harvest time, though truck traffic to storage areas can be year round. They use production equipment that generates noise, vibration, and smell. Some have outdoor storage of material and waste products. Waste products need careful management to avoid impacts to neighbors. Most use hazardous materials.</td>
</tr>
<tr>
<td>Specialty foods and food processing</td>
<td>Most. Examples: Kendal Floral (Canby), T&amp;R Company (Woodburn)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Some uses have power or water requirements that only are met in industrial or industrial/commercial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently are connected to storage areas or other producers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes. Typical uses have truck traffic that requires level sites. Typical uses use forklifts or similar machinery to move materials on site, requiring level sites. Uses have production equipment that needs stable and level platforms.</td>
<td>Yes. Typical uses have frequent truck traffic receiving and distributing product.</td>
<td>Yes. These uses typically generate frequent truck traffic. Most have outdoor storage of material and waste. Some have waste products that need careful management to avoid impacts to neighbors. Most use hazardous materials.</td>
</tr>
<tr>
<td>Nursery and agricultural products (value added)</td>
<td>Most larger facilities. Small scale and boutique wineries and food processors could locate in other areas. Examples: NW Winery (Dundee); Several on Alpine Ave. (McMinnville); Berry Noire (Newberg), Lieb Foods (Forest Grove)</td>
<td>Yes. Typical uses have frequent truck traffic that requires adequately sized roads provided in industrial areas. Larger winery uses generate truck traffic, particularly during harvest time, though truck traffic to storage areas can be year round. These require adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. Typical uses have electrical, sewer, and water requirements that only are met in industrial or industrial/commercial areas. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Uses frequently are connected to storage areas or other producers, so close proximity is very beneficial. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
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**Appendix A**

**Explanation of Site Characteristics**

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**Section 12: Economic Opportunities Analysis | City of Newberg**
<table>
<thead>
<tr>
<th>Targeted business types</th>
<th>Types to locate in new industrial districts; examples</th>
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<th>Is residential compatibility important?</th>
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</table>
| Professional services   | Most are in office or commercial areas. Architecture, engineering, or similar construction or manufacturing related services may require storage areas, construction equipment yards, equipment or product testing. These would locate in new industrial districts. Examples: Saunders Company (Dundee), Wilson Construction (Canby), AKS Engineering and Forestry (Sherwood), Colamette Const. (Sherwood) | Yes. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. Some provide services to other industrial businesses, so close proximity is beneficial. Uses benefit from combined delivery services to the district. Those that have truck traffic or that move construction equipment need adequately sized roads provided in industrial areas. Uses benefit from combined delivery services to the district. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas. | Yes for those that have outdoor storage of construction equipment, construction materials, trucks, construction vehicles, or on-site testing. Those that don't may locate in office or commercial areas. In all cases uses are compatible on level sites. | Yes for those that have storage of construction equipment, construction materials, trucks, or construction vehicles. Those that don't may locate in office or commercial areas. These may also use hazardous materials. In all cases residential separation and compatibility is desirable. | }
<table>
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<th>Targeted business types</th>
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<tr>
<td>Creative services (advertising, public relations, film and video, web/internet content and design)</td>
<td>Most are in office or commercial areas. Those requiring production equipment, large data centers, production studios, telecommunication equipment or towers need industrial sites. Examples: Allegra (Newberg), Regal Graphics (Sherwood), KLYC (McMinnville)</td>
<td>Yes. Those that have truck traffic or that move construction equipment need adequately sized roads provided in industrial areas. Uses have employee bases that need close amenities provided in the district or nearby commercial areas. Uses benefit from combined delivery services to the district. This industry benefits from expansion opportunities on adjacent or close sites in the industrial district. Residential compatibility issues are addressed when use is adjacent to industrial or commercial areas.</td>
<td>Yes for those using production equipment such as printing presses, those requiring large data centers or telecommunication equipment that requires frequent service, or production studios using sets and equipment. Others may locate in commercial or office areas. In all cases uses are compatible on level sites.</td>
<td>Yes for those delivering a physical product, requiring large data centers or telecommunication equipment that requires frequent service, or production studios using sets and equipment. Others may locate in commercial or office areas. Most serve other businesses, so they benefit from close access, even if only for passenger vehicles. In all cases uses are compatible in areas that have close and suitable truck traffic.</td>
<td>Yes for those that have production equipment, large data centers, production studios, telecommunication equipment or towers. Data centers and telecommunication equipment may require frequent service from service vehicles, including large vehicles. Towers and telecommunication equipment can be intrusive to residential neighbors. Production studios may generate noise and light, and have evening, night, and weekend activity. Those that don't may locate in office or commercial areas. Some equipment and materials may be hazardous. In all cases residential separation and compatibility is desirable.</td>
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</table>
governments; and 2) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, street and roads, schools, parks or open space, or any combination of the need categories in this subsection (2). In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need. Prior to expanding an urban growth boundary, local governments shall demonstrate that needs cannot reasonably be accommodated on land already inside the urban growth boundary.

Boundary Location – The location of the urban growth boundary and changes to the boundary shall be determined by evaluating alternative boundary locations consistent with ORS 197.298 and with consideration of the following factors: 1) Efficient accommodation of identified land needs; 2) Orderly and economic provision of public facilities and services; 3) Comparative environmental, energy, economic and social consequences; and 4) Compatibility of the proposed urban uses with nearby agricultural and forest activities occurring on farm and forest land outside the UGB.

Applicable Goal 14 Guidelines: A.1) Plans should designate sufficient amounts of urbanizable land to accommodate the need for further urban expansion, taking into account (1) the growth policy of the area; (2) the needs of the forecast population; (3) the carrying capacity of the planning area; and (4) open space and recreational needs. A.2) The size of the parcels of urbanizable land that are converted to urban land should be of adequate dimension so as to maximize the utility of the land resource and enable the logical and efficient extension of services to such parcels. B.1) The type, location and phasing of public facilities and services are factors which should be utilized to direct urban expansion.

Finding: Section 1 of this report has detailed land need findings for Goal 14, and Section 2 of this report has detailed findings for the boundary location requirements of Goal 14.

The identified stream corridors are an important component of the overall urbanizable area for the future industrial area, and including them fulfills the requirements of the Newberg Comprehensive Plan and Goal 14. First, including them meets the Comprehensive Plan Goal to “create a quality living environment through a balanced growth of urban and cultural activities.” That goal illustrates the aim of the South Industrial Area Master Plan – to create a quality, attractive and balanced working environment for the workers in that area. In this way, the stream corridors meet this goal by providing some respite and green space for the workers, as well as helping to create an attractive industrial area that is buffered from adjacent uses. Including the stream corridor areas as shown on Map 12 also meets the Comprehensive Plan policy that says, “In expanding or otherwise altering the Urban Growth Boundary, the Boundary shall follow road rights-of-way, lot lines, or natural features.” The proposed boundary of the UGB follows lot lines wherever practical, and follows the centerline of the creek on those lots where land on the other side of the stream corridor (on the same parcel) can be used in the future for another use.
Goal 14 requires cities to show a demonstrated need for livability. It goes on to say that local governments may specify characteristics necessary for land to be suitable for an identified need. The South Industrial Area Master Plan shows the stream corridors as meeting needs for livability for the future industrial area, both as buffers and amenities for the industrial uses. Therefore, there is an inherent need for those things that can only be met through inclusion of the stream corridors. The boundary location requirements direct that you take into account “efficient accommodation of identified land needs” when deciding which land can meet the need. In this case, a need for buffering (for livability of both the industrial area employers and workers as well as adjacent residents) for the future industrial area cannot be met in other areas not immediately adjacent to the future industrial area.

Yamhill County Comprehensive Plan Goals and Policies

A. URBAN AREA DEVELOPMENT GOAL STATEMENT

1. To encourage the containment of growth within existing urban centers, provide for the orderly, staged, diversified and compatible development of all of the cities of Yamhill County, and assure an efficient transition from rural to urban land use.

Policies

a. Yamhill County will, in cooperation with the cities and special districts of the county, encourage urban growth to take the form of a series of compact, balanced communities, each with its own business and community center and each related to industrial areas and other centers of employment.

b. Yamhill County will cooperate and coordinate with each of the cities in the development of urban growth boundaries and will adopt an urban area growth management agreement with each city which outlines a growth management plan for unincorporated areas within the boundary and the means by which the boundary can be modified.

c. Yamhill County will recognize the lands within established urban growth boundaries as the appropriate and desired location for urban development.

2. To encourage the containment of urban services and facilities and other public capital improvements within existing urbanizing areas in order to achieve an orderly pattern of urban growth.

Policies

a. Yamhill County will continue to seek full cooperation and coordination among the cities, the school districts, other special-purpose districts of the county and the county itself in jointly planning and programming all land use, urban services and facilities and other public improvements having an impact on the rate and direction of urban growth.

Finding: The proposed UGB amendment to include identified large site needs within a master-planned industrial area is consistent with Statewide Planning Goals 9 and 14, ensuring both an adequate supply of industrial sites over the planning period and a compact and efficient urban form. In addition, it meets the above policy (A.1.a.) of encouraging urban growth to be compact and have industrial areas and other centers of employment, as opposed to having dispersed industrial
Newberg projects population will grow at an average annual growth rate of 2.87% over the 20 year period 2010-2030. This is similar to historic population growth rates, with the unusual exception of 2009-2010, which showed a significant reduction in population, potentially due to outmigration during the current recession.

<table>
<thead>
<tr>
<th>Newberg Population Growth Rates over time (Average Annual Growth Rate)</th>
</tr>
</thead>
<tbody>
<tr>
<td>1970-1980</td>
</tr>
<tr>
<td>1980-1990</td>
</tr>
<tr>
<td>1990-2000</td>
</tr>
<tr>
<td>2000-2009</td>
</tr>
<tr>
<td>2009-2010</td>
</tr>
</tbody>
</table>

Source: U.S. Census Bureau, Portland State University.

The proposed ordinance adjusts the population projections to take into account the 2010 census information. This factors in the recent anomaly in outmigration. Other than this one anomaly, which is taken into account by changing the base line, the projections are in line with historic population growth rates.

**Typical Site Characteristics Study**

660-009-0015 (4) states, “The economic opportunities analysis must estimate the types and amounts of industrial and other employment uses likely to occur in the planning area.” (emphasis added) The typical site characteristics of industrial uses study was intended to find the “site characteristics typical of expected uses” as required by OAR 660-009-0015 (2). (emphasis added) The expected uses in this case are those targeted industries that would locate within newly created industrial districts. The targeted industry list is contained in Table 12-18 of the revised EOA (page 42 of the EOA, page 185 of the June 6 City Council packet). It is expected that all buildable industrial land and infill and redevelopment sites will be used in the planning period, but the EOA shows there is not a sufficient supply of such land to meet the projected 20-year need for these industrial opportunities. Therefore, Newberg will need to create new industrial districts to meet the projected need, and thus the new industrial districts will need to have the typical site characteristics.

Thus, the study was intended to discover the site characteristics that recently sited targeted industries typically have. The study was not simply to discover what the characteristics of historical uses has had. The study used a broad period as “recent”: the last 40 years. It was important not to include older sites because many industrial areas were created for historical reasons that no longer apply to today. For example, many early industrial sites are located along waterways to facilitate transport of logs. Many of these sites since have been reused for new industrial uses that have no need for proximity to the waterway. In addition, the context of many of these historical sites has changed significantly. Some were constructed in areas of farm fields, but now are surrounded by homes or other businesses. Looking at the current context does not necessarily give a true impression of the site characteristics of expected future uses.

Friends present a list of 15 sites they argue should have been included in the study. Of those 15 sites, seven were not created or substantially developed within the last 40 years, so they do not represent expected future uses. For example, they present the Chehalem Valley Mill site, which was constructed as early as 1891, before the advent of the automobile, as having characteristics typical of expected uses. This is simply not plausible as a site with characteristics typical of expected future uses. Three do not contain uses on
Newberg’s targeted industry list. Three already were included, though one larger site reasonably could be divided into two. Further research showed that two sites reasonably could be added to the analysis. Therefore, the analysis has been modified to add the two additional sites, and to divide one of the sites into two. See the table below.

<table>
<thead>
<tr>
<th>Site</th>
<th>Response</th>
</tr>
</thead>
<tbody>
<tr>
<td>Newberg -1</td>
<td>1960’s site development too old to be considered “expected” of future uses. The uses are not on Newberg targeted industry list.</td>
</tr>
<tr>
<td>Newberg -2</td>
<td>1890’s to 1960’s development too old to be considered “expected” of future uses.</td>
</tr>
<tr>
<td>Newberg -3</td>
<td>Included in Springbrook Road commercial area analysis. This site is part of a mixed industrial use area in the comprehensive plan, therefore can be considered a contiguous district. See the attached map.</td>
</tr>
<tr>
<td>Canby -1</td>
<td>Pre-1970’s development too old to be considered “expected” of future uses.</td>
</tr>
<tr>
<td>Canby -2</td>
<td>Site was included in Canby West side study. Middle portion of area is a “Heavy Commercial/Manufacturing,” therefore it can be considered a contiguous district.</td>
</tr>
<tr>
<td>Forest Grove-1</td>
<td>Site was included in 23rd &amp; 24th Street Study area. Revised analysis separates 23rd Street and 24th Street as separate study areas.</td>
</tr>
<tr>
<td>Forest Grove-2</td>
<td>Majority of area is uses not on Newberg targeted industry list. Added to analysis as “16th Avenue”</td>
</tr>
<tr>
<td>Forest Grove-3</td>
<td>Pre-1970’s development too old to be considered “expected” of future uses.</td>
</tr>
<tr>
<td>McMinnville-1</td>
<td>Pre-1950’s site development too old to be considered “expected” of future uses.</td>
</tr>
<tr>
<td>McMinnville-2</td>
<td>Per conversation with company, site was originally developed in the 1950’s (not 1980’s), so it is too old to be considered typical of expected future uses.</td>
</tr>
<tr>
<td>McMinnville-3</td>
<td>Uses not on Newberg targeted industry list</td>
</tr>
<tr>
<td>McMinnville-4</td>
<td>Uses not on Newberg targeted industry list</td>
</tr>
<tr>
<td>McMinnville-5</td>
<td>Uses not on Newberg targeted industry list</td>
</tr>
<tr>
<td>Sherwood-1</td>
<td>Pre-1985 development is a non-conforming industrial use. Site added to the analysis.</td>
</tr>
<tr>
<td>Woodburn-1</td>
<td>Pre-1970’s site development too old to be considered “expected” of future uses.</td>
</tr>
</tbody>
</table>

Friends also raise questions about what appear to be non-contiguous industrial districts. Each of the areas they point out are contiguous districts with intervening industrial land outside city limits or with a different industrial zoning. In the Wilsonville case, the intervening portion is a “Rural Agricultural Holding – Industrial” District, thus is still an industrial district. In the Woodburn case, the intervening land is outside the city limits but designated industrial on the comprehensive plan. In the Tualatin area, the intervening land is an industrial area in Durham city limits.

Importantly, with the revisions noted, the overall conclusions remain the same. Of industrial areas with Newberg targeted industries, similar to those expected and likely to occur in Newberg:

- 92% have access within 1/8 mile of an arterial or state highway.
- 92% do not access through residential areas.
92% have less than 25% of their boundaries unbuffered with residential areas.

92% are 100 acres or greater, or 20 acres or greater in size and adjacent to a large commercial area.

100% are predominantly under 5% slope.

Friends argue none of these characteristics are “typical.” For example, they argue that just because 100% of studied areas are predominantly under 5% slope, that is not good enough to be considered “typical” because no atypical sites were found. Such arguments remove all meaning from the word “typical.”

Rail Access

Rail access is important to some industrial uses. Notably, SP Newsprint in Newberg relies on rail access. Several industrial users in Newberg have rail access, such as PPM and A-dec, but don’t utilize it. At least one buildable industrial site, the Springbrook Employment site, does have rail access.

The site characteristics list was not intended as an exhaustive list of all potential site requirements for all users.

Application of Site Characteristics.

The analysis analyzed potential industrial sites to determine whether they had the needed industrial site characteristics. The analysis categorized each potential site into one of three categories: sites that met the criteria, sites that could meet the criteria under some condition or mitigation, and those that did not meet the criteria. Thus, the analysis factored whether, for example, a functional buffer reasonably could be created, or a street could be redesignated to serve the need. Friends argue the analysis did not consider such circumstances; this claim is false. For example, Friends argue Zimri Drive should be classified as an arterial so that the hillside areas along that road could be designated industrial. However, in addition to the fact the area fails to meet the topographic criterion, Zimri would never serve the function of an arterial to carry movements through the community even if redesignated.

The analysis considered 21 potential sites around the UGB for potential industrial designation, including a number of sites in rural residential areas. Those areas with groups of parcels with potential buildable industrial land were considered in the analysis. Friends argue such places are “an ideal place for industrial expansion.” While we disagree (and most the residents in such areas would disagree) that such places are “ideal,” we nevertheless carefully and thoroughly considered rural residential areas for industrial uses.

ARE Site

The EOA projects that the ARE site on Springbrook Road will be further developed and will accommodate a portion of Newberg’s future employment needs. Because the site already is partly improved, the plan accounts for future development on this site as “infill and redevelopment.” The EOA projects that one-third of future employment from mid-sized firms will be accommodated on infill and redevelopment sites, and this is one of them.

Friends object to the ARE site being classified as “developed” rather than “vacant,” however that is precisely how state rules indicate the site should be categorized. This particular site is split by the urban growth boundary, so a portion is outside the UGB. The portion inside the UGB is less than five acres. More than one-half acre currently contains permanent buildings or improvements. Thus, the site does not meet the
"Vacant Land" means a lot or parcel:
(a) Equal to or larger than one half-acre not currently containing permanent buildings or improvements; or
(b) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.

It does meet the definition of “developed land” in OAR 660-009-0005.

(1) "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period.

Thus, this site was appropriately classified as a “developed” site projected for infill and redevelopment.

**Land for future expansion of existing industries**

The plan includes all buildable land in the buildable lands inventory and assumes that that land will be developed in the 20-year horizon. It also assumes that the currently unused portions of “developed” industrial land will be infilled in the 20-year horizon. Friends claim the plan “implies” that land held by firms for long term expansion is not accounted in the buildable lands inventory. This claim is not true. What the plan does imply is that if the community allows the buildable land supply to dwindle to the point that the only buildable land is that owned by firms with expansion plans for that land, other firms will be unable to locate or relocate within the community, depriving the community of the economic opportunities it needs.

**Infill assumptions in the 20-30 year time frame**

As noted above, the plan projects that all employment land that can be developed, redeveloped, or infilled will be so developed in the next 20 years. It would not be appropriate, therefore, to project that the same land that already was infilled would be infilled again in the 20-30 year horizon. The plan does project an overall increase in employee density for the longer term.

**Buildable Land Inventories**

Under state rules, residential and employment land are inventoried differently. LUBA’s remand of the Housing needs analysis dealt with the inventory of residential land. Neither that remand, nor LUBA’s remand of the EOA, said anything about Newberg’s methodology for inventorying commercial and industrial land. In fact LUBA upheld Newberg’s land inventory adopted as part of the EOA.

The alternative sites analysis conducted as part of the UGB amendment did analyze whether potential sites could be classified as buildable employment land according to the state Goal 9 rules and the methodology contained in the EOA. While residential land inventories were instructive in locating potential buildable employment land, the analysis ultimately did not rely on the inventory, methodology, or rules for determining buildable residential land.

**Planning for the South Industrial Area**

Newberg has undergone an extensive citizen involvement effort preceding the proposal that is before the
2032 Industrial Site Need vs. Supply

As shown in Table 12-25, Newberg has an unmet need for one 30- to 50-acre site, one 10- to 30-acre site, 51 acres of 2- to 10-acre sites, and 20 acres of sites under 2 acres in size.

<table>
<thead>
<tr>
<th>Size Range (Acres)</th>
<th>Number of Sites - 2012 UGB</th>
<th>Buildable Acres - 2012 UGB</th>
<th>2032 Needed Buildable Sites</th>
<th>2032 Needed Gross Buildable Acres</th>
<th>2032 Deficit # of Sites</th>
<th>2032 Deficit Buildable Acres</th>
</tr>
</thead>
<tbody>
<tr>
<td>&lt;2</td>
<td>5</td>
<td>6</td>
<td>23</td>
<td>26</td>
<td>(18)</td>
<td>(20)</td>
</tr>
<tr>
<td>2 to 10</td>
<td>7</td>
<td>30</td>
<td>14</td>
<td>81</td>
<td>(7)</td>
<td>(51)</td>
</tr>
<tr>
<td>10 to 30</td>
<td>1</td>
<td>24</td>
<td>2</td>
<td>42</td>
<td>(1)</td>
<td>(18)</td>
</tr>
<tr>
<td>30 to 50</td>
<td>0</td>
<td>0</td>
<td>1</td>
<td>42</td>
<td>(1)</td>
<td>(42)</td>
</tr>
<tr>
<td>Total</td>
<td>13</td>
<td>60</td>
<td>40</td>
<td>191</td>
<td>(27)</td>
<td>(131)</td>
</tr>
</tbody>
</table>

This means that Newberg will need to include an additional 131 buildable industrial acres within the UGB to include:

1) A 30- to 50-acre site;
2) A 10- to 30-acre site; and
3) Industrial park sites totaling approximately 71 buildable acres.
designated with roman numerals I-XIV. The study then applies the site suitability criteria to these sites, considers the current designation for each site and any prior commitment, then determines whether redesignating that site to industrial would be a reasonable alternative.

**Public/Quasi-public site suitability characteristics**
The City and public facility needs identified in the comprehensive plan have siting requirements that vary depending on the specifics of the use. For this application, the City is seeking to locate public/quasi-public land to site a water treatment plant. This use is an industrial type use, and has site suitability characteristics that are similar to and compatible with industrial site suitability characteristics. In addition, a critical criterion is that the site has ready access to the Newberg’s water source. Newberg’s primary water source is a series of wells located south of the Willamette River. The city has two transmission mains from this well field: one on the old Highway 219 bridge near SP Newsprint, and under the Willamette River ending near Dog Ridge Road. This second pipe is the long term transmission source, and the new plant must be readily accessible to this line.

**Analysis of sites within the UGB for redesignation as industrial**
Below is analysis of non-industrial sites within the UGB to determine whether they reasonably could be redesignated industrial. The analysis considers whether these sites meet the industrial site suitability characteristics and other factors to determine whether the site could reasonably accommodate industrial uses.

**Site I** is at the intersection of North Valley Road and Chehalem Drive. This area includes about 40 buildable acres, including some 5-10 acre parcels. It is not adjacent to an industrial or commercial area. The site is predominantly over 5% slope, with large areas over 10% slope. The area is bisected by a stream corridor. It abuts residential areas on more than 25 percent of its perimeter. Truck traffic would need to travel by residential neighborhoods to reach the closest state highway or arterial: Highway 219. Even if any new arterials were created to serve this area, truck travel would have to go by residential neighborhoods. Thus, **Site I is not suitable for redesignation as industrial, and could not reasonably accommodate industrial needs.**

**Site II** is near the intersection of Hwy 219 and Bell Road. This area includes approximately 25 buildable acres in non-contiguous parcels. It is predominantly over 5% slope with much of the area over 10% slope. Part of the site has access to Highway 219. The site abuts residential areas on about 25 percent of its perimeter. A portion of the site is owned by the North Valley Friends Church. The Church has a development agreement with the City regarding development of a church and school on the property. The remainder of the site is committed to non industrial use through its inclusion in the Northwest Newberg Specific Plan (1993), which plans for future residential uses on this site. Thus, **Site II is not suitable for redesignation as industrial, and could not reasonably accommodate industrial needs.**

**Sites III, IV, and V** are along Mountainview Drive and Crestview Drive. These sites have an approved master plan and development agreement: the Springbrook Master Plan. The master plan envisions a

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variety of uses including commercial, multi-family, and other residential uses for these areas. The
master plan does designate an employment area just south of Site IV that is included in the buildable
industrial land inventory. The sites have an approved and recorded subdivision plat for the entire acreage. Thus Sites III, IV, and V could not reasonably accommodate industrial needs.

Site VI is between Zimri Drive and N. Springbrook Road. While this area does include about 30 buildable
acres, it is not adjacent to industrial or commercial areas. It is adjacent to a resort hotel. There would
be many conflicts between the dust, noise, smell, and truck traffic of an industrial area and the quiet
peace resort users are seeking. It lacks proximity to an arterial or state highway. The closest access
would be on Zimri Drive, which still would be over ¼ mile distant from the nearest arterial (unless access
was through a site with a historic home, which would not be reasonable). Truck traffic on Zimri would
have to go past a residential neighborhood. Truck access from Springbrook Road would be even more
distant. Zimri and Springbrook both go north through hilly terrain with grades in excess of 10%, and end
at Bell Road, which is narrow, hilly, and windy. So neither reasonably could be redesignated an arterial.
Thus, Site VI is not suitable for redesignation as industrial, and could not reasonably accommodate
industrial needs.

Site VII is on the north side of Highway 99W. It does include nearly 40 buildable acres. It is not adjacent
to an industrial or commercial area (it is a commercial area). It is across the street from Providence
Newberg Medical Center. It is adjacent to and can access Highway 99W at the Providence Drive
intersection. It abuts residential areas on more than 25 percent of its boundary. There is an approved
commercial/residential subdivision tentative plan on a part of the property. It is the only commercial
site in the Newberg UGB with large parcels suitable for a community commercial center and high access
and visibility to Highway 99W. Newberg has a lack of commercial land. Thus, Site VII is suitable for
commercial employment and residential uses, and is not suitable for redesignation as industrial, and
could not reasonably accommodate industrial needs.

Site VIII is along Providence Drive and is just south of Providence Medical Center, and west of the
existing medical center. It contains about 25 buildable acres. The property west of the medical center is
planned for expansion of the medical center. The property to the south is planned for construction of
medical office or medical service uses according to the adopted Springbrook Oaks Specific Plan. This
land would meet many of the community’s employment needs as the health care industry expands. It
does abut a residential neighborhood on more than 25 percent of its border. There is one industrially
zoned property adjacent. Redesignating this parcel industrial would deplete the supply of needed
commercial and office employment land, which is uniquely appropriate near Providence Medical Center.
Thus, Site VIII is appropriate for health care type institutional uses, and is not suitable for redesignation
as industrial.

This is significant, because ORS 92.040 (2) and (3) states,
(2) After September 9, 1995, when a local government makes a decision on a land use application for a subdivision inside an urban growth
boundary, only those local government laws implemented under an acknowledged comprehensive plan that are in effect at the time of
application shall govern subsequent construction on the property unless the applicant elects otherwise.
(3) A local government may establish a time period during which decisions on land use applications under subsection (2) of this section
apply. However, in no event shall the time period exceed 10 years, whether or not a time period is established by the local government.
Sites IX is on the east side of Brutscher Street between West Coast Bank and the former Suntron Building. It is approximately 1.6 acres. This site meets the site suitability criteria for both commercial and industrial land. The proximity to the Fred Meyer shopping center site and proximity to Brutscher and 99W make this site attractive for commercial development. Redesignating this lot as industrial would increase the shortage of commercial land in the UGB. Thus, Site IX is appropriate for its current commercial designation, and could not reasonably be changed to accommodate needed industrial uses.

Site X is located on both sides of Hayes Street at Springbrook Road. The site includes approximately 8 buildable acres; however, the site is bisected by the stream corridor, an area of steep slopes. The site has access to Springbrook Road, a major arterial, and is within 1/8 mile of Highway 99W. It has commercial uses on the north and west sides and an industrially designated parcel (but not used as industrial) on the south side. However, the site is included within the adopted Springbrook Oaks Specific Plan area and is planned to accommodate commercial and multi-family uses. An apartment complex recently was approved on a portion of the site. Newberg lacks commercial land. Thus, Site X is suitable for the already planned for commercial and multi-family residential uses envisioned in the Springbrook Oaks Specific Plan and should not be redesignated to industrial.

Site XI is consists of non-contiguous lots under 5 acres in existing commercial areas. It is on the north side of Hancock Street between Sitka Avenue and Deborah Road. It includes about 8 buildable acres on a few parcels ranging from less than 1 acre to just over 3 buildable acres. These sites meet the site suitability criteria for both commercial and industrial land. Redesignating these lands as industrial would increase the shortage of commercial land in the UGB. Thus, Site XI is appropriate for its current commercial designations, and could not reasonably be changed to accommodate needed industrial uses.

Site XII is along South Springbrook Road. While the site does access South Springbrook Road, a major arterial, it also abuts residential areas along more than 25 percent of its boundary. It abuts one industrial use to the south and one across South Springbrook Street; however, it also abuts manufactured dwelling parks across the street, and residential uses to the north. Thus the site does not meet the industrial site suitability characteristics.

The site is designated mostly High Density Residential and part Medium Density Residential. The Newberg UGB currently has a very meager supply of multi-family residential land, especially high density residential land. Newberg has been actively seeking to increase the supply of multi-family residential land in the UGB. The Ad Hoc Committee on Newberg’s Future and the Affordable Housing Committee both recommended this site remain as residential, and even be considered for redesignation as all High Density Residential. The site is well suited to multi-family residential use. Newberg Comprehensive Plan Policy I.2.a, states, “Medium and high density areas should be located for immediate access to collector streets or minor arterials and should not cause traffic to move through low density areas. High density areas should be easily accessible to arterial streets. They should also be located near commercial services and public open spaces.” The area is within walking distance to shopping, trails, a community college, and transit. If this were redesignated industrial, finding suitable replacement high-density residential land would be very difficult to do, as was demonstrated in recent hearings on a zone change to High Density Residential on Meridian Street. In addition, redesignation as industrial could result in
Measure 37/49 claims for restricting the residential use. Thus, Site XII is appropriate for multi-family residential use, is not suitable for redesignation as industrial, and could not reasonably accommodate the needed industrial uses.

**Site XIII** is along Adolf Road. It includes about 7 total acres of property. However, since the property is crossed by the Newberg-Dundee Bypass corridor, most of the property is not buildable. The site could be suited to some interim industrial use, such as storage. This actually would be more appropriate, and likely more valuable, than constructing multi-family residential uses on the site under the current Medium Density Residential (MDR) designation, where residences would only be removed upon bypass construction. If land across Adolf Road also is included in the UGB as industrial, this land could be part of group of more than 20 buildable acres that is adjacent to an existing industrial area. The site fronts Highway 219, though actual access is through Wilsonville Road/Highway 219. The highway would act as a buffer from the manufactured housing park across the highway. The total boundary with residential is less than 25%. Future access could be via a new frontage road to Highway 219, as envisioned in the South Industrial Area Master Plan. Thus, Site XIII is appropriate for interim industrial use, provided additional land on Adolf Road is brought into the UGB and designated industrial.

**Site XIV** is along Waterfront Street. This area is a part of Newberg’s Riverfront Master Plan. It includes one residentially designated parcel crossed by the Newberg-Dundee bypass, and one former landfill site envisioned as a future park. The site is more than a mile from a state highway or arterial street. Industrial access would have to go through existing residential neighborhoods. Thus, Site XIV is not suitable for redesignation as industrial, and could not reasonably accommodate industrial needs.

**Redesignation of Land Conclusion**

Two parcels in the UGB along Adolf Road should be redesignated industrial, provided additional land along Adolf Road is included in the UGB and designated industrial. This would add approximately 1 buildable acre of industrial land to the Newberg industrial land supply. No other sites within the UGB meet the industrial site suitability characteristics and could reasonably accommodate the identified industrial needs. The two parcels are currently designated as Medium Density Residential (MDR) in the Newberg Comprehensive Plan. Although there is currently a deficit of Medium Density Residential land to meet future needs, this redesignation is appropriate because of the following:

- Although there is a deficit of residential land, there is also a deficit of industrial land, and this area is better suited to meet that need.
- The two parcels are located in between two roads, one of them a major highway, that does not provide a welcoming environment for residential development. The area is distant from parks, shopping areas, schools, or trails that would make that area suitable for residential uses. In addition, if the land on the other side of Adolf Road is brought into the UGB with an industrial designation, the parcels would be between Highway 219 and industrial development.
- It is far more difficult to find land that meets the industrial site suitability characteristics than that meets criteria for residential development. As stated elsewhere in this report, the industrial site suitability criteria are quite specific and are not met except where noted.
<table>
<thead>
<tr>
<th>Site</th>
<th>Size</th>
<th>Topography</th>
<th>Proximity</th>
<th>Compatibility</th>
<th>Suitable for Industrial?</th>
</tr>
</thead>
<tbody>
<tr>
<td>#1: North Valley Rd.</td>
<td>🌿 Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres</td>
<td>🌿 Most of site &gt; 5% slope, with large areas &gt; 10% slope</td>
<td>🌿 Adjacent to UGB. Site has sufficient buildable land to allow expansion. Not within 1/4 mile of state highway or arterial</td>
<td>🌿 Would require truck travel adjacent to residential areas.</td>
<td>🌿 No</td>
</tr>
<tr>
<td>#2: North Valley Rd. / Tangen Rd.</td>
<td>🌿 Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres</td>
<td>🌿 Site is predominantly &lt; 5% slope</td>
<td>🌿 Not adjacent to UGB, nor part of area that could immediately be added to UGB. Site has sufficient buildable land to allow expansion. Not within 1/4 mile of state highway or arterial</td>
<td>🌿 Would require travel adjacent to and through residential areas.</td>
<td>🌿 No</td>
</tr>
<tr>
<td>#3: Chehalem Dr.</td>
<td>🌿 Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres</td>
<td>🌿 Site is predominantly &lt; 5% slope</td>
<td>🌿 Adjacent to UGB. Site has sufficient buildable land to allow expansion. Not within 1/4 mile of state highway or arterial</td>
<td>🌿 Unbuffered from residential to east and some to south. Would require truck travel adjacent to and through residential areas.</td>
<td>🌿 No</td>
</tr>
<tr>
<td>#4: Chehalem Dr. / Cullen Ln.</td>
<td>🌿 Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres</td>
<td>🌿 Site is predominantly &lt; 5% slope</td>
<td>🌿 Adjacent to UGB. Site has sufficient buildable land to allow expansion. Could be within 1/4 mile of Highway 240 if access via Old Yamhill Highway</td>
<td>🌿 Unbuffered from residential to west, south, and east. Would require truck travel adjacent to and through residential areas.</td>
<td>🌿 No</td>
</tr>
<tr>
<td>Site</td>
<td>Size</td>
<td>Topography</td>
<td>Proximity</td>
<td>Compatibility</td>
<td>Suitable for Industrial?</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------------------</td>
<td>-------------------------------------------------</td>
<td>---------------------------------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>#5: Highway 240 West</td>
<td>😞 Interspersed residential development would make it a challenge to assemble group of parcels with buildable land and &gt; 20 acres total.</td>
<td>😞 Site is predominantly &lt; 5% slope</td>
<td>☹ Not adjacent to UGB, nor part of area that could immediately be added to UGB. Not adjacent to industrial or commercial area, and interspersed residential development would make it very difficult or impossible to initially create or expand the district</td>
<td>☹ Surrounded by residential</td>
<td>☹ No</td>
</tr>
<tr>
<td>#6: Honey Ln.</td>
<td>😞 Interspersed residential development would make it a challenge to assemble group of parcels with buildable land and &gt; 20 acres total.</td>
<td>😞 Site is predominantly &lt; 5% slope</td>
<td>☹ Adjacent to the UGB and within 1/4 mile of Highway 240. Not adjacent to industrial or commercial area, and there is not enough buildable land in the area to allow expansion of the industrial district to provide the benefits of proximity to an industrial or commercial area</td>
<td>☹ Unbuffered from residential to east, south and west.</td>
<td>☹ No</td>
</tr>
<tr>
<td>#7: Sunnycrest Rd.</td>
<td>😞 Interspersed residential development would make it a challenge to assemble group of parcels with buildable land and &gt; 20 acres total.</td>
<td>😞 Site is predominantly &lt; 5% slope outside stream corridor</td>
<td>☹ Not within ¼ mile of state highway or arterial. Not adjacent to industrial or commercial area, and there is not enough buildable land in the area to allow expansion of the industrial district to provide the benefits of proximity to an industrial or commercial area</td>
<td>☹ Site is within developed residential area. Would require truck travel adjacent to and through residential areas.</td>
<td>☹ No</td>
</tr>
<tr>
<td>Site</td>
<td>Site Size</td>
<td>Topography</td>
<td>Proximity</td>
<td>Compatibility</td>
<td>Suitable for Industrial?</td>
</tr>
<tr>
<td>------</td>
<td>-----------</td>
<td>------------</td>
<td>-----------</td>
<td>---------------</td>
<td>------------------------</td>
</tr>
<tr>
<td>#8: Fox Farm Rd.</td>
<td>Group of parcels with &gt; 20 buildable acres, contains some parcels with &gt; 10 buildable acres</td>
<td>Site is predominantly &lt; 5% slope</td>
<td>Not adjacent to UGB, nor part of area that could immediately be added to UGB. Adjacent to Highway 99W, however direct highway access may not be allowed by ODOT. Adjacent to county industrial area.</td>
<td>Unbuffered from residential to north and west</td>
<td>No</td>
</tr>
<tr>
<td>#9: Dayton Ave. North</td>
<td>Group of buildable parcels with &gt; 20 acres.</td>
<td>Site is &gt; 5% and &gt; 10% slopes</td>
<td>Although the area is close to Highway 99W, there is no direct access, so highway or major arterial access would be further than 1/4 mile. Not adjacent to industrial or commercial area, and there is not enough buildable land in the area to allow expansion of the industrial district to provide the benefits of proximity to an industrial or commercial area (commercial/industrial area across highway and rail line).</td>
<td>It may be possible to establish industrial area with buffers from residential. Would require truck travel through residential areas.</td>
<td>No</td>
</tr>
<tr>
<td>#10: Riverfront West</td>
<td>Site &gt; 20 buildable acres, includes parcels with &gt; 30 buildable acres</td>
<td>Much of site has slopes over 10%</td>
<td>Adjacent to UGB but separated by the stream corridor. Site has sufficient buildable land to allow expansion. No access to state highway or arterial street within 1/4 mile.</td>
<td>Buffered from residential areas by stream corridors. Would require truck travel through residential areas in Dundee.</td>
<td>No</td>
</tr>
<tr>
<td>Site</td>
<td>Size</td>
<td>Topography</td>
<td>Proximity</td>
<td>Compatibility</td>
<td>Suitable for Industrial?</td>
</tr>
<tr>
<td>----------------------</td>
<td>---------------------------------------------------------------------</td>
<td>-------------------------------------------</td>
<td>------------------------------------------------</td>
<td>---------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>#11: Highway 219/Wynooski</td>
<td>Site contains &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres, 10-30 buildable acres, 5-10 buildable acres.</td>
<td>Site is predominantly &lt; 5% slope outside stream corridor</td>
<td>Adjacent to the UGB. Site is adjacent to industrial district. Abuts and has access to Highway 219.</td>
<td>Buffered from residential by stream corridors.</td>
<td>Yes</td>
</tr>
<tr>
<td>#12: S. Springbrook URA</td>
<td>Site contains about 20 buildable acres and touches one industrial property.</td>
<td>Site is predominantly &lt; 5% slope outside stream corridor</td>
<td>Adjacent to UGB. Site touches one industrial property. Access to Springbrook Road arterial street within 1/4 mile.</td>
<td>Unbuffered from residential on the north and west. Would require travel adjacent to and through residential areas to reach arterial.</td>
<td>No</td>
</tr>
<tr>
<td>#13: Wilsonville Rd. South</td>
<td>Site contains &gt; 20 buildable acres with 2 parcels of about 10 acres.</td>
<td>Site is predominantly &lt; 5% slope outside stream corridor</td>
<td>Not adjacent to UGB, nor part of area that could immediately be added to UGB. Site has sufficient buildable land to allow expansion.</td>
<td>Adjacent to residential on west side – boundary is &lt; 25%. Would require truck travel adjacent to residential area only on arterial street.</td>
<td>No</td>
</tr>
<tr>
<td>#14: Wilsonville Rd. Northwest</td>
<td>Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres and 10-30 buildable acres.</td>
<td>Site is predominantly &lt; 5% slope outside stream corridor</td>
<td>Adjacent to UGB. Site has sufficient buildable land to allow expansion. Abuts and has access to Wilsonville Rd. (minor arterial).</td>
<td>Stream corridors on north and west side Residential area across Wilsonville Road, and along west side. Boundary is &lt; 25%. Would require truck travel adjacent to residential area only on arterial street.</td>
<td>Yes</td>
</tr>
<tr>
<td>Site</td>
<td>Size</td>
<td>Topography</td>
<td>Proximity</td>
<td>Compatibility</td>
<td>Suitable for Industrial?</td>
</tr>
<tr>
<td>----------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>#15: Wilsonville Rd.</td>
<td>Site &gt; 20 buildable acres, includes parcels &gt; 30 buildable acres and 10-30 buildable acres</td>
<td>Area north of Wilsonville Rd. is predominantly &lt; 5% slope; area south of Wilsonville Rd. is predominantly &gt;10% slope.</td>
<td>Not adjacent to UGB, nor part of area that could immediately be added to UGB. Site has sufficient buildable land to allow expansion. Abuts and has access to Wilsonville Rd. (minor arterial).</td>
<td>Not adjacent to residential areas. Would require truck travel adjacent to residential area only on arterial street.</td>
<td>No</td>
</tr>
<tr>
<td>#16: Corral Creek Rd. South</td>
<td>Site &gt; 20 buildable acres, includes parcels 10-30 buildable acres and 5-10 buildable acres</td>
<td>Site is mixture of &lt;5% slopes, 5-10% slopes, and steeper slopes.</td>
<td>Adjacent to UGB. Site has sufficient buildable land to allow expansion. No access to arterial street or state highway within 1/4 mile.</td>
<td>Would require travel adjacent to and through residential areas.</td>
<td>No</td>
</tr>
<tr>
<td>#17: Parrett Mountain</td>
<td>Site &gt; 20 buildable acres, includes parcels 30+ buildable acres, 10-30 buildable acres and 5-10 buildable acres</td>
<td>Slopes over 10% do not allow for industrial development.</td>
<td>Not adjacent to UGB, nor part of area that could immediately be added to UGB. Site has sufficient buildable land to allow expansion, but that land is sloped. No truck access to arterial street or state highway within ¾ mile.</td>
<td>Would require travel adjacent to and through residential areas.</td>
<td>No</td>
</tr>
<tr>
<td>#18: Corral Creek Rd. North</td>
<td>Site has about 60 buildable acres. Has some parcels with about 10 buildable acres.</td>
<td>Much of the area is &gt; 5% slope, with large areas &gt; 10% slope</td>
<td>Adjacent to UGB. Site has sufficient buildable land to allow expansion. Corral Creek Rd. access to Highway 99W not suitable for truck traffic.</td>
<td>Would require truck travel adjacent to and through residential areas to reach highway or arterial.</td>
<td>No</td>
</tr>
<tr>
<td>Site</td>
<td>Size</td>
<td>Topography</td>
<td>Proximity</td>
<td>Compatibility</td>
<td>Suitable for Industrial?</td>
</tr>
<tr>
<td>--------------------</td>
<td>----------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>----------------------------------------------------------------------------</td>
<td>--------------------------------------------------------------------------------</td>
<td>--------------------------</td>
</tr>
<tr>
<td>#19: Benjamin Rd.</td>
<td>Site &gt; 20 buildable acres.</td>
<td>Large part of site is &gt; 5% slope, with some areas &gt; 10% slope</td>
<td>Adjacent to UGB. No truck access to arterial street or state highway within 1/4 mile. Site adjacent to commercial area.</td>
<td>Residential to north and west. Would require truck travel adjacent to and through residential areas.</td>
<td>No</td>
</tr>
<tr>
<td>#20: North Hills URA</td>
<td>Site &gt; 20 acres. Includes sites with 10-30 buildable acres.</td>
<td>Site is predominantly &gt;5% and &gt;10% slopes</td>
<td>Adjacent to UGB. Site has sufficient buildable land to allow expansion, though some of that land is sloped. No truck access to arterial street or state highway within 1/4 mile.</td>
<td>Abuts residential on south side. Would require truck travel adjacent to and through residential areas.</td>
<td>No</td>
</tr>
<tr>
<td>#21: Bell Rd.</td>
<td>Site &gt; 20 acres. Includes sites with 10-30 buildable acres.</td>
<td>Slopes over 10% do not allow for industrial development.</td>
<td>Except on west side, area is not adjacent to UGB. Assembling sufficient land to allow the benefits of industrial/commercial proximity would be very difficult due to slopes. Western part has truck access to arterial street or state highway within 1/4 mile.</td>
<td>Would require truck travel adjacent to residential areas</td>
<td>No</td>
</tr>
</tbody>
</table>
This map identifies groups of parcels in close proximity with buildable land that contain at least 20 acres (or smaller if adjacent to existing industrial district).

This map also identifies sites by size category.

Legend:
- Planned Bypass Corridor
- Buildable < 5 ac.
- Buildable 5+ and <10 ac.
- Buildable 10 - 30 ac.
- Buildable > 30 ac.
- Existing UGB
- Urban Reserve Area
- UGB Study Area
- Industrial Areas in UGB
- Streams and Water Features
Topographical Requirements
Exclude:
- Slopes of 10% or greater,
- Sites that are not predominantly less than 5% slope within development areas, and
- Areas within stream corridors and wetlands.

Legend
- Planned Bypass Corridor
- UGB_Study_Area
- Urban Reserve Area
- Buildable < 5 ac.
- Buildable 5 - <10 ac.
- Buildable 10 - <30 ac.
- Buildable > 30 ac.
- Water Features
- Floodplain

Slope
- Percent
  - 0% - 5%
  - 5% - 10%
  - >10%

MAP 5
Newberg Study Areas
Topographic Suitability

Site is predominantly < 5% slope
Site is predominantly > 5% and >10% slopes outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Much of the area is > 5% slope, with large areas > 10% slope
Slopes over 10% do not allow for industrial development.

Newberg Study Areas
Topographic Suitability

Most of site >5% slope; large areas >10% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
North is predominantly < 5% slope; South is predominantly >10% slope
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Site is predominantly > 5% slope outside stream corridor
Large part of site is > 5% slope, with some areas > 10% slope

City of Newberg Industrial Lands Analysis - 2012 UGB Expansion
Include parcels or contiguous group of parcels:
1. Within, or adjacent to existing UGB, or as part of group of parcels in the vicinity of the UGB that immediately could be added to the UGB.
2. Adjoin an existing industrial or commercial area, or an area with sufficient buildable land to allow expansion of the industrial district.
3. That have suitable truck access to a state highway or arterial street within 1/4 mile.

Not adjacent to UGB, nor part of area that could immediately be added to UGB.
Not within 1/4 mile of state highway or arterial. Not adjacent to industrial or commercial area, not sufficient buildable land to allow expansion to provide the same benefits.
Not adjacent to UGB or part of area that could immediately be added to UGB.
Not adjacent to UGB, nor part of area that could immediately be added to UGB.
Newberg Study Areas: Compatibility Requirements

Excluding sites that:
1. Abut residential neighborhoods on more than 25% of the site perimeter unless effective topographical buffers are present.
2. Require truck traffic to travel through or adjacent to a residential neighborhood to reach an arterial street or state highway.

Legend:
- parcel selection 2
- UGB Study Area
- Existing UGB
- Urban Reserve Area
- Industrial Areas in UGB
- Residential Areas
- Water Features
- 10% Slopes or Greater
- Planned Bypass Corridor

Site-specific requirements:
- Would require truck travel adjacent to residential areas.
- Unbuffered from residential to east and south.
- Would require truck travel adjacent to and through residential areas.
- Unbuffered from residential to east, south, and west.
- Site is within developed residential area. Would require truck travel adjacent to and through residential areas.
- Unbuffered from residential to east, south, and west.
- Surrounded by residential.
- Unbuffered from residential to north and east.
- Would require truck travel through residential areas.
- Would require truck travel through or adjacent to residential areas.
- Would require truck travel adjacent to and through residential areas.
- Would require truck travel adjacent to and through residential areas.
- Would require truck travel adjacent to and through residential areas.
- Would require truck travel adjacent to and through residential areas.
- Would require truck travel adjacent to and through residential areas.
- Buffer from residential by stream corridors.
- Residential boundary is < 25%.
- Truck travel on arterial street.
Table 12-29: Buildable Commercial Land in Newberg UGB (2010)

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

2032 Commercial Site Need and Supply

Overall, Newberg has nearly enough commercial land need to meet it needs through 2032. It has a deficit of eight buildable acres of commercial land to meet needs through 2032.

Table 12-30: Commercial Land Supply and Need through 2032

<table>
<thead>
<tr>
<th>Buildable Acres Needed through 2032</th>
<th>Buildable Acres in 2010 UGB</th>
<th>(Deficit)</th>
</tr>
</thead>
<tbody>
<tr>
<td>127</td>
<td>120</td>
<td>(7)</td>
</tr>
</tbody>
</table>

Note: All figures are gross buildable acres.

The East Portland Road Community Commercial meets the need for one of the community commercial centers. The Springbrook Road area serves as an expansion of an existing community commercial area.

The College/Mountainview Neighborhood Commercial area, because of its size and location, could meet needs as a community commercial or a neighborhood commercial area.

The Springbrook Village area and Riverfront commercial areas are primarily tourist and leisure related commercial areas. These could serve some functions of neighborhood commercial areas,
however an additional neighborhood commercial area could be needed to serve a particular neighborhood.

The Providence Drive Medical Office area is well suited to medical office uses. Additional office uses could likely be met through expansion of existing commercial areas or through new areas.
Combined Industrial and Industrial Type Public/Quasi-Public Land Needs through 2032
In summary, the total needs identified for industrial land and industrial type public/quasi-public land (water treatment plant) through 2032 is for 194 gross buildable acres (191 gross buildable acres of industrial and at least 3 gross buildable acres of industrial type PQ land).

Meeting Newberg’s Land Needs inside the UGB
OAR 660-024-0050 (4) states, “Prior to expanding the UGB, a local government must demonstrate that the estimated needs cannot reasonably be accommodated on land already inside the UGB.” Thus, to determine how best to meet Newberg’s land needs, Newberg must look at the current buildable land supply, the possibilities for infill and redevelopment of existing industrial land (which includes re-use and intensification of use of existing developed sites), and the possibilities for redesignation of land in other categories to industrial. The result of this analysis will be Newberg’s unmet land need: the acreage that will need to be met through a UGB expansion.

Newberg’s Buildable Industrial Land Supply
The comprehensive plan inventory of buildable industrial land was updated in 2012, 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 context means both suitable “vacant” and “developed” [i.e. redevelopable] land as those terms are defined in OAR 660-009-0005. Buildable industrial 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) Equal to or larger than five acres where less than one half-acre is occupied by permanent buildings or improvements.
   c) Non-vacant land that is likely to be redeveloped during the planning period. For this inventory, this included (but was not limited to),
      i) Lots equal to or larger than one-half acre, and less than five acres likely to be redeveloped during the planning period.
      ii) The undeveloped portion of a lot equal to or larger than five acres.
   d) Excludes (unsuitable) portions of lots within stream corridors, with slopes over 10 percent, or currently occupied by buildings or industrial uses not likely to be redeveloped during the planning period, or contained within the Newberg-Dundee Bypass right-of-way as shown in the Tier 2 Preferred Alternative selected September 2010. See Appendix F: ODOT Build Alternative and Design Options – West Newberg to Hwy 219 Interchange

Table 5 shows the existing buildable industrial land in the UGB as of 2012. Map 1 at the end of this report shows the amount of buildable industrial land in the UGB in 2012.
Table 5: Buildable Industrial Land in Newberg UGB (2012)

<table>
<thead>
<tr>
<th>Location</th>
<th>Potential Uses</th>
<th>Buildable Acres</th>
<th>&lt; 2 ac.</th>
<th>2-10 ac.</th>
<th>10-30 ac.</th>
<th>30-50 ac.</th>
<th>Total</th>
</tr>
</thead>
<tbody>
<tr>
<td>Springbrook Employment</td>
<td>Light Manufacturing or Industrial Office</td>
<td>27</td>
<td>1</td>
<td>1</td>
<td>2</td>
<td>2</td>
<td>60</td>
</tr>
<tr>
<td>Sportsman Airpark&lt;sup&gt;5&lt;/sup&gt;</td>
<td>Airport Industrial</td>
<td>22</td>
<td>2</td>
<td>4</td>
<td></td>
<td></td>
<td>6</td>
</tr>
<tr>
<td>Wynoooski Industrial</td>
<td>Light Industrial</td>
<td>10</td>
<td>1</td>
<td>2</td>
<td></td>
<td></td>
<td>3</td>
</tr>
<tr>
<td>Elliot Road Industrial</td>
<td>Light Manufacturing or Industrial Office</td>
<td>1</td>
<td>1</td>
<td></td>
<td></td>
<td></td>
<td>1</td>
</tr>
<tr>
<td><strong>Total</strong></td>
<td></td>
<td><strong>60</strong></td>
<td><strong>4</strong></td>
<td><strong>7</strong></td>
<td><strong>1</strong></td>
<td><strong>12</strong></td>
<td></td>
</tr>
</tbody>
</table>

Source: Newberg Economic Opportunities Analysis (2013)

The current UGB has approximately 60 gross buildable industrial acres. Newberg’s existing industrial land supply is mostly contained within two industrial/employment park areas: approximately 27 gross buildable acres zoned SD/E (Springbrook District Employment) and adjacent to the A-dec campus in the Springbrook area and approximately 22 gross buildable acres near the Sportsman Airpark. The land near the Sportsman Airpark should provide sufficient land to provide opportunities for aviation related targeted industries. There are also about 11 gross buildable acres of industrial land scattered in other areas.

**Infill and Redevelopment Possibilities**

Newberg considered the infill and redevelopment potential of existing industrial sites to meet its industrial land needs. These areas are illustrated on Map 1. Table 4 on page 16 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 2-10 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. This could include some industrial uses that are able to locate outside a traditional industrial zone<sup>6</sup>

Those industrial uses not on Newberg’s targeted industry list but likely to locate in Newberg, including those in the “other services” category such as auto repair, retail repair and maintenance services, and

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<sup>5</sup> 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.

<sup>6</sup> At the hearings, there was a suggestion that winery uses might be able to locate on hilly land outside traditional industrial areas. While there are winery uses in rural areas on larger acreages, this same rural type use does not necessarily translate to an urban site. Urban winery sites typically are smaller acreages, which gives fewer options for siting the actual facilities on level land within the site. They also have closer neighbors, which can lead to land use conflicts if sited outside industrial areas. For example, Dundee has several wineries, and all of them are on level sites in industrial areas. Newberg staff interviewied a user seeking to locate a winery within the Newberg UGB. That interviewee indicated he was seeking a site surrounded by other light industrial uses that is not close to residential areas. He indicated a winery is quiet most of the year but can be very busy for 6-8 weeks during the grape harvest, when trucks may be arriving early and late. If the site were near a residential area, he was concerned about limiting their operating hours because of noise, lights, or traffic. Nevertheless, not all urban wineries follow this typical industrial pattern, and the infill and redevelopment allowance here could include an urban winery located on a site not having the industrial site suitability characteristics.
self-storage facilities, are estimated to be able to be accommodated through infill and redevelopment or on buildable land already in the UGB. The table also assumes that for sites over 10 acres, one currently unoccupied site (Suntron) will be reoccupied, and that some infill will occur within existing larger sites. Figure 2 on page 19 illustrates the percentage of firms expected to locate through infill, redevelopment, and intensification versus constructing facilities on buildable industrial land.

**Figure 2: Percent of industrial firms by location of industrial land**

![Figure 2: Percent of industrial firms by location of industrial land](image)

However, even with these considerations, Newberg will still need 131 additional gross buildable acres of industrial land to meet 2032 needs (191 gross buildable acre need minus 60 gross buildable acre current supply = 131 gross buildable acres unmet need).

**Redesignation Possibilities for Land in the UGB**

One other option that must be considered is whether sites that already are in the UGB reasonably could be redesignated industrial to meet the employment needs. If a site is well suited for industrial use, then it may be appropriate to redesignate that site industrial. If that would require expanding the UGB to add additional land in the other category, this may be appropriate if the site characteristics needed for land in the current plan classification are more flexible than industrial, such as single family residential land. This may not be possible if the site suitability characteristics of the current designation are similar to industrial, such as commercial land, or if there is some unique characteristic of the property that makes is especially suited for the current planned use. This also would not be possible if the current property owner has some vesting in the current designation, such as an approved subdivision tentative plan, a development agreement, or site design review approval. In addition, ORS 195.305 (Measure 37/49) states,

“If a public entity enacts one or more land use regulations that restrict the residential use of private real property or a farming or forest practice and that reduce the fair
market value of the property, then the owner of the property shall be entitled to just compensation from the public entity that enacted the land use regulation or regulations as provided in ORS 195.310 to 195.314.”

According to the Yamhill County Assessor records, the average fair market value of residential land is higher than industrial land. Therefore, if the City or County were to redesignate residential land as industrial without the owner’s consent, then they may be required to provide just compensation to that property owner. With very limited local government budgets, direct financial compensation would very likely not be feasible. The other option would be to allow the residential use, which would negate the change to industrial. Therefore, in most cases such a redesignation would not be reasonable.

This report considers whether there is any buildable land currently in the UGB that reasonably could be redesignated industrial. This report first examines whether any land currently in the UGB meets the industrial site suitability characteristics established in Newberg’s Economic Opportunities Analysis. The report then examines the potential for redesignating that land from its current designation to industrial.

**Specific Industrial Site Characteristics**

The impetus to create industrial site suitability criteria comes from OAR 660, Division 9 (Economic Development), from the following two sections:

**OAR 660-009-0015 Economic Opportunities Analysis - (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.

**OAR 660-009-025 Designation of Lands for Industrial and Other Employment Uses – (1) Identification of Needed Sites.** The plan must identify the approximate number, acreage and site characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies.

It also comes from the Goal 14 Land Need factors, which state:

> *In determining need, local government may specify characteristics, such as parcel size, topography or proximity, necessary for land to be suitable for an identified need.*

Newberg’s Economic Opportunities Analysis includes all the background work of identifying land supply, land need, identification of needed sites (including necessary site characteristics), and assessment of community economic potential. The next step for cities is to identify which land can best meet the needs identified in the EOA through the urban growth boundary amendment process. The urban growth boundary process is prescribed by OAR 660, Division 24 (Urban Growth Boundaries), which states in part that “If a local government has specified characteristics such as parcel size, topography, or proximity that are necessary for land to be suitable for an identified land need, the local government may limit its consideration to land that has the specified characteristics when it conducts the boundary location analysis...” (OAR 660-024-0060(5)). Newberg has identified specific site characteristics in its EOA and thus is limiting its analysis to land with those characteristics.