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## Planning and Building Department

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July 20, 2009

Via e-mail [steve.oulman@state.or.us](mailto:steve.oulman@state.or.us)  
and [Richard.whitman@state.or.us](mailto:Richard.whitman@state.or.us)

Mr. Richard Whitman, Director  
Mr. Steve Oulman, Regional Representative  
Department of Land Conservation and Development  
635 Capitol Street, NE, Suite 150  
Salem, OR 97301

Dear Mr. Whitman:

In this letter, we respond to the "objection" letter submitted by Sid Friedman of 1000 Friends of Oregon and Ilsa Perse from Friends of Yamhill County. We refer to this letter as the "Friends' letter" in the remainder of this brief response. The Friend's letter claims we misled the Commission by titling Slides 15 and 16 "Target Industries" in the City's PowerPoint presentation. As documented below, in both cases, the slides showed "target industries" as the term is commonly used: industries or groups of industries that the City would like to attract and for which suitable land should be provided.<sup>1</sup> We have three concerns with the Friend's letter.

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<sup>1</sup> Nowhere in the Goal 9 rule does the term "target industry" or "target industries" appear. The term is a shorthand way describing industries (or industry groups) considered in the Goal 9 process as a means of identifying industrial site requirements. Quoting from the Goal 9 Rule:

**660-009-0015 Economic Opportunities Analysis** Cities and counties must review and, as necessary, amend their comprehensive plans to provide economic opportunities analyses containing the information described in sections (1) to (4) of this rule. This analysis will compare the demand for land for industrial and other employment uses to the existing supply of such land. (1) Review of National, State, Regional, County and Local Trends. The economic opportunities analysis must identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends. This review of trends is the principal basis for estimating future industrial and other employment uses as described in section (4) of this rule. A use or category of use could reasonably be expected to expand or locate in the planning area if the area possesses the appropriate locational factors for the use or category of use. \* \* \* 2) Identification of Required Site Types. The

Our first concern is the Friend's letter is irrelevant. Newberg, in its July 14, 2009 letter, voluntarily agreed to remove identification of specific industrial site needs as the basis for determining how much urban reserve land is needed. We have agreed to a remand to allow the City to adopt findings based solely the overall acreage need of 1,665 developable acres for the planning period through 2040 based on a different method. (See recommended motion of the last page of the City's July 14, 2009 letter.)

Our second concern is that the Friend's letter is factually inaccurate with respect to Slide 15. The list of "industry clusters" that appears on Slide 15 is found in Newberg's adopted and acknowledged Economic Opportunities Analysis, under a section entitled "Regional Economic Development Industry Clusters and Target Industries." (Record p. 226) The list of "industry clusters," includes those "targeted" in the Portland Regional Business Plan for the Portland region (of which Newberg is a part). The very next section is entitled "Local Economic Development Industry Clusters and Target Industries." This section states, "Recruiting specific new businesses to Newberg such as those listed in the Regional Business Plan should be encouraged." Thus, while the list is not captioned as "targeted industries," it is referred to in the very next section as "Local Industry Clusters and Target Industries" and meets the commonly used definition of "target industries."

Our third concern is that the Friend's letter is selective in its review of the record and inaccurate in its conclusion with respect to Slide 16. The December 2004 Winterbrook memo (attached to the Friends' letter) described site *size* requirements for "select industries" and used this information to project industrial development types (e.g., industrial parks, business parks, large site industrial) and long-term industrial acreage requirements. The memo stated, correctly, that "the site suitability criteria will be refined as the Ad Hoc Committee and City Council develop a more formal list of target industries and commercial development forms, based on local experience." This later step occurred with adoption of Newberg's Economic Opportunities Analysis. The memo noted that interviews conducted by ECONorthwest with local and regional economic development interests would aid in this refinement process. (Record p. 165) Based on these interviews, the ECONorthwest found that:

"Larger (20 plus acre) parcels could serve two purposes: first, they could meet the siting requirements of larger employers; and second, they could provide land for industrial and business parks that provide shovel ready lots for smaller firms."

During the first half of 2005, the Ad Hoc Committee considered several documents, including ECONorthwest's interview results and the December 2004 Winterbrook memo, before issuing the final *Newberg Future Land Use Options Final Report to the City Council* in July of 2005. Quoting from the Final Ad Hoc Committee Report (*Record*, pp. 113-114):

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*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.*

*In addition to an overall supply of buildable land, Newberg needs to have sites available that meet the specific needs of potential industrial users, so-called “target industries.” \* \* \* Different types of industries have varying siting requirements. The industrial site needs and suitability criteria are based on comparably sized and located communities. These cities include Dallas, McMinnville, Sherwood, Tualatin, Wilsonville and Woodburn. The suitability criteria also consider target industries identified by the Portland Development Commission (PDC) in coordination with the Regional Development Partnership. \* \* \* (Our emphasis)*

The *only* target industries list at that time was the list of “selected industries” in the Winterbrook memo. The *Newberg Future Land Use Options Final Report* quotes from the December 2004 Winterbrook memo to identify specific industrial development types and site suitability criteria for targeted industries. (Record pages 113-115) Thus, the Ad Hoc Committee Final Report endorsed the site requirements for “selected industries” that were originally identified on a preliminary basis in the Winterbrook memo. Although the table in the Winterbrook memo was not labeled “target industries,” the industries listed in that table were, in fact, “targeted industries” as that term is typically used.

**The Newberg EOA references the *Newberg Future Land Use Options Final Report* as the factual basis for adopted industrial land need tables and in the first listed action item.** (Record p. 231) As noted in the EOA (Record p. 239):

“In addition to an overall supply of buildable land, Newberg needs to have sites available to meet the specific needs of potential industrial users, so-called “target industries”. A variety of parcel sizes, building types, and land use designations are required to attract target industries and provide market choice. In 2005, there is a general lack of suitable large (20 + acre) industrial sites with access to a state highway and physical separation or transitional buffering from residential neighborhoods. Therefore, Newberg needs 4-5 large (20+ acre) industrial sites for the period 2005-2025 and an additional 6 sites for the period 2026-2040.”

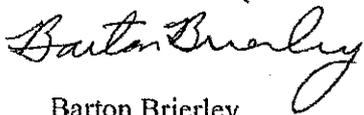
**The Commission will note that the Friend’s letter does not recognize the existence of the *Newberg Future Land Use Options Final Report* and does not quote from this part of the Newberg EOA. However, Ad Hoc Committee Final Report clearly served as the basis for determining industrial site requirements used by the City to estimate industrial land needs.** Tables 12-12 and 12-13 in the EOA are entitled “Industrial Land Supply and Need”: both of these tables explicitly recognize the Ad Hoc Committee’s Report as the source of identified site needs.

In summary, the list of “selected industries” identified in the December 2004 Winterbrook memo served as one of the bases for identifying industrial development types and site requirements for future industrial uses in Newberg. These development types and site

requirements were confirmed in the 2005 Committee Report to City Council and were later adopted as part of the City's comprehensive plan and EOA.

In closing, as far as the City's approach to urban reserves is concerned, none of this matters. However, we wanted to set the record straight: we did not mislead the Commission regarding the role that the City's December 2004 "target industries analysis" played in determining industrial site requirements that were later adopted in both the Newberg EOA and Comprehensive Plan.

Sincerely,



Barton Brierley



Greg Winterowd

Cc: Corinne Sherton, Lane Shetterly, Sid Friedman, Mary Kyle McCurdy, Grace Schaad, Lee and Amy Does