

INFORMAL MINUTES

October 5, 2009

1:00 p.m.

Room 32, Courthouse

PRESENT: Commissioners Leslie Lewis, Kathy George, and Mary P. Stern.

Staff: Laura Tschabold, John M. Gray, Jr., John Krawczyk, Tonya Saunders, Mike Brandt, Ken Friday, and Murray Paolo.

Guests: See attached attendance roll (Exhibit A).

* indicates item forwarded to formal agenda

Leslie called the meeting to order at 1:04 p.m.

Agri-Business Study - Mary stated that after much discussion in the community about agri-business issues, the Board hired Barney & Worth to conduct this study and the results are now ready. Clark Worth stated that the goals of the project were to look at the agricultural sector as well as the tourism sector and identify whether there are restraints facing businesses involved in those sectors. He summarized the results of the study (see Exhibit B), stating that while agriculture in Yamhill County is well supported by the infrastructure and is expected to continue to thrive, tourism spending is about half of the statewide average, largely due to a lack of lodging. He said that visitors will come to the county anyway and providing lodging would capture that revenue. He said that the 50-page report contains details of the proposed solutions.

He stated that more county-wide thinking and outside help from the state should be the county's next steps in addressing solutions. He referred to the county's water task force as a good example. He stated that tourists are crucial to the financial success of wineries and the county can link other activities and agricultural products to the wine industry. He pointed out that current zoning is limiting and needs to be changed to accommodate onsite processing facilities for agricultural industries other than wine.

Tom Hogue, Department of Land Conservation & Development, stated that it was a great pleasure to fund this project and work on it. He stated that the study provides important information, but the decision-making process is up to the county. Mary stated that identifying infrastructure problems for each of the cities in one report, along with potential solutions, is very beneficial and will help the county attract funding from the state to deal with infrastructure problems. She said that she would like to talk to Sheryl Kelsh about partnering with the Yamhill Valley Visitors Association to do branding.

* Personnel - Leslie presented personnel requests from various departments. See agenda for details.

* Resolution - Consideration of adoption of Resolution 09-10-7-1 declaring October 18-24, 2009, as the 12th annual Hands & Words Are Not For Hurting Week in Yamhill County.

Gretchen Olson provided an update on the Hands & Words project. Rhonda Fabreth stated that the Henderson House supports the project because it plants valuable seeds against domestic violence and fosters healthy relationships.

Communications Towers - Murray Paolo expressed concern about recent statements made by a representative of the Oregon Wireless Interoperability Network (OWIN) regarding the use of the county's microwave link on the High Heaven tower, which the county has not yet agreed to. He stated that there are some good opportunities for the county to partner with OWIN, but OWIN should not be making

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1:00 p.m.

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assumptions about the use of county equipment without prior approval. Leslie agreed that a partnership would be beneficial, but that the county needs to be cautious. Kathy stated that there have been discussions at the state level about OWIN moving too fast without having things in place. She invited Murray to attend a meeting with the State Interoperability Executive Council (SIEC) the following week, at which this issue would be discussed in detail.

* Contracts/Grants - See agenda for details.

Bicycle/Footpath Fund - Leslie noted that an invoice had been received from Public Works in the amount of \$18,772 for materials for the Hill Road bike path, which is now completed. Laura stated that there is enough in the Bicycle/Footpath Fund to cover that and still have enough left for the Tice Park and Newberg 2nd Street projects.

Easements - John G provided an update on the condemnation action taken by the county to obtain easements for the Grand Ronde project. He noted for the record that he would sign a conflict letter to Bill Kabeiseman, attorney, for his legal work on the condemnation case, since he has already signed letters for other members of the same law firm.

* Refunds - Authorize refunds from Health & Human Services to two clients in the amounts of \$788 and \$2171.

Committees - The Board acknowledged the resignation of Howie Harkema from the Commission on Children & Families.

* Appoint Kathy George, Jessica Wade, Elise Hui, Silas Halloran-Steiner, Denise Bacon, Oliver Vera, and Marilyn Kennelly to the Ending Homelessness Governing Committee. Kathy stated that this group will be working on pre-planning for winter shelters and coordinating that with the regional planning process.

The Board discussed a proposal by Scott Maytubby to have the commissioners serve on the Board of Property Tax Appeals.

PERS - John K discussed the possible limit on PERS increases, stating that he would rather take the increase all at once and get it over with than have the rates be high for a long time.

The meeting adjourned at 3:30 p.m.

Anne Britt
Secretary



BOARD OF COUNTY COMMISSIONERS

Attendance Roll for meeting records

Meeting: Informal Formal Work Session Date 10/5/09

PLEASE PRINT
Name

PLEASE PRINT
Complete Address

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Subject

| | | |
|------------------|-------------------------------------------------|----------------------------|
| Nick HARRIS | 557 E. 14 th ST LAFAYETTE, OR. 97127 | YC AGRI-BUSINESS |
| DIANE RINKS | P.O. 55 LAFAYETTE OR 97127 | YC AGRI-BUSINESS |
| DEAN PETERS | 621 13 th PLACE LAFAYETTE OR 97127 | " " |
| JODY CHRISTENSEN | 417 NW Adams 97123 | info @ McMinnville.edu.com |
| Tom Hyslop | DLCD | EOA |
| Gary Fish | DLCD | EOA |
| Cassie Jollans | News-Register | Press |
| Yvette Aarnier | News-Register | Press |
| Christy Ellis | City of Dayton | Agri Business |
| Frank Sheridan | City of Sheridan | Agri Business |
| Jay DISBROW | CITY OF YAMHILL | WATER |
| Kris Bledsoe | YBC | Water |
| SHERYL KELSH | Chehalam Valley Chamber | YC Agri-Tourism Study |
| Phil HUTCHINSON | McMinnville Area Chamber | Agri-Tourism Study |
| DAN HINMON | 328 NE DAVIS, McMA | Agri-Tourism Study |
| TERRI WILSON | 7600 Gus Baines Rd Pld | Rural RE |
| SUZ HURSTMAN | 2805 SW MAKE LN. PDX | AGRI YAMHILL |



Yamhill County Agri-Business
Economic and
Community Development Plan

Yamhill County Board of Commissioners
Clark Worth & Libby Barg – Barney & Worth, Inc.
October 5, 2009

Project Goal

Identify steps necessary to:

- Ensure Yamhill County agriculture can continue to thrive.
- Nurture the emerging tourism sector to welcome visitors and benefit local communities.
- Accommodate businesses that support these important sectors.



Yamhill County Agri-Business Economic & Community Development Plan
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Participants

| | |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| <p>Communities</p> <ul style="list-style-type: none"> Amity Carlton Dayton Dundee Lafayette McMinnville Newberg Sheridan Willamina Yamhill Yamhill County | <p>Agencies</p> <ul style="list-style-type: none"> McMinnville Economic Development Partnership Oregon Department of Land Conservation & Development Oregon Economic and Community Development Department <p>Consultant Team</p> <ul style="list-style-type: none"> Barney & Worth, Inc., Project Manager E.D. Hovee & Co., Economic Analysis Globalwise, Agricultural Economist Spencer & Kupper, Land Use Planning |
|---------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|-------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------------|



Yamhill County Agri-Business Economic & Community Development Plan
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Focus Areas

- Agriculture Sector
- Tourism Sector (and Agri-Tourism)
- Land Use
- Infrastructure




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Yamhill County Agriculture – Current Conditions



- **History:** agriculture key sector since first settlers
- **An economic mainstay,** growing and prosperous: \$296 million in 2007 (nursery crops are half of total)
- **Diverse:** nursery, grass, grain, hazelnuts, tree fruit, wine grapes
- **Robust:** more than 1,000 farm families; largest wine grape harvest in Oregon; wine is fastest growing segment
- Yamhill County ag land is *staying in production*
- **Businesses to support ag are already in place**

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Yamhill County Agriculture – Issues



- Maintaining diversity of crops
- Water supply constraints
- Transition to "green": organic farming, alternative/renewable energy
- Blending tourism with agriculture: a delicate balance
- Better communication needed between wineries, traditional agriculture, tourism

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Yamhill County Agriculture – The Future

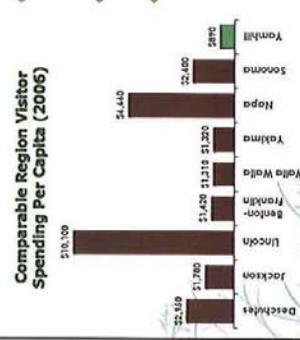


- Solid and prosperous foundation: unique, progressive, diverse
- Changing face of agriculture: trend toward small, specialty producers
- Sustainable and green practices
- "Buy Local" movement
- Local value-added processing
- Strength through diversity

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Yamhill County Tourism – Current Conditions

- Compare 8 wine and non-wine destinations (OR/WA/CA)
- Yamhill 2nd lowest in tourism spending (lowest per capita)
- Tourism job share and average wage are low



| Region | Spending Per Capita (2006) |
|-------------|----------------------------|
| Deschutes | \$2,700 |
| Lockton | \$1,700 |
| Lincoln | \$1,420 |
| Franklin | \$1,310 |
| Walla Walla | \$1,250 |
| Yakima | \$1,200 |
| Napa | \$2,400 |
| Snohom | \$2,400 |
| Yamhill | \$1,410 |

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Yamhill County Tourism-Trends

- \$92 million spent (+54% 2002-07)
- Per capita spending only 44% of state average
- Visitors tend to be day-trippers (less value-add)
- Current impact: 1,120 jobs, \$17.2 million payroll

| Entity | Visitor Spending Per Capita (2007) |
|-----------------|------------------------------------|
| Yamhill County | \$986 |
| State of Oregon | \$2,225 |

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Lodging Trends

- 656 overnight rooms
- 12 hotels/motels + 30 B&Bs
- Average occupancies and room rates below statewide averages
- Area lodging not yet geared to expectations of affluent wine travel market

| Metric | Yamhill County | State of Oregon |
|------------|----------------|-----------------|
| Occupancy | 59.8% | 41.3% |
| Room Rates | \$72.33 | \$84.42 |

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Yamhill County Tourism - Issues

- Need more and better accommodations
- Outdoor-oriented visitors lack facilities
- Infrastructure is a challenge
- Wine tourism is seasonal and cyclical
- Yamhill County needs a tourism plan, team approach
- Missing: lodging tax to capture tourism benefits

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Yamhill County Tourism - The Future

- Wine industry: more wineries, more visitors, increased sales
- Lodging: more rooms, at various price points
- Outdoor adventures (and support facilities)
- Food/wine connection
- Arts and cultural attractions
- Lodging tax

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Prototype Projects

To support agriculture:
 Food Processor 30,000 sf

To support tourism:
 Resort Complex 100 rooms
 Country Inn 40 rooms
 Bed & Breakfast 10 rooms
 Wine Country Restaurant 70 seats
 Wine Center 150 rooms

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Prototype Projects – Zoning Issues

Impossible to site:
 Resort Complex in Carlton, Lafayette
 B&B larger than 9 rooms
 Country Inn in Carlton, Lafayette
 Wine Center in Carlton, Lafayette

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Prototype Projects – Zoning Issues

Difficult to site:
 Resort Complex allowed only in RC zone
 Country Inn only in NC zone
 Urban Wine Center only in RC zone
 Cities may lack adequately sized sites

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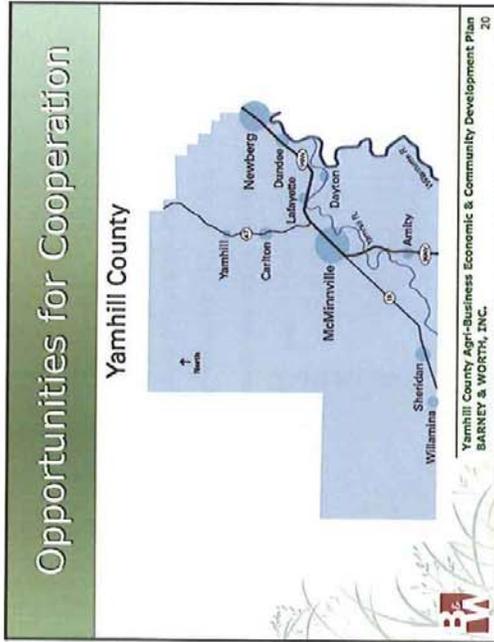
Prototype Projects – Available Sites

Resort Complex – Dundee, McMinnville, Newberg, Sheridan
 Country Inn – Dayton, Dundee, McMinnville, Newberg, Sheridan
 B&B – Sites available in every community
 Restaurant – Willamina, Yamhill lack sites

Conclusion: Lack of services and sites will limit most new visitor facilities to the larger cities.

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- ### Funding Options
- Utility rates
 - SDCs
 - State / federal grants & loans
 - Local option gas tax*
 - Lodging tax
 - Other
- *This option was foreclosed by 2009 Oregon legislature.
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Yamhill County Communities Utility Rates

Yamhill County Infrastructure Survey
Utility Rates: 2004-2008*

| | 2004 | | | 2008 | | | Percent Increase |
|-------------|----------|----------|----------|----------|----------|----------|------------------|
| | Water | Sewer | Total | Water | Sewer | Total | |
| Amity | \$ 55.05 | \$ 40.00 | \$ 95.05 | \$ 43.50 | \$ 50.22 | \$ 93.72 | (-4%) |
| Carlton | 45.00 | 34.00 | 79.00 | 40.67 | 38.77 | 79.44 | 19% |
| Dayton | 45.00 | 15.00 | 60.00 | 43.00 | 25.00 | 68.00 | 17% |
| Dundee | 20.12 | 21.00 | 41.12 | 35.81 | 40.40 | 76.21 | 100% |
| Lafayette | 45.00 | 50.68 | 95.68 | 40.20 | 60.32 | 100.52 | 15% |
| McMinnville | 11.00 | 52.07 | 63.07 | 23.52 | 57.28 | 80.80 | 28% |
| Newberg | 33.68 | 30.10 | 63.78 | 30.90 | 51.22 | 82.12 | 12% |
| Sheridan** | 44.01 | 29.51 | 73.52 | 47.34 | 32.50 | 79.84 | 9% |
| Willamina | 27.72 | 41.25 | 68.97 | 32.44 | 48.34 | 80.78 | 17% |
| Yamhill | 58.81 | 44.78 | 103.59 | 38.95 | 51.68 | 90.63 | (-12%) |

* For 600 cubic feet of water per month
** Proposed 2009 rate
Sources: Pacific Consulting (for City of Sheridan)
League of Oregon Cities

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Yamhill County Communities SDCs

Yamhill County Infrastructure Survey
Systems Development Charges: 2000-2008*

| | 2000 | | | 2008 | | | Percent Increase |
|-------------|----------|----------|----------|----------|----------|----------|------------------|
| | Water | Sewer | Total | Water | Sewer | Total | |
| Amity | \$ 2,504 | \$ 1,428 | \$ 3,932 | \$ 2,200 | \$ 2,200 | \$ 4,400 | 70% |
| Carlton | 3,300 | 4,876 | 8,176 | 4,000 | 5,365 | 9,365 | 89% |
| Dayton | 2,500 | 3,000 | 5,500 | 3,833 | 1,265 | 5,098 | (-4%) |
| Dundee | 3,409 | 3,074 | 6,483 | 4,980 | 5,478 | 10,458 | 62% |
| Lafayette | 2,505 | 3,720 | 6,225 | 2,505 | 3,720 | 6,225 | 0% |
| McMinnville | 900 | 2,400 | 3,300 | ** | 2,870 | 2,870 | (-12%) |
| Newberg | 3,415 | 2,031 | 5,446 | 5,000 | 4,864 | 9,864 | 81% |
| Sheridan** | 3,872 | 2,315 | 6,187 | 3,700 | 2,364 | 6,064 | 2% |
| Willamina | 1,850 | 2,550 | 4,400 | 2,077 | 2,850 | 4,927 | 40% |
| Yamhill | 3,225 | 1,847 | 5,072 | 3,225 | 1,847 | 5,072 | 0% |

* Systems development charge for single family residence
** Minimum Water & Light not shown
*** Proposed 2009 rate
Sources: Dinosaur Enterprises (for City of Sheridan)
League of Oregon Cities

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Solutions: Shared Vision for Yamhill County's Future



Benefits of Community Visioning

- Sets a road map for the future with input from those that live, work and play in the community
- Emphasizes consensus building
- Prioritizes actions, allowing limited resources and time to be spent efficiently
- Enhances livability and economic vitality
- Ensures community ownership of recommendations
- Sustained commitment to attain shared benefits

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Solutions: More Lodging



To capture economic benefits of 1.5 million visitors, Yamhill County must have more high amenity overnight accommodations.

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Solutions: Zoning, Sites, Services

- Rezoning to accommodate prototype projects
- Redefine traditional industrial zones to allow contemporary employment uses
- Site assembly
- Countywide infrastructure strategy
- Coordinate opportunity sites/services

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Solutions: Transient Lodging Tax

- State of Oregon levies 1 percent statewide lodging tax.
- Cities and counties may adopt local tax: typical rates range from 3 percent to 9 percent. 70% or more of revenues must be used for tourism promotion.
- Up to 30% of revenues can support local services.



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Solutions: Other Funding Sources

- State partnership for infrastructure development
- Utility rates and SDCs benchmarked to peer communities
- Public/private partnerships
- Regional cooperation

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Solutions: Regional Cooperation

- Model: Yamhill County Water Task Force
- Wastewater, transportation, other service needs
- Tourism, visitor facilities and services to accommodate 1.5 million visitors per year
- Funding solutions
- Coordinated messaging about infrastructure needs, priorities and possible solutions

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Yamhill County Agri-Business Weather Report

| | Today | Tomorrow |
|---------------------|-------|----------|
| Agriculture | ☀️ | ☀️ |
| Wineries | ☀️ | ☀️ |
| Other Ag Businesses | ☀️ | ☀️ |
| Tourism | ☀️ | ☀️ |
| Tourism Businesses | ☁️ | ☀️ |
| Zoning | ☀️ | ☀️ |

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Yamhill County Agri-Business Weather Report

| Stake | Today | Tomorrow |
|----------------|-------|----------|
| - Cities | ☀️ | ☀️ |
| - Towns | ☁️ | ? |
| - Rural | ☁️ | ? |
| Infrastructure | ☁️ | ☀️ |
| - Cities | ☁️ | ? |
| - Towns | ☁️ | ? |
| - Rural | ☁️ | ? |

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Benefits of Moving Forward

- Accommodate job growth
- Capture value-added of visitor spending
- Boost quality of life
- Yield long-term cost savings
- Expand utility rate base; lower costs to ratepayers



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Thank You!



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EX.B 9/9