



BOARD OF COUNTY COMMISSIONERS

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Mayor Scott Hill; Scott.Hill@mcminnvilleoregon.gov
Councilor Chris Chenoweth; Chris.Chenoweth@mcminnvilleoregon.gov
Councilor Kellie Menke; Kellie.Menke@mcminnvilleoregon.gov
Councilor Zack Geary; Zack.Geary@mcminnvilleoregon.gov
Councilor Remy Drabkin; Remy.Drabkin@mcminnvilleoregon.gov
Councilor Adam Garvin; Adam.Garvin@mcminnvilleoregon.gov
Councilor Sal Peralta; Sal.Peralta@mcminnvilleoregon.gov

RE: City of McMinnville Proposed Utility Fee Increases

Dear Mayor Hill and Councilors:

We have been approached by the McMinnville Chamber of Commerce, Cascade Steel, and residents of the city with great concern over the new, proposed utility fee increases. Normally, we wouldn't weigh in on city-related matters but the concern over the impact of these new fees is growing and we feel it is important to advocate on behalf of ratepayers.

The proposed utility fee increases would have an immediate, negative impact on McMinnville's businesses, namely your largest employer Cascade Steel. Cascade is the only steel mill left in Oregon and they have survived a challenging industry by investing in technology that allows them to be good stewards of the environment while remaining competitive in a commodity market. This isn't an easy task and Cascade Steel, along with its 400+ employees, depend on a healthy partnership with the city and county. This partnership includes a prior agreement that Cascade Steel pays a 3% PILOT as an incentive to staying in McMinnville, providing living-wage jobs, and boosting the local economy. Cascade is an anchor industry and we have seen the value of this company not only in the jobs they create, but the philanthropy they engage in throughout the county.

The proposed increase in PILOT fees from 3% to 6%, a new 6% Electrical Franchise Fee, a new 6% Water Franchise Fee, and a 6% Wastewater Fee would result in a yearly cost increase of \$1.6 Million to Cascade Steel. That's an immediate 300% increase. As with any commodity business, cost increases cannot be passed on to the consumer in the form of price increases. If these proposed fees pass, Cascade Steel will be constrained from growing its business and protecting the jobs that employ our residents.

B.O. 22-125

In this time of economic uncertainty, we cannot express how concerned we are about these significant increases to the utility costs of McMinnville's small businesses and its residents. With inflation at 8.5% and gas and food costs rising daily, additional utility taxes will be unnecessarily punitive.

Just last week, we toured the DCI Newberg building that was lost to a catastrophic fire, immediately displacing almost 90 employees. County, city, state, and industry partners responded by turning over every stone to look for a solution that would protect those jobs. It was a reminder to all of us how critical the role our large employers play in the economic health of our communities.

We urge you to reconsider these proposed tax increases and find other solutions to solving the city's budget shortfall, solutions that don't disproportionately harm the employers that we should be fighting to keep and that protect residents during this tough economic time.

Respectfully,



Lindsay Berschauer
Chair



Casey Kulla
Vice-Chair



Mary Starrett
Commissioner

cc: susan.cristofolo@mcminnvilleoregon.gov

Accepted by Yamhill County
Board of Commissioners on
4/21/22 by Board Order
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