

**CITY OF NEWPORT**  
**COMPREHENSIVE PLAN**  
**1990 - 2010**

**ORDINANCE NO. 1621**

ADOPTED: October 7, 1991

EFFECTIVE: November 6, 1991

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# **INTRODUCTION**

The City of Newport's Comprehensive Plan is designed to guide the development of land within the city limits and to coordinate with Lincoln County the development of those lands outside the city limits but within the urban growth boundary (UGB). The plan also establishes the goals, policies, and means by which Newport will grow within the next 20 years. In addition, the plan establishes the policies for other affected agency involvement in the development of public and private property.

A comprehensive plan is not a site plan, however. Rather, the plan guides the private citizen and developer in the use of their land by establishing goals, policies, and implementing measures. It is not the intent of the plan to arbitrarily replace the judgment and tastes of a private individual but to help that person comply with the community's goals. Sometimes that will involve the redesign of a development or the subordination of personal feelings or profit for the common good. Active citizen participation in the process of developing the plan and the mutual accommodation of other interests are necessary ingredients to successful plan implementation.

## **Background:**

The State of Oregon mandates that all cities and counties prepare a comprehensive plan for their jurisdiction. Each plan must address the legislatively adopted Statewide Planning Goals, applicable state and federal laws, and pertinent Oregon Administrative Rules (OAR). Once the plan is complete at the local level, the state reviews it for compliance with the goals. When the plan is found to be in compliance, the plan is acknowledged by the state.

The state acknowledged Newport's Comprehensive Plan on June 1, 1984. Administration of the plan and the ordinances and programs that implement it are ongoing. As explained in the administrative section of this document, a thorough review is expected at five to seven year intervals to keep current; however, minor revisions have been and will continue to be made more frequently.

## **Plan Format:**

This plan is divided into various sections that address the Statewide Planning Goals. More than one goal may be included in an element, or any given goal may be discussed in more than one element, so there is no absolute relationship between the elements and the goals. All the relevant goals are addressed somewhere in the plan, however.

taken that tabulates the data for each element of the plan. Basically, the inventory is a snapshot of the City of Newport at a particular time. Newport is dynamic, and any data once gathered may become quickly obsolete. It is, therefore, the intent of this plan to keep the data separate from the adopted plan. All the supporting data that is not included in this plan, however, is incorporated into this plan by reference.

Once the data is accumulated and analyzed, conclusions can be drawn. These conclusions will assist in the formulation of general goals and more specific policies. Finally, ways of implementing these goals and policies may be derived to further the stated goal. All of the conclusions, goals, policies, and implementation strategies are contained in the plan. The plan also references specific implementing ordinances, programs, or other plans.

The final section contains procedures for administering the plan. When, for example, a change in the inventory dictates a change in a conclusion, goal, or policy, a methodology must be in place to accomplish that end. Any such action will be considered a plan amendment and shall be processed accordingly.

The plan goals and policies are sometimes made more specific by listing implementation measures. Implementation measures have the same regulatory force as policies.

# **PHYSICAL DESCRIPTION**

## **Location:**

Located in Lincoln County along the central Oregon coast, Newport lies about 135 miles south of Astoria and the Oregon-Washington border, 114 miles southwest of Portland, and 55 miles west of Corvallis (Figure I).<sup>1</sup> It is the largest city in Lincoln County and is the County seat. At the junction of two primary United States highways, Highway 101 and Highway 20, Newport links the Willamette Valley with west coast ports and Asian destinations across the Pacific Ocean via shipping out of Yaquina Bay.

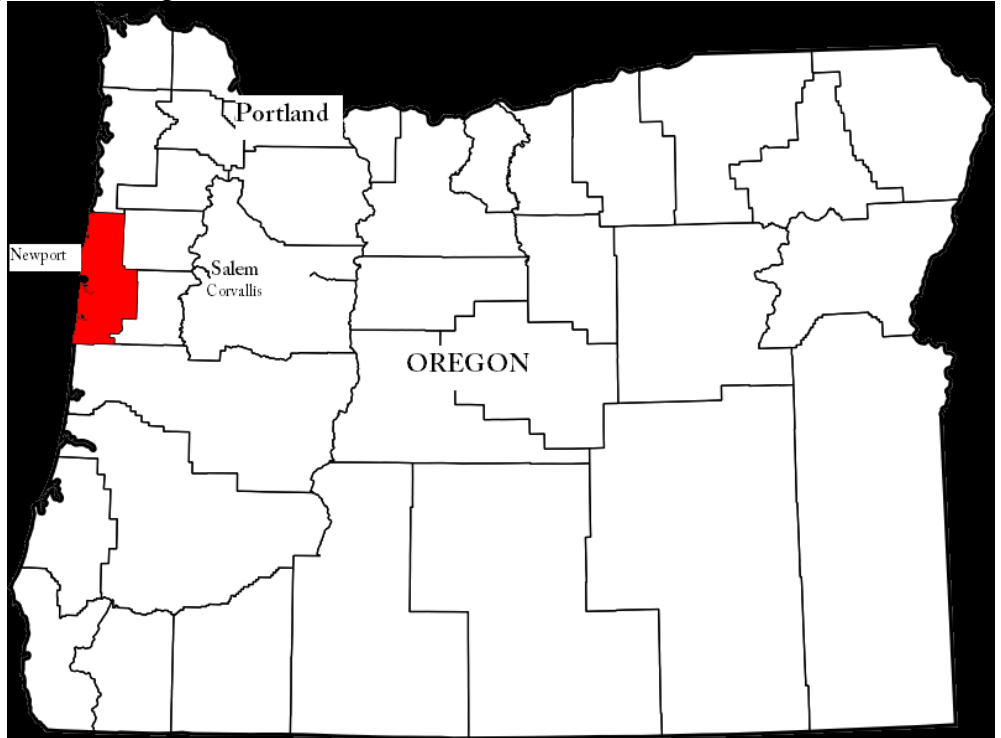


Figure 1

## **Climate:**

The City of Newport has a relatively humid climate, influenced by the proximity of the Pacific Ocean. Moisture-bearing winds from the ocean rise and are cooled as they cross the Coast Range. This creates a coastal marine climate characterized by moderate temperatures and a fairly high amount of precipitation, especially during the winter.

## **Precipitation:**

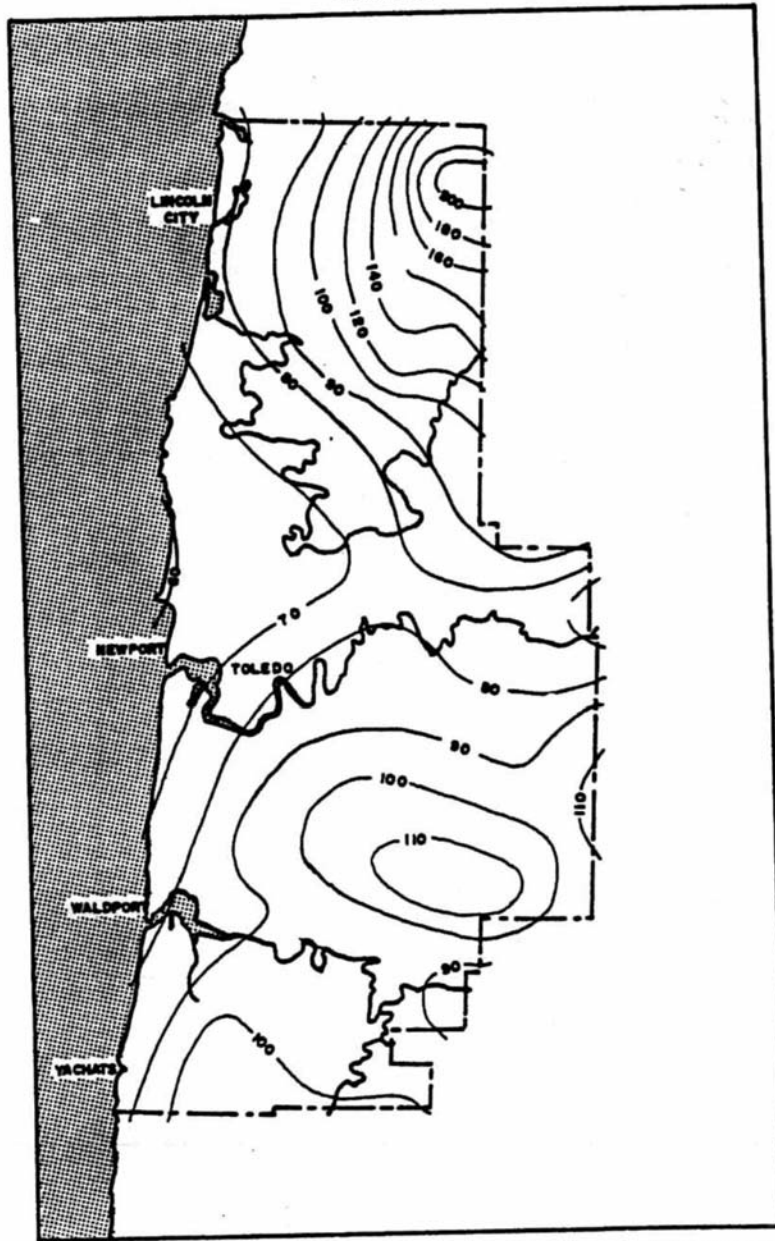
Air masses that have followed a long trajectory across the Pacific are usually at ocean temperature and saturated with moisture. As they move onshore, contact with

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<sup>1</sup> State of Oregon Bureau of Governmental Research, [Preliminary Land Use Plan For the Yaquina Bay Area](#), University of Oregon, 1969.



Figure 2



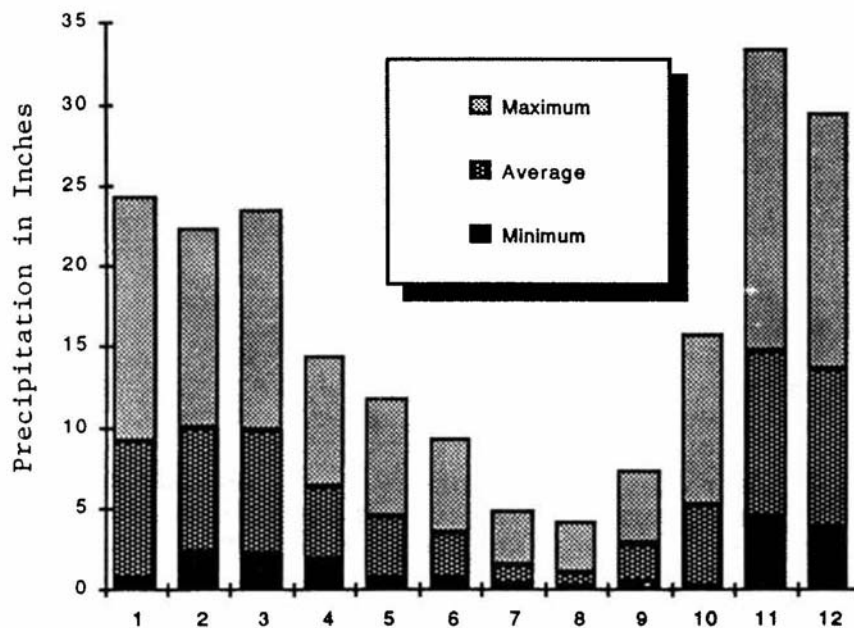
WATER RESOURCES OF LINCOLN COUNTY COASTAL AREA, OREGON USGS 76-901977  
INCHES OF RAINFALL PER YEAR

the Coast Range forces the air to rise and cool. This rise is accompanied by a pressure

reduction causing condensation and precipitation. Thus, the coastal slope is one of the heaviest annual rainfall areas in the contiguous United States (see Figure 2 on the preceding page).<sup>2</sup>

Normal annual precipitation at Newport is about 65 inches, most of which occurs as rain. Because of seasonal changes in ocean temperature, air temperature, and wind direction, precipitation follows a definite seasonal pattern. The wettest months are from November through March, when about 70% of the total occurs. Figure 3 shows minimum, mean and maximum monthly precipitation at Newport for the period of record, 1978-1991.

Figure 3



Monthly Precipitation at Newport (1978-81)

Snow is an unusual event in Newport, averaging only one to two inches a year. The surrounding mountains and mountain passes can, however, experience deep snow in the winter months. Even in those areas, though, snowfall is intermittent and occurs only in the higher elevations.

<sup>2</sup> ibid.

**Temperature:**

Temperatures are moderate, ranging between an average January temperature of 44° and an average July temperature of 56°--a difference of only 12°. <sup>3, 4</sup> Extremes extend from 0° to 90°. The average annual growing season is 250 days.

### **Wind:**

The Oregon coast is exposed directly to winds that move off the ocean on shore. Prevailing winds are generally from the west, with a southwesterly component during the winter and a northwesterly component in the summer. Wind velocities average 10 to 15 miles per hour, but higher gusts are not uncommon. The strongest winds ordinarily develop during the winter months, while summer winds are normally lower in velocity.

### **Humidity:**

Because of the constant onshore movement of moist, marine air, relative humidity is high and distinguished by very little seasonal or diurnal change. The annual average high, frequently in the morning, is approximately 90% as compared to the average low of 70%, ordinarily during the warmest part of the day. <sup>5</sup>

### **Vegetation:**

"Three major vegetation communities are found within the Yaquina Bay Estuary. Each is discussed below...

"Shore Pine - Spruce Community:....As dunes begin to stabilize, and enough organic material is deposited within the surface layers, vegetation communities will begin the succession process.

"European beach grass was planted in the South Beach area to encourage dune stabilization in the 1930's. Partly due to that action and due to natural processes, the South Beach area now exhibits the best representatives of the shore pine and spruce communities....Besides European grass, typical flora is seashore peavine, maritime peavine and seashore lupine.

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<sup>3</sup> ibid.

<sup>4</sup> Pacific Northwest River Basins Commission, The Oregon Coast Level B Study of Water and Related Resources, 1976.

<sup>5</sup> ibid.

"Coastal shrub communities (peavine, lupine, willows, huckleberries, etc.) rapidly

evolve into forests typically composed of shore pine and sitka [sic] spruce. The less common constituents of the successional tree development are the Douglas fir (in well protected environs) and western hemlock or western red cedar in low, moist older forests. The coast pine is the primary feral stage of the tree succession, and sitka spruce and Douglas fir become the dominant species due to their superior growth capabilities and their longevity.

"Riparian Community: The riparian floral communities are typically scattered in narrow bands, and are fairly inconsistent in the Yaquina Bay area. Typical species involved in this community are sitka spruce, red alder, Douglas fir, vine maple, black cottonwood, willow and blackberry. Some riparian communities are very small (1 to 2 meters wide and 3 to 4 meters long) and are comprised of but two to four species. Riparian communities act as important buffers for water users, as cover for water access, and as food sources for many wildlife species. The smaller riparian zones occur along the perimeter of portions of Idaho Tide Flats, and along Sally's Bend down to Oneatta Point on the north shore of the river. Small draws just upland from the bay areas, where moist enough, have thick stands of riparian vegetation. These draws are composed primarily of red alder, indicating a fairly recent disturbance of the natural land vegetation.

"Strong stands of riparian flora occur in the upper reaches of the marsh lands and sloughs. In those areas where the...high marsh ends and the land begins sloping upwards into the hills, very healthy stands of riparian vegetation occur. Spruce, fir, alder, and maple can be found in mixes, towering high above the marsh."<sup>6</sup>

An examination of an aerial photograph produced by the Army Corps of Engineers and by CH2M HILL indicates no significant areas of riparian vegetation outside of the coastal shorelands zone.

"Douglas Fir - Trailing Blackberry Community: This association is represented by a wide variety of vegetation, and occurs in many different forms. The indicator species is principally Douglas fir, with an understory primarily composed of blackberry, salal and sword fern. Associated tree species are often western hemlock, sitka [sic] spruce, grand fir, western red cedar, big leaf maple and red alder. Other woodstemmed species found in the understory include salmonberry, vine maple and huckleberry.

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<sup>6</sup> Wilsey and Ham, Yaquina Bay Resource Inventory, Oregon State University Marine Science Center, 1977, p. 9-1 to 9-4.

"The potential variety is considerable, depending on the past and present

environmental influences. Areas recently logged revegetate with an alder dominance for an overstory. Land subjected to fire may reestablish with conifers and alders, depending on the heat of the fire, the extent of the burn and the reclamation activities, etc. The deciduous (primarily alder) canopy will retard fir growths for up to 80 years before the successional stage takes over. As the Douglas fir stage matures, the deciduous species (alder, huckleberry, etc.) will phase out, allowing for the growth of the shade-tolerant conifers (red cedar, hemlock, and spruce). Eventually the fir forests give way to climax forests of western hemlock and sitka spruce. The Yaquina Estuary has several different stages of the fir-blackberry community, primarily due to constant human interference. Logging has occurred throughout the slopes of the bay and river, with each cut area currently representing a slightly different stage of the floral process."<sup>7</sup>

### Significant Natural Vegetation Areas

Mike Miller Park in South Beach lies about one mile inland from the sea at an elevation of 100 feet. Consisting of 40 acres, it is described as follows: The southwest quarter of the northeast quarter of Section 20, Township 11 South, Range 11 West, of the Willamette Meridian in Lincoln County, Oregon.

Owned by Lincoln County, the site is one of the few remaining uncut stands of old growth western hemlock and Sitka spruce along the northern Oregon coast. There is a tall shrub understory of salal, red huckleberry, evergreen huckleberry, and salmonberry. Some of the trees are up to four feet in diameter and are over 125 feet tall. It is the last of any appreciable size in Lincoln County, and it appears undisturbed. The lack of other old growth stands in the area makes this stand significant, especially in providing a geographic diversity of old growth sites along the coast. The proximity of this site to Newport provides easy access for outdoor education and nature study.

### Conflicting Uses

Land to the east is outside the city's urban growth boundary (UGB) and carries the Lincoln County designation of T-C/"Timber Conservation." As such, no conflicting uses exist or are likely to occur as long as that zoning is maintained.

Lands to the north, west, and south are outside the city, also, but within the UGB. They have been designated "industrial"

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<sup>7</sup> ibid., p. 9-1 to 9-4.

on the city's Land Use Plan Map and are currently zoned I-P/ "Planned Industrial" under

county zoning. As these lands are mostly vacant, there is a potential for conflicting uses (industrial uses that produce noise, dust, and vibration, which may adversely affect the vegetation in and the enjoyment of Mike Miller Park).

Once identified, an analysis of the economic, social, energy, and environmental consequences of allowing the conflicting uses is required by state law. The economic section of this plan identifies a need for an additional 23 acres of commercial/industrial land. It would not be to the economic advantage of the city to prohibit development on adjacent lands; that would make an already identified shortage of land worse.

Because the South Beach area has been designated as the city's future employment base, a great deal of time and money has been spent towards that end. Sewer, water, and street systems have been planned and partially built to accommodate expected growth. To prohibit development on adjacent properties now would require new investment toward whatever area was chosen to make up the difference. Once again, this would be of a negative economic consequence to the city.

Energy expenditure so far has been minimal as most infrastructure expansion and development has been for existing development to the north. Those projects and areas are far enough away that they will not impact Mike Miller Park. However, as the area around Mike Miller Park develops, more infrastructure will need to be provided. The construction of those facilities requires the expenditure of energy. Building onto existing facilities would require less energy, though, than expanding into new areas. Since the basic infrastructure has started in South Beach, this would require less effort and therefore less energy than redirecting commercial/industrial growth into areas that do not have basic infrastructure.

Environmental concerns center more on the park. As stated earlier, Mike Miller Park is one of the few remaining stands of uncut old growth timber. Habitat is provided for plants and animals, and a wetland has been identified as a high value area in the "Wetlands Conservation Plan for South Beach, Oregon." <sup>8</sup> Mike Miller Park, then, is environmentally important.

Because of the closeness to the city proper, Mike Miller Park provides a readily available area for nature study and other scientific and educational opportunities. This provides Newport

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<sup>8</sup> Scientific Resources, Inc., "Wetlands Conservation Plan for South Beach, Oregon," 1990 (DRAFT).

residents with a social amenity that is valuable to the livability of the area.

The general conclusion from the above analysis is that it is important to protect Mike Miller Park, but it is equally important to allow adjacent industrial/commercial property to develop. The city must create a mechanism to accomplish both those goals.

First, when the property within the UGB but outside the city is annexed, it should be zoned I-1/"Light Industrial." The intent and purpose of this zone, as stated in the Zoning Ordinance, is: "...to provide for commercial and industrial uses that can be located near residential or commercial zones. Uses that are associated with excessive noise, dust, vibration, or fumes shall be prohibited." <sup>9</sup>

Currently, all industrial uses are conditional in the county. The city is a notified agency, so we have the opportunity to respond on a case-by-case basis for compatibility. The city will use the procedure outlined below for comment to the county.

Once in the city, each project will also need to be reviewed for compatibility. The city shall therefore use the procedure for development within 200 feet of Mike Miller Park.

- A. The following uses are permitted outright subject to buffering requirements outlined in C, below:
  - 1.) Warehouses.
  - 2.) Public utilities.
  - 3.) Public parks or other open space.
- B. All other uses are conditional, subject only to the buffering requirements contained in C, below, and a finding that the proposed use will not adversely affect Mike Miller Park.
- C. Buffering Requirements.
  - 1.) For any development on land adjacent to Mike Miller Park, the following yard requirements are effective between the improvement and the park land boundary:
    - (a) Residences - 20 feet.
    - (b) Parks or other open space - 0 feet.
    - (c) For all other uses - 30 feet.

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<sup>9</sup> City of Newport, Zoning Ordinance (No. 1308, as amended), 1982, p. 18.

Buffer yards shall be maintained in a natural state or, if altered,

landscaped. Also, if altered, a fence at least six (6) feet high shall be constructed along any property line abutting Mike Miller Park.

- 2.) For other yards, setbacks and buffering in the underlying zone shall apply.

Other Sites

Other sites that could benefit from the retention of natural vegetative cover are floodplains, geologic hazard areas, and areas of excessive slope. The city owns and maintains open space areas, and South Beach State Park is another area that is characterized by natural vegetation (especially on the foredunes).

**Mineral Resources:**

The only known mineral resource within the City of Newport is the Yaquina Head Quarry. This quarry was originally opened by the city in the 1920's and sold to a private party in the 1940's. The site has been purchased by the Bureau of Land Management (BLM) and is no longer an active site. The plan is to reclaim the property.

**Scenic Views:**

Newport has several scenic views that are of exceptional aesthetic quality. The Yaquina Head Lighthouse, Jump-Off Joe, and numerous other sites exhibit extraordinary scenic views. A complete inventory of outstanding sites in Newport is contained in the document entitled Inventory of Oregon Coastal Beach Access Sites, prepared by the Benkendorf Corporation for the State of Oregon.<sup>10</sup> Those sites are incorporated into this plan by reference. There are no conflicting uses on or near those sites. They shall be preserved or enhanced as the areas develop or redevelop.

**Conclusions:**

The City of Newport and its environs are characterized by a marine climate and its associated flora and fauna. There are several significant natural areas that have been identified in this section that need protection from urban encroachment.

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<sup>10</sup> Benkendorf and Associates, Inventory of Oregon Coastal Beach Access Sites, 1989.

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**GOALS/POLICIES**  
**PHYSICAL DESCRIPTION**

**Goals: To protect and, where appropriate, enhance the natural and scenic beauty of the Newport area.**

Policy 1: All state, county, and city parks within the Newport urban growth boundary shall be protected with appropriate zoning.

Policy 2: The City of Newport shall develop and, when necessary, update the Parks and Recreation Plan contained in this comprehensive plan. Park land acquisition and development shall be consistent with this plan.

Policy 3: Identified natural and scenic areas of exceptional value shall be protected. The city shall use the adopted comprehensive plan for an inventory of such areas. The city shall study appropriate regulations consistent with this policy (i.e., as it deals with private property).

Policy 4: The City of Newport shall participate with local, state, and federal agencies to meet environmental statutes.

# **NATURAL FEATURES**

## **Introduction:**

Various sections of Newport's Comprehensive Plan have anticipated a demand for additional land to accommodate growth. Sometimes that growth encroaches into areas that are environmentally sensitive or geologically hazardous. Unfortunately, not all developers or other users of the land are aware that several environmental factors exist restricting the development potential of much of the land in the Newport area. Many areas have limitations for development, so special care must be taken prior to and during construction. If care is not taken in those areas, major financial and property losses and possible loss of life may occur.

The prevention of loss of property and/or life is a goal unto itself and should be a major consideration when identifying environmental constraints. But there are also properties that are the site of significant natural features. To protect those features, care must also be taken in nearby development.

This section of the plan will discuss the various environmental issues that face the City of Newport. Where possible, sensitive or hazardous lands will be identified and policies will be developed to protect them. Where not known, procedures must be established to identify and protect these areas.

## **Geology:**

The underlying geology of an area dictates the land forms created by erosive forces. Wind and rain sculpt the land into hills and valleys, wave action builds beaches, streams and rivers flatten mountains, and the earth's internal forces push the land upward to start the process over again.

People, too, shape the land to serve their needs. Houses and shopping centers are built, roads are cut, land is cleared, all to facilitate the needs and desires of a greater number of people. But how do all these forces interact and how do we avoid situations that are in conflict? To answer these questions, we must first examine the underlying geology and then identify inherent problems created because of that geology.

The Newport area is predominantly composed of five geologic units: the Nye mudstone, the Astoria formation, the Yaquina formation, the Cape Foulweather basalt, and the Quaternary marine deposits. A bulletin describing the characteristics of the five units and mapping the general location of each is the Environmental Geology of Lincoln

County, Oregon, prepared by the State of Oregon Department of Geology and Mineral Industries.<sup>1</sup> The map of the Newport area also shows a geologic cross section that bisects the heart of Newport.

The Environmental Geology bulletin contains an appendix that summarizes planning concerns in the Newport area:

"Coastal erosion and landslides are extensive from Otter Rock southward to Yaquina Head. Here the abundance of landslides is due to the steep seaward dip of the underlying bedrock. Problems are especially apparent where highway fills have been placed across canyons or small valleys. Repairs are required annually in these areas. Sliding extends east of the highway, and in some areas the power lines require frequent repair and realignment.

"There are large landslides on both the north and south sides of Yaquina Head. The landslide on the south side has made several buildings unusable. In Agate Beach, subsurface drainage is restricted and a public sewerage system is necessary before additional developments are made.

"In the vicinity of Jumpoff Joe [sic] in Newport, the sea coast has retreated as much as several hundred feet since the turn of the century. A number of homes have been destroyed or badly damaged in recent years [the 1940's] as a result of landslides in this area. Before any additional shoreline areas are developed, the stability of the slope should be studied by soil engineers and geologists. Often an apparently stable slope can be reactivated by the addition of houses and streets.

"From Nye Beach southward to Yaquina Bay the shoreline is being eroded by storm waves. People considering building structures on these cliffs should be aware that the cliffs are eroding back about one foot per year, and erosion could be much more severe if landslides occur. The practice of placing embankments over steep vegetated slopes is extremely hazardous because the vegetation will decompose to produce a slip plain at the interface between the embankment and the original ground.

"East of the shoreline in Newport from about Nye Beach south to the bay, the marine terraces are overlain by loose dune sand. These sands are stabilized where covered by vegetation; however, where the vegetation has been removed or none has grown, the sand is exposed to erosion or transport by wind. Frequently during high winds, the sand can be observed drifting across streets and into properties adjacent to the street.

<sup>1</sup> State of Oregon Department of Geology and Mineral Industries, Bulletin 81: Environmental Geology of Lincoln County, Oregon, 1973.

"Just east of Newport, in the vicinity of McClean [sic] Point, much of the slope has been affected by landslides. Development in this area should proceed with great caution. The making of steep cuts, removal of toe support, the additional weight of embankments on the upper slopes, and the addition of moisture from the developments, including subsurface sewage disposal, all add to the instability of the slope. Serious problems can arise, especially following periods of extremely heavy rainfall. Developments in this area could suffer serious slope problems unless the slopes and embankments are properly constructed and a public sewerage system is installed.

"The area south of Yaquina Bay from Highway 101 eastward as far south as Henderson Creek is subject to a seasonal high water table. Before development reaches a greater density, a public sewerage system should be installed. A high water table creates problems for foundations of structures, and in some areas the water will stand at the surface after a heavy rainfall."<sup>2</sup>

The geologic and climatic environment of Newport is attended by a variety of natural hazards that have the potential for creating serious problems involving property. On the other hand, an understanding of these conditions and a sensible approach to coping with them in the planning stages of development can eliminate much of the grief that might otherwise occur.

In order for planning and development to go forward in such a way as to lessen the damage brought on by these conditions, the data and suggestions in this section are introduced as policies for the City of Newport. Local sites shall be evaluated by qualified geologists in order to protect the individual land owners, investors, and developers from problem areas in Newport that are subject to geologic hazards. The geologists shall also make suggestions as to how these problems can be avoided or corrected.

### Areas Subject to Geologic Hazards

#### Marine Terraces

A significant portion of Newport is situated on a marine terrace. These elevated platforms, representing former strand- lines of the sea, extend the full length of the city, interrupted only by headlands and the Yaquina Bay. The terrace materials consist of weakly cemented sand, silt, and pebbly sand overlain in many areas by old, fairly stable dunes. Bedrock beneath the terrace and dune sediments tilts seaward and is exposed in sea cliffs in some places.

<sup>2</sup> ibid., pgs. 168-169.

"The margins of these terrace areas adjacent to the ocean are attractive places to build, and many small beach cottages, permanent homes, condominiums, and motels occupy these locations. Unfortunately, the sea cliffs at the terrace margins are slowly but continually receding. Wave erosion during storms and high tides undermines the cliffs, while rain, wind, and frost loosen the upper portions; as a result, masses of terrace material slip seaward at unpredictable rates and in unexpected places.

"In general, marine terrace margins can be expected to retreat from 6 inches to 1 foot per year; however, in certain areas, recession can average more than 10 feet per year. In some locations, erosion may not be evident for a decade and then 10 or 15 feet of the cliff may drop off in a single season. Occasionally, very large areas involving a number of acres of land may slide seaward, such as in the JumpOff [sic] Joe area of Newport.

"Excessive slippage along terrace margins is due to the sliding of weakened, water-saturated bedrock along its seawardtilted bedding planes. Of course, the overlying terrace sediments move with it. Particularly vulnerable to bedding-plane failure is the Nye Mudstone. This type of movement may have vertical and horizontal components of only 2 feet to as much as 50 feet. At first the surface of the slide block is not disrupted, but it is generally back-tilted, or rotated down, on the landward side. Water often accumulates in a sag pond at the back of the slide.

"The surface of these slump areas may range from 50 to 100 feet wide and from 200 to 1,000 feet long. To the untrained eye, such apparently level areas of ocean frontage might appear to be desirable building sites. Unfortunately, however, these areas are extremely unstable since the ground surface must adjust to constant wave erosion at the toe of the slide. In a short time, the entire slump block can be eroded away. During the limited life of the slump block, home owners will be plagued with continual problems of settlement, such as cracks in walls, jammed doors and windows, and water- and sewer-line difficulties."<sup>3</sup>

### Old Dune Areas

In certain areas, such as South Beach and Nye Beach, large old sand dunes have developed a thick soil profile and have remained stable for many years. "However, the need for easily excavated fill material and the preparation of ground for building sites has led to the removal of the stabilizing soil layer and has exposed loose sand. If these exposed areas are not immediately stabilized, the wind will soon erode basins and troughs, causing the sand to migrate to adjacent housing areas where it can cover driveways, sidewalks, streets, and lawns."<sup>4</sup>

<sup>3</sup> ibid., p. 127.

<sup>4</sup> ibid., p. 132.

### Sandspits and Active Dunes

"Sandspits and their active dunes are of recent origin and should be regarded as relatively temporary features. Some parts of the spits and dunes are built up quickly by water and wind and destroyed by the same agents a few years later. Their instability results from the interplay of numerous environmental factors, including ocean currents, size and number of storms, volume of stream sediment entering the ocean, and variations in tides and wind patterns."<sup>5</sup>

Sandspits and active dunes are found mostly at the mouth of Yaquina Bay and in South Beach. "Preservation of vegetation on the dunes south of Yaquina Bay is recommended since excavation into loose sand could initiate further dune migration....It is essential that the foredune be preserved. Construction in this dune area could be hazardous."<sup>6</sup>

### Hillside Development Areas

"Nearly all aspects of hillside land development combine to create slope instability unless the entire construction project is properly engineered. It should be emphasized that slope failure may occur 5 [sic] to 10 [sic] years after the start of the development, by which time the developer may have divested himself of interest and responsibility.

"Development of hillside properties<sup>7</sup> has a considerable adverse effect on slope stability. Whenever material is excavated from a side hill, it results in a steeper than natural slope. Material excavated from the cut is usually placed immediately downslope to provide a nearly horizontal area for a yard or garden. Both operations create instability by oversteepening and adding weight to the slope.

"Most hillside housing developments progress gradually....By the time the development is complete, nearly half of the ground surface is covered by buildings, streets, driveways, and sidewalks, preventing normal infiltration of precipitation. Not only will the total rainfall be concentrated in small areas, but additional water will build up from septic-tank drainage, roof drains, and lawn sprinkling, causing possible oversaturation of downslope soils and eventual slope failure involving large sections of the total hillside area."<sup>8</sup>

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<sup>5</sup> ibid., p. 132.

<sup>6</sup> ibid., p. 132.

<sup>7</sup> Properties with a slope greater than 12%.

<sup>8</sup> State of Oregon, Bulletin 81: Environmental Geology of Lincoln County, Oregon, p. 135.

## Inland Mountainous Areas

"Construction inland from the coast...usually involves steep topography along the valleys of the major rivers and smaller streams. (Flood-plain development and its associated hazards are discussed under 'Flood-prone Areas,' below.) Since the early days of settlement...these valleys have provided the best access inland from the ocean. As a result, farms, small towns, roads, and highways have followed them. Logging roads have penetrated far into the mountainous areas along the steep walls of the smaller tributary streams, and some of these roads have come into permanent use.

"The valleys were excavated by streams to great depth during the ice ages of the Pleistocene when sea levels were considerably lowered. Melting of the ice during interglacial episodes caused a rise in sea level and gradual drowning and silting up of the lower reaches of the valleys. Meandering streams now impinge on the steep walls, removing support of the weathered rock and soil mantle, causing new landslides and renewed movement of old slide masses. Man-made cuts for road construction, basement excavations, and other purposes have the same effect on the potentially unstable soil and rock."<sup>9</sup>

## Summary

The Newport area has many places that are subject to geologic hazards. As the city grows, those areas are being encroached upon more and more. Another conflict is that those areas with the worst geologic problems are also the areas most desirable for development and, therefore, command the highest prices.

The different geologic units pose different problems that cannot be summarized in a general section of any report. Consequently, it is necessary to generally identify hazardous areas and require site specific studies prior to development. All possible geologic hazards should be explored and satisfactory solutions determined prior to any construction. If correction will be uneconomical, the project should be abandoned. To ignore a geologic hazard is to invite disaster.

## **Earthquakes:**

"Earthquakes are products of deep-seated faulting and subsequent release of large amounts of energy. Vibrations radiating from the fracture are felt or recorded at the Earth's surface as earthquakes. In some places, such as the San Andreas Fault in California, the fault producing the earthquake can be mapped at the surface, but usually the fault is buried

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<sup>9</sup> ibid., p. 135.

(concealed) and cannot be observed at the surface. In Lincoln County, faults are numerous in the bedrock units. Snavely and others (1972 a, b, c) indicate a complex system of northwest- and northeast-trending normal faults, some of which have large vertical displacements. The age of faulting is not well established, but the youngest bedrock unit involved is late Miocene (15 m.y. [million years]). No faulting is present in the marine terrace deposits of late Pliocene to early Pleistocene, indicating that fault movement is at least older than 0.5 m.y. Although faulting is extensive in the County, no master earthquake-producing fault system is indicated.

"Earthquake summaries by Berg and Baker (1963) and Couch and Lowell (1971) provide historical earthquake data for Lincoln County. The data indicate that the recorded seismic history extends back only some 70 years to the late 1800's....During this period, seven earthquakes were reported: four at Newport with intensity ratings (Modified Mercalli) of IV; one at Waldport, intensity rating IV; one at Seal Rock, intensity rating III; and one at Alsea, intensity rating III..."<sup>10</sup> (See Table 1 on page 34.)

"These studies also indicate that distant earthquakes, such as in the Gorda Basin off the southwest Oregon coast, could produce intensities of between VI and VII. Ground motion during earthquakes, from nearby earthquake epicenters as well as distant earthquakes, can affect not only buildings, bridges, and similar structures but also areas of potential land subsidence and landslides. Granular soils, especially thick sections of loose, saturated sand and gravel, will consolidate and subside as a result of shaking ground motion. Because subsidence is usually uneven, buildings on such ground may be tipped or destroyed. In regions of moderate to high relief with unstable slopes and saturated ground conditions (such as most of Lincoln County during winter and spring months), earthquake vibrations could start massive slope failure. In addition, fluid response in saturated lowlands soils could result in liquefaction as downslope flow, even on gentle slopes."<sup>11</sup>

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<sup>10</sup> ibid., p. 124.

<sup>11</sup> ibid., p. 125.



Table 1  
City of Newport

Year	Date	Location	Intensity	Remarks
1897	Jan. 26	Newport	IV	
1902	June 14	Newport	IV	
1916	Jan. 14	Newport	IV	
1928	Sept. 4	Newport	IV	Felt for radius of 10 miles
1940	May 25	Waldport	IV	Felt at Toledo and Depoe Bay; small objects moved at Waldport.
1941	Oct. 19	Seal Rock	III	
1957	Mar. 22	Alesea	III	

**Flood-prone Areas:**

"Stream flooding: Flooding of the coastal lowlands in Lincoln County is an annual menace, occurring several times in some years. Major floods causing extensive damage have occurred at least ten times since 1921, generally in December or January, but some have been as early as November 20 or as late as March 31. The interval between major floods has been from 1 year to as long as 15 years, with the average just over 5 years.

"Floods are always associated with periods of heavy rainfall, especially after the ground has been soaked to near capacity or after the ground has been deeply frozen. Snow melt can add considerably to the flood intensity. Near the mouths of streams, flooding can be markedly increased by high tides resulting from strong onshore winds during severe winter storms.

"Destructive flooding by streams occurred in Lincoln County during the winters of 1921, 1931, 1964-65, and 1972. Summarized briefly here, the high water inundated the flood plains of all the major streams. Houses, barns, and livestock were lost; bridges, sections of railroad, and boat docks were swept away; logs and debris from inland were carried out to sea and lodged on distant beaches; residential and business areas of some communities were under water, as were also some resorts; highways throughout the County were blocked by floodwaters and landslides. During the 1964-65 floods, the entire County was isolated.

"Control of flooding in Lincoln County by construction of flood-control dams appears to be extremely unlikely due to the configuration of the stream valleys relative to the cost and effectiveness of a reservoir. Levees and dikes can offer some protection from floods in the lower reaches of the streams where the tidal effect is pronounced.

"The severity of floods in Lincoln County and Newport together with the infeasibility [sic] of adequate flood control structures points out that flood control measures must be in the form of flood-plain zoning regulations."<sup>12</sup>

The outline of flood-prone areas on the Flood Insurance Rate Maps (FIRM) prepared by the Federal Emergency Management Agency (FEMA) should be adequate for determining flood prone areas. "Flood-plain zoning and strict construction criteria are imperative if the annual flood loss is to be reduced....It is essential that local government, the land developer, real estate agent, builder, and prospective lot-buyer become aware of areas of potential flooding before committing themselves to developing the property."<sup>13</sup>

"Ocean Flooding: Ocean flooding is unpredictable and can occur any time of the year. Its causes include storms at sea, strong westerly winds, tidal forces, and large unusual waves. Large unusual waves, although of short duration, can be very destructive. They include tsunamis caused by earthquakes on the sea floor and additive waves created when the crests of several in-phase waves are superimposed and reach the shore simultaneously.

"In the past 33 years [1940-1973], wind and high tides have twice caused excessive flood damage along Oregon's coast. A third destructive wave was a tsunami resulting from the Alaska 'Good Friday' earthquake of 1964; smaller seismic waves have occurred since that time. Although there is no accurate method of predicting the frequency and magnitude of ocean flooding, the occurrence of three damaging floods in 33 years suggests an average of about once every 10 years. Similar waves in the future will probably be even more destructive because of the greatly increased construction of residences, motels, and

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<sup>12</sup> ibid., p. 125.

<sup>13</sup> ibid., 140.

condominiums at or just above the normal high-tide line. The presence of logs above normal high-tide level is clear evidence of the elevations the sea can reach."<sup>14</sup>

Again, the Flood Insurance Rate Maps have determined from past experience the maximum wave elevations for velocity flooding (V Zones) and areas of shallow marine flooding (AO Zones). The siting of future structures should be based on these maps.

### **Ocean Shorelands:**

This section summarizes inventory information about the shorelands adjacent to the Pacific Ocean. Policy statements follow the inventory information. Identification of the shorelands boundary was based upon the consideration of several characteristics of the land. Resources and hazard areas within the ocean-related portion of the shorelands boundary are mapped on the Ocean Shorelands Map on page 50 (that map can be used by property owners and developers to help determine the level of review required before issuance of development permits). These include:

- 1.) Beaches, as identified in the Oregon Beach Law.
- 2.) Dunes, as identified in the 1980 Newport Comprehensive Plan by RNKR Associates.<sup>15</sup>
- 3.) Younger, stabilized dunes and open sand and wet interdunes as identified in the Soil Conservation Service (SCS) study Beaches and Dunes of the Oregon Coast (for areas not identified in the RNKR study).<sup>16</sup>
- 4.) Areas of 100-year coastal flood with wave action as identified on the Flood Insurance Rate Maps.
- 5.) Shoreland protection measures as mapped by RNKR Associates.<sup>17</sup>
- 6.) Significant shoreland and wetland biological habitat identified by Dr. D.W. Thomas and the U.S. Fish and Wildlife Service.<sup>18</sup>
- 7.) Coastal headlands.

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<sup>14</sup> Ibid, p. 141.

<sup>15</sup> RNKR Associates, Environmental Hazard Inventory: Coastal Lincoln County, Oregon, 1979.

<sup>16</sup> U.S. Soil Conservation Service, Beaches and Dunes of the Oregon Coast, 1975.

<sup>17</sup> RNKR Associates, Environmental Hazard Inventory: Coastal Lincoln County, Oregon, 1979.

<sup>18</sup> D.W. Thomas, Significant Shoreland and Wetland Biological Habitats and Riparian Vegetation, 1981.

- 8.) Areas necessary for water-dependent and water-related uses, specifically recreational uses and navigation facilities.
- 9.) Landslide areas as identified by RNKR Associates in 1979 (map numbers 13:25 through 16:25).
- 10.) Features of exceptional scenic quality.
- 11.) Riparian vegetation along streams is included within significant wildlife habitat areas.
- 12.) The conditionally stable dunes landward of the foredune.
- 13.) The older, stabilized dunes of the South Beach dune sheet.
- 14.) The deflation plain east of the foredune and the stabilized dunes.

### Beaches and Dunes

#### Ocean Beaches

Formations: There are four stretches of ocean beach within the Newport urban growth boundary (UGB):

- 1.) Beverly Beach: The area from Yaquina Head to north of Schooner Creek.
- 2.) Agate Beach: The area from Yaquina Head south to Jump-Off Joe Rock.
- 3.) Nye Beach: The area from Jump-Off Joe Rock south to the north jetty.
- 4.) South Beach: The area south of the south jetty to the southern urban growth boundary.

The sand of the Newport beaches is similar to other Oregon beaches. Sea cliff erosion and marine deposition or erosion are the major factors affecting the supply of sand on the beach. The stability and movement of sand on the beach varies seasonally. The sand is generally eroded from beaches during winter storms. Gentler waves in summer deposit sand on the beach.

This on-and-off shore movement of sand is in addition to the transport of sand along the beach (littoral drift). There appears to be a seasonal reversal in the direction of sand transport along the beach. Waves from the south-west accompany the prevailing winds in the winter months and wind and waves from the northwest predominate during the summer. Sand movement appears to be essentially in balance when averaged over several years. This condition is known as "zero net littoral drift."

The impact of this zero net littoral drift and the extension of the jetties at the entrance to Yaquina Bay has been accretion of sand adjacent to the north and south jetties. The accumulation of sand by the jetties has resulted in some further erosion at greater distances from the jetty. The accumulation of sand on either side of the jetties at the mouth of Yaquina Bay led to dune formation when much of that sand blew inland.

Recreational Uses: The recreational values of the beaches have long been recognized by Oregonians. These beaches are important resources that have long held an attraction for residents and visitors. As the name implies, many agates have been found at Agate Beach. Agate Beach, Nye Beach, and South Beach have razor clams. The beaches, especially during the summer, are populated with beachcombers, surfers, sailboarders, runners, kite fliers, and many other recreation enthusiasts.

Oregon Beach Law: The 1967 Legislature passed the Oregon Beach Law (ORS 390.605-390.700) to codify the public's right to use the dry sand areas of the beaches. The Shoreland Boundary Line was established by that legislation to resolve the question of ownership and the right of the public to use the dry sand areas of the Oregon beaches. In the landmark court case of State Ex Rel Thronton v. Hay, the Oregon Supreme Court said that the state had effectively proven the public's right to use the land seaward of the shoreland boundary line even though the ownership may rest with a private land owner. (It should be noted that the wet sand areas are property of the state as determined by the 1899 Oregon legislature except where sold before 1947.)

The area between the mean high water and the vegetation line is an area where the public's right is paramount but where private ownership is recognized. The state legislature grappled with the question of erosion and the receding nature of the coast line in creating this in between area and in 1969 exempted these lands from taxation.

The Oregon Beach Law also regulates improvements, motor vehicle and aircraft use, pipelines, cable or conduit crossings, and removal of natural products on the ocean shore (ORS 390.635- 390.725). Implementation requirements of the Land Conservation and Development Commission's Beaches and Dunes Goal further restricted permits for beach front protective structures to where development existed before January 1, 1977. Pursuant to this requirement, the Oregon Transportation Commission adopted new Beach Improvement Standards on March 28, 1978.

In addition to the above law, Goal 18/"Beaches and Dunes" limits the issuance of permits for beach front protective structures to those areas where development existed on

January 1, 1977. Development means houses, commercial and industrial buildings, and vacant subdivision lots that are physically improved through the construction of streets and the provision of utilities to the lot. Also included are areas where an exception to (2) of the implementation requirements of Goal 18 has been approved.

### Dune Areas

The material underlying much of the area within the Newport UGB is sand. Most of this is marine terrace deposits, although these are sometimes difficult to distinguish from older sandstone bedrock or older stabilized dunes. Once the old town area of the city between Nye Beach and the bayfront had dunes, but the area is now largely developed and little remains of these dunes.

All of these areas have sandy soils of either the Netarts, Warrenton, or Yaquina series wherever the soil profile has begun to develop. These series have been mapped by the SCS, and the maps are on file at the Newport Planning Department. It is important to protect these lands from erosion that would create open sand area.

There is a small area with active hummock dunes between Yaquina Bay State Park and the north jetty that is not shown separately on the Ocean Shorelands map because it lies seaward of the beach zone line. The most significant dune area is in South Beach, which is discussed below.

### South Beach Dune Complex

The information about dune forms summarized below is drawn from the Beaches and Dunes Handbook for the Oregon Coast<sup>19</sup> and the report and mapping of RNKR Associates in Environmental Hazard Inventory: Coastal Lincoln County, Oregon.<sup>20</sup> These are the most recent sources of information concerning the South Beach dunes.

The South Beach dune complex is the largest dune area in Newport. It was built up from the sand supply on the accretion beach next to the south jetty. RNKR Associates described several types of dune landforms within this South Beach dune sheet, which is the only dune complex identified within the Newport UGB. These dunes are shown on Sheet 4 of the Ocean Shorelands Map (beginning on page 50). The dune complex is located primarily within South Beach State Park, although it extends a short way north and south of the park.

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<sup>19</sup> U.S. Soil Conservation Service, Beaches and Dunes of the Oregon Coast, 1975.

<sup>20</sup> RNKR Associates, Environmental Hazard Inventory: Coastal Lincoln County, Oregon, 1979.

The four dune landforms identified in this area are:

- 1.) Active foredunes: a ridge of sand adjacent to the swash zone of the beach extending south from the mouth of Yaquina Bay.
- 2.) Conditionally stable dunes: present on the landward side of the active foredunes.
- 3.) Older stabilized dunes: present in approximately the center of South Beach State Park.
- 4.) Deflation plain: present on the landward side of the other dune types.

Each of these dune types has different resource values, hazards, and development limitations.

The active foredune collects sand blown from the open beach. The foredune develops where European beach grass causes wind-blown sand to accumulate in a long ridge. These dunes need protection if they are to remain effective barriers to wind erosion and ocean storms. Foredunes are dynamic landforms subject to substantial growth in height and width on accretion beaches, and are vulnerable to rapid removal on eroding beaches. Therefore, buildings are not appropriate on active foredunes.

The conditionally stable dunes landward of the foredune have developed a denser vegetative cover, including more plant species. Although no longer subjected to wind erosion like foredunes, conditionally stable dunes have not had time for significant soil development. Conditionally stable dunes may be appropriate for development with special precautions in places that are not subject to hazards such as ocean flooding.

The older, stabilized dunes of the South Beach dune sheet exhibit soil development and tree cover. Since this dune area is entirely within a state park, no development is anticipated.

To the east of the foredune and the stabilized dunes is an extensive deflation plain. A deflation plain is created when the wind removes dry sand particles from areas landward of the foredune. The summer water table limits the depth of sand removal because groundwater moisture binds the sand together. Standing water is common during the winter when the water table is higher. Some deflation plains are subject to ocean flooding.

All of South Beach is known to have a groundwater aquifer, these dunes deposits are generally thin, and they cannot (as in other places on the Oregon coast) be relied on to supply large volumes of ground water. The dune sands rarely exceed 15 feet in thickness (except in a small area of South Beach) and are deposited directly on marine terrace material. The dune aquifer is not subject to significant development pressures because much of the aquifer is within South Beach State Park. Areas outside the park slated for development are or will be served by municipal water and sewer systems.

The primary value of the South Beach dune complex is recreational. Two deflation plain wetlands south of the old jetty railroad and open sand areas have been identified as significant habitat, as discussed below. The parcel of land between South Beach State Park and Yaquina Bay has been identified as being suited for tourist commercial uses subject to compliance with zoning regulations.

In addition to the dune forms in the South Beach Dune Complex described above, the following additional dune landforms are located within the Newport UGB:

- 1.) Open sand dunes areas, in the absence of vegetation, operate only in response to sand supply and wind. Open dune sand areas are defined as wind-drifted sand in the form of dunes and ridges which are essentially devoid of vegetation.

Active open dune sand areas are highly dynamic and may advance onto forest land, pasture land, crop land, roads, railroads, lakes, and stream channels, thereby endangering residential, commercial, and industrial property. Yet, at the same time, many open sand dunes have tremendous aesthetic and recreational importance.

- 2.) Interdunes include a broad range of geomorphic landforms varying from wet open dune sand forms to wet areas in recent and older stabilized dunes.

In general, broad areas that are both stable and wet were mapped as wet interdune, and the stabilized area was shown as being secondary. This arrangement points out the major unit to be managed. Most wet interdunes are principally wildlife habitat areas. However, many areas mapped as wet interdunes are old deflation plains or reexposed coastal terraces. A primary development limitation is the inability of some wet interdune areas to accommodate subsurface sewage disposal.

- 3.) Younger stabilized dunes are youthful, cross-bedded, windstable dune landforms that have weakly-developed sandy soils with little or no development of cemented nodules, lenses, or horizons. Vegetation on these dunes ranges from native grasses, European beachgrass, and shrubs such as scotch broom and tree lupine to woody species. The dominant tree is shore pine, but Sitka spruce, western hemlock, Douglas Fir, western red cedar, Oregon crabapple, and red alder also occur.



The younger stabilized dunes are differentiated from older stabilized dunes by differences in soil profile characteristics and the predominance of shore pine and other woody species. Texture and cementation are the primary criteria use for differentiation, although organic matter, depth, and distribution are also considered.

The younger stabilized dune mapping unit includes the stabilized dunes and transition forests. These areas contain many species of birds, mammals, amphibians, and reptiles. Occasional snags serve as nesting areas for a variety of birds.

Younger stabilized dunes offer opportunities for the placement of man-made facilities. Established vegetation provides shelter from the wind and a location from which to venture out into the open sand. However, on-site investigation is needed because building sites may be limited by slope, depth of water table, and horizontal and vertical permeability if septic- tanks are used. Some septic drain field failures have been reported in areas mapped as younger stabilized dunes. Surface or subsurface drainage that significantly reduces soil moisture in stable areas might result in the killing of low shrubs and should be avoided. Excavation and vegetation removal in stabilized dune areas needs to be well managed to prevent exposure of open sand to wind erosion and subsequent blow-outs.

## Shoreland Hazards

### Ocean Flooding

Ocean flooding is the inundation of lowland areas along the coast by salt water due to tidal action, storm surge, or tsunamis (seismic sea waves). Landforms in Newport subject to ocean flooding include beaches, the bases of sea cliffs, marshes and low-lying interdune areas. All areas shown on the Flood Insurance Rate Map in Zone V and areas below the 10 foot elevation south of and adjacent to the south jetty are considered to be areas subject to ocean flooding.

The National Flood Insurance Program (FIA) requires that all living areas or residences built or rebuilt within the floodplain be built so that the lowest habitable floor is at least one foot above the base flood level. In addition, buildings, foundations, and other structures must be built so that flood problems are not worsened in other areas. The City of Newport flood plain management regulations for coastal high hazard zones have been recognized as appropriate by FEMA.<sup>21</sup>

### Shoreline Protection Measures

Ocean wave undercutting and consequent sea cliff erosion has been identified as a major source of beach sand. The following description of landslide areas also notes the role of ocean wave action. In an effort to protect property from cliff retreat, sand movement, and ocean flooding, several shoreline protection features have been built.

RNKR Associates mapped riprap armor along the shoreline in order to inventory these features. These are shown on the Ocean Shorelands map beginning on page 50. Control of shoreline protection features by local authorities is needed to prevent unexpected changes in beach equilibrium or aggravated erosion of adjacent lands. RNKR suggested several questions to be answered in the review of new shoreline protection structures which have been incorporated into ordinances controlling development along the shoreland.

In addition to city policies and regulations, beach areas within the vegetation line established by ORS 390 are under the jurisdiction of the Oregon State Parks and the Division of State Lands. A permit is required from those agencies prior to the construction of any beach front protective structures.

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<sup>21</sup> Federal Emergency Management Agency, letter to the City of Newport, 1987.

## Landslide and Coastal Erosion Areas

Landslide and Coastal Erosion areas were mapped within the Newport urban growth boundary in the 2004 document titled Evaluation of Coastal Erosion Hazard Zones Along Dune and Bluff Backed Shorelines In Lincoln County, Oregon: Cascade Head to Seal Rock, by the Oregon Department of Geology and Mineral Industries (OFR O-04-09). The document and maps are included here by reference. The report describes several types of mass movement (mud flow, slump, soil creep, and debris avalanche) and defines the mapped landslide areas:

Prehistoric Mass Movements: Generally speaking, these are very large landslide and slide blocks that predate historical observations on the Oregon coast (about 150 years) and are deeply eroded with no evidence of recent slide activity.

Potentially Active Mass Movements: These are areas of mass movements that are currently stable (no bowed trees or cracked soil and pavement) but with evidence of recurrent movement in the last 150 years. Unlike the prehistoric slides, these features are generally not extensively eroded and have well-preserved topography indicative of recent movement. Many show no evidence of movement since 1939 or 1967 aerial photography but are probably more likely to have movements than the prehistoric slide areas.

Active Mass Movements: These areas have evidence such as bowed trees and cracked soil or pavement that indicate ongoing down slope movement of large masses of soil or rock.

Quaternary Landslides: Quaternary landslides were mapped by Snively and others (1976 and 1996). These landslides are shown in inland portions of the City and were not investigated in the 2004 DOGAMI report.

Landslide Terrain: Areas identified as landslide terrain were interpreted by Schlicker and others (1973) from aerial photos and reconnaissance-level fieldwork. The terrain may be landslide or just rolling topography similar to that produced by landslide processes and needs to be field checked.

Bluff and Dune-Backed Shoreline Hazard Areas: Coastal bluff and dune-backed shoreline areas characterized by existing, active erosion processes and three zones of potential future erosion (high, moderate, and low) that respectively depict decreasing risk of becoming active in the future as modeled in the DOGAMI report. The respective hazard zones are more particularly described as follows:

*Active Erosion Hazard Zones* – For dune-backed shorelines, the active hazard zone encompasses the active beach to the top of the first vegetated foredune, and includes those areas subject to large morphological changes adjacent to the mouths of bays due to inlet migration. On bluff-backed shorelines the active hazard zone

includes actively eroding coastal bluff escarpments and active or potentially active coastal landslides.

*High Risk Erosion Hazard Zones* – For dune backed shorelines, the high risk scenario is based on a large storm wave event (wave heights 47.6 ft high) occurring over the cycle of an above average high tide, coincident with a 3.3 ft storm surge. For bluff-backed shoreline areas, the high risk zone portrays bluff retreat that would occur if only gradual erosion at a relatively low mean rate were to occur over a 60-year period after the slope reaches and maintains its ideal angle of repose (for talus of the bluff material).

*Moderate Risk Erosion Hazard Zones* – For dune-backed shorelines, the moderate risk scenario is based on an extremely severe storm event (waves 52.5 ft high) coupled with a long term rise in sea level of 1.31 ft. For bluff-backed shoreline areas, the moderate risk zone portrays an average amount of bluff retreat that would occur from the combined processes of block failures, retreat to an angle of repose, and erosion for 60 to 100 years.

*Low Risk Erosion Hazard Zones* – For dune-backed shorelines, the low risk scenario is similar to the moderate risk approach but incorporates a 3.3 ft vertical lowering of the coast as a result of a Cascadia subduction zone earthquake. For bluff-backed shoreline areas, the low risk zone illustrates a worst case for bluff retreat in 60-100 years considering maximum bluff slope failure, erosion back to an ideal angle of repose, and gradual bluff retreat for 100 years.

## Shoreland Resources

### Significant Habitats

Significant material regarding shoreland and wetland biological habitats and riparian vegetation along the ocean shoreline in Lincoln County were compiled by Dr. D.W. Thomas in September 1981.<sup>22</sup> Recent aerial photographs and additional information from the Nature Conservancy, Oregon Department of Fish and Wildlife (ODFW), the U.S. Army Corps of Engineers, OCC&DC, and the U.S. Fish and Wildlife Service National Wetlands Inventory were obtained during that study. In July 1983, the City of Newport, in coordination with Lincoln County and the Oregon Department of Fish and Wildlife, reexamined the Thomas Study in the South Beach dune complex. The Ocean Shorelands Map (beginning on page 50) was amended to include only those areas considered by ODFW to be significant shoreland and wetland biological habitat (see the description of South Beach's significant habitat areas on the next page).

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<sup>22</sup>

D.W. Thomas, Significant Shoreland and Wetland Biological Habitat and Riparian Vegetation, 1981.

The City of Newport also amended the Ocean Shoreland map to exclude the Yaquina Estuary north and south jetties and existing jetty access roads as significant habitat.

The following significant shoreland and wetland biological habitats on Newport's ocean shorelands have been noted and are shown on the Ocean Shorelands map (beginning on page 50):

- > Grant Creek west of Highway 101.
- > An unnamed drainage east and west of Highway 101 just to the north of the Newport Municipal Airport property and south of South Beach State Park.
- > South Beach dune complex.
- > The cliffs and offshore rocks at Yaquina Head.

### Coastal Headlands

There are two headlands within the Newport urban growth boundary, and one is the well-known Jump-Off Joe Rock. A prominent headland in the last century, only skeletal remains are left, and it is now a minor promontory of the marine terrace upon which most of the City of Newport is located. It has been subject to rapid and substantial marine erosion and seacliff retreat. (See the History and the Parks and Recreation sections of this plan.)

The remaining and more prominent coastal headland is Yaquina Head. This headland is formed by the Cape Foulweather basalt. The surficial extent of this geologic unit was mapped in 1973 by Schlicker.<sup>23</sup> The seaward exposure of this unit is included within the shorelands boundary as a major visual resource of the Newport area. Walker, Havens, and Reickson's Visual Resources Analysis of the Oregon Coastal Zone identified Yaquina Head as an area with potential for an exceptional coastal experience. Congress designated about 100 acres of the Head as an Outstanding Natural Area (ONA) on March 5, 1979, in Section 119 of Public Law 96-199. The act also provided for wind energy research within the ONA. The boundary of the Yaquina Head ONA established by this act is shown on the Ocean Shorelands map.

Once the site of a privately-owned commercial quarry, the primary developed land uses on this headland now are the Yaquina Head Lighthouse and a few residences.

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<sup>23</sup> State of Oregon, Bulletin 81: Environmental Geology of Lincoln County, Oregon, 1973.

## Recreation Associated with the Pacific Ocean

Yaquina Head, city and state parks, and several public rights-of-way to the ocean beaches provide for recreational opportunities along the ocean shorelands. The designation of the beaches as a special recreational area by the State of Oregon and the acquisition and development of Agate Beach, South Beach, and Yaquina Bay State parks encompass all of the area that is especially suited for recreation along the ocean shorelands within the Newport UGB. Public access to the beach outside of state parks occurs over public rights-of-way or specially acquired parcels. Major public access points are noted on the Ocean Shorelands map and the Inventory Of Oregon Coastal Beach Access Sites, published by Benkendorf and Associates,<sup>24</sup> hereby included within this plan by reference.

## Navigation Facilities

Navigation facilities are important uses in the ocean shorelands area. Navigation facilities currently consist of the jetties at the mouth of Yaquina Bay, the Yaquina Bay Lighthouse, and the Yaquina Head Lighthouse.

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## **GOALS/POLICIES** **NATURAL FEATURES**

**Goal 1: To protect life and property, to reduce costs to the public, and to minimize damage to the natural resources of the coastal zone that might result from inappropriate development in environmentally hazardous areas.**

Policy 1: In areas of known hazards, the City of Newport shall require a site evaluation of the potential dangers posed by environmental hazards prior to city review and approval of a proposed development. It shall be the applicant's burden to show that construction in an environmentally hazardous area is feasible and safe. Site investigations in geologic hazardous areas shall be prepared by a registered geologist or engineer.

Policy 2: The city shall maintain and, where necessary, update ordinances that control development in an environmentally hazardous area.

Policy 3: Where hazardous areas are not specifically identified but a potential hazard may exist, the City should establish procedures within its land use regulations to require a site-specific analysis tool, such as a geologic report.

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<sup>24</sup>

Benkendorf and Associates, Inventory of Oregon Coastal Beach Access Sites, 1989.

Policy 4: The city shall continue its participation in the Flood Insurance Program administered by the Federal Emergency Management Agency.

Policy 5: Development within the Ocean Shorelands Boundary, as identified on the Ocean Shorelands Map, shall comply with development criteria established within the Zoning Ordinance, except to the extent development is permitted in accordance with the variance procedures of the Zoning Ordinance. The city shall, from time to time, evaluate those regulations to assure compliance with city goals.

Policy 6: Nonstructural solutions to problems of erosion or flooding shall be preferred to structural solutions. Where flood and erosion control structures are shown to be necessary, they shall be designed to minimize adverse impacts on water currents, erosion, and accretion patterns.

Policy 7: Engineering solutions or other measures to provide appropriate safeguards shall be required prior to issuance of building permits in identified hazardous areas if required by a geological report.

**Goal 2: To protect and, where practical, enhance identified environmentally sensitive areas.**

Policy 1: Identified environmentally sensitive areas shall be mapped on the Ocean Shorelands Map.

Policy 2: Residential development and commercial and industrial buildings shall be prohibited on active foredunes, conditionally stable foredunes that are subject to ocean undercutting or wave overtopping, and beaches and deflation plains that are subject to ocean flooding. Other development in these areas shall be permitted only if the findings required in Policy 8, below, are met and it is demonstrated that the proposed development:

- > Is adequately protected from any geologic hazards, wind erosion, undercutting, ocean flooding and storm waves; and
- > Is designed to minimize adverse environmental effects.

Policy 3: Foredunes shall not be breached by non-natural causes except in an emergency and shall be restored after the emergency by the party causing the breach.

Policy 4: The city shall cooperate with federal and state agencies, private

individuals, and others in the determination of natural areas.

Policy 5: The city will complete the Goal 5 process for wetlands identified on the U.S. Fish and Wildlife Service Wetland Inventory maps by the next regularly scheduled periodic review.

Policy 6: The criteria for review of all shore and beach front protective structures shall provide that:

- > Visual impacts are minimized;
- > Necessary access to the beach is maintained;
- > Negative impacts on adjacent property are minimized; and
- > Long-term or recurring costs to the public are avoided.

Policy 7: Significant shoreland and wetland biological habitats and coastal headlands shall be protected. Uses in these areas shall be consistent with the protection of natural values.

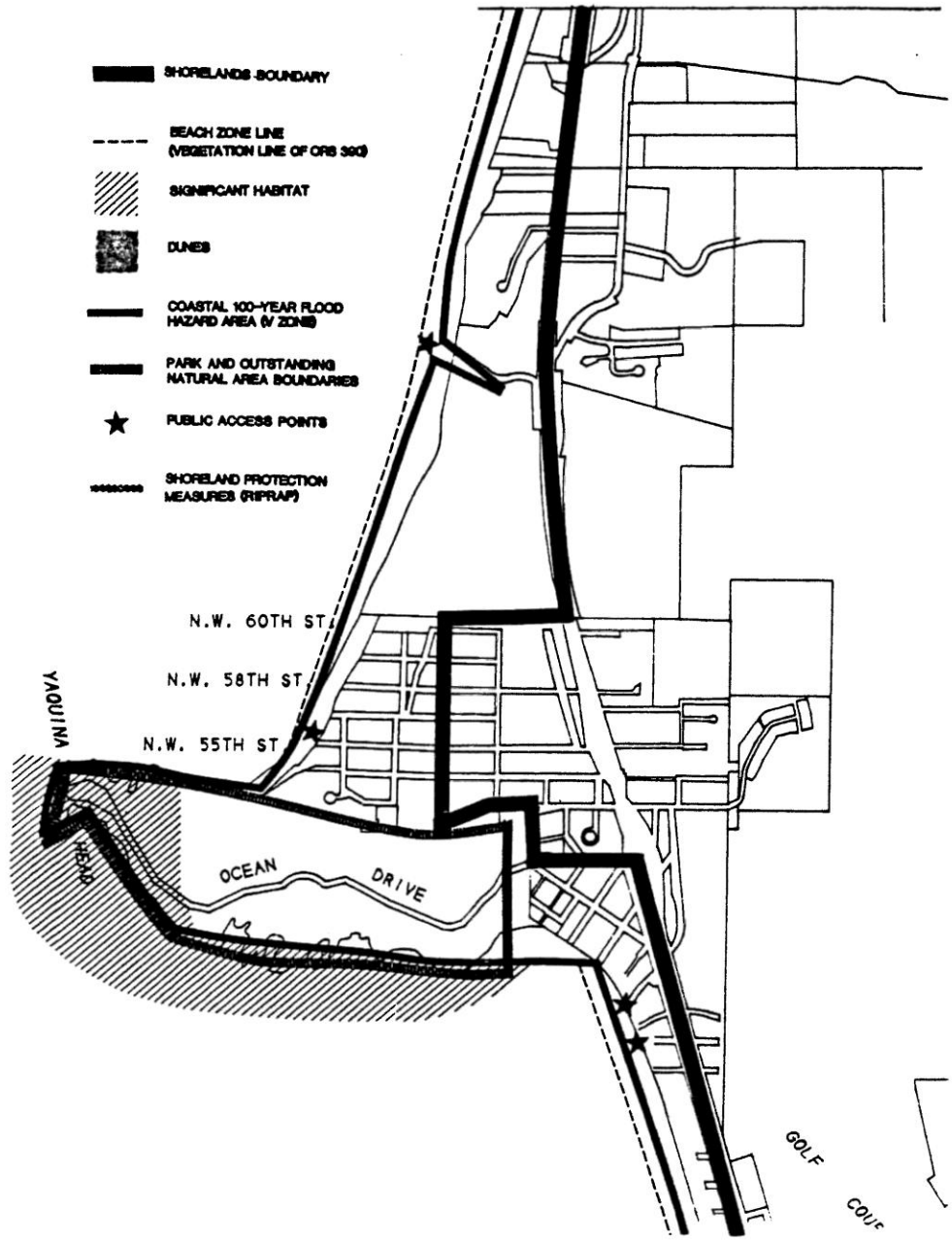
Policy 8: Development in beach and dune areas other than older, stabilized dunes shall only be permitted if the following issues are examined and appropriate findings are made:

- > The type of use proposed and the adverse effects it might have on the site and adjacent areas;
- > Temporary and permanent stabilization programs and the planned maintenance of new and existing vegetation;
- > Methods for protecting the surrounding area from any adverse effects of the development; and
- > Hazards to life, public and private property, and the natural environment that may be caused by the proposed use.

Policy 9: Excavations and fill shall be limited to those minimal areas where alteration is necessary to accommodate allowed development. Cleared areas, where vegetation is removed during construction, shall be revegetated or landscaped to prevent surface erosion and sedimentation of near shore ocean waters.

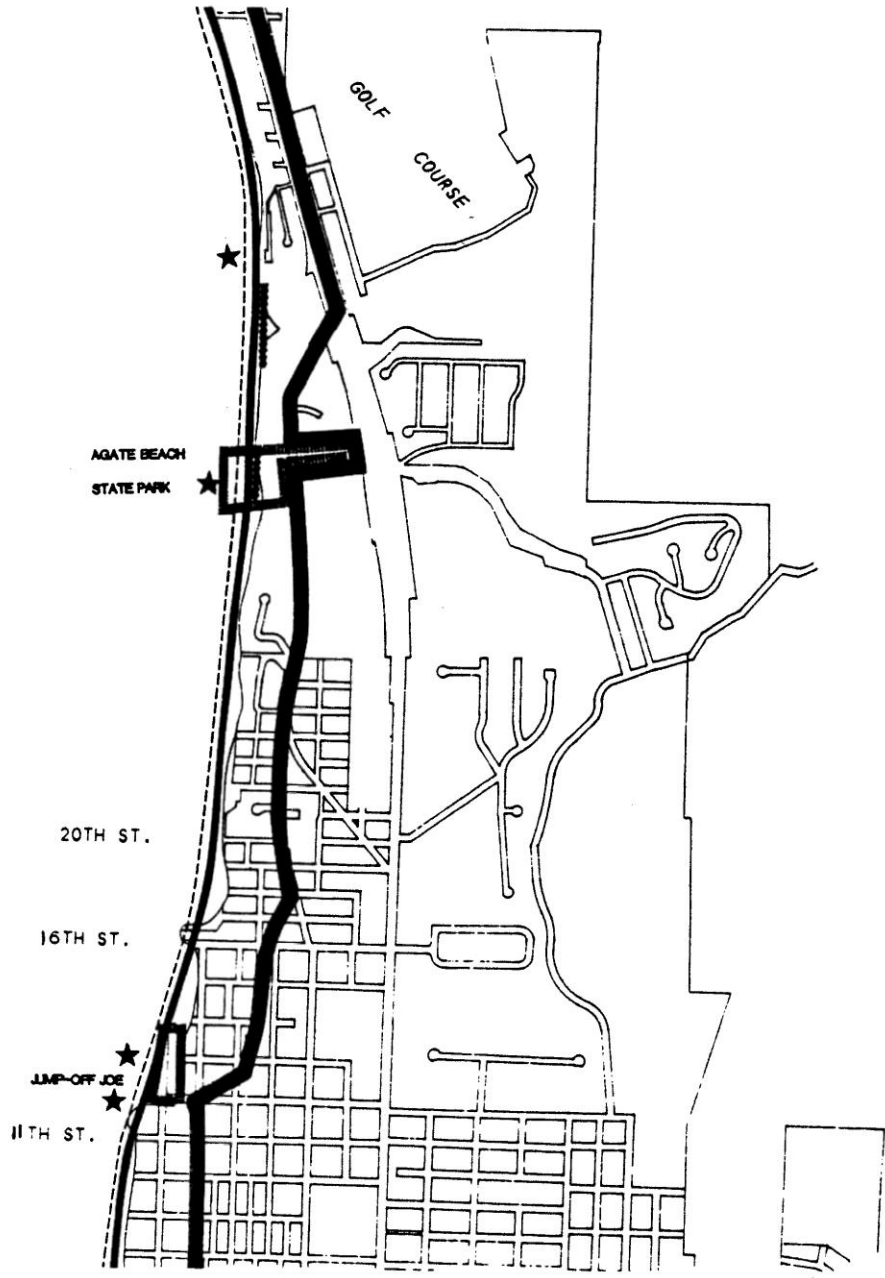


# OCEAN SHORELANDS



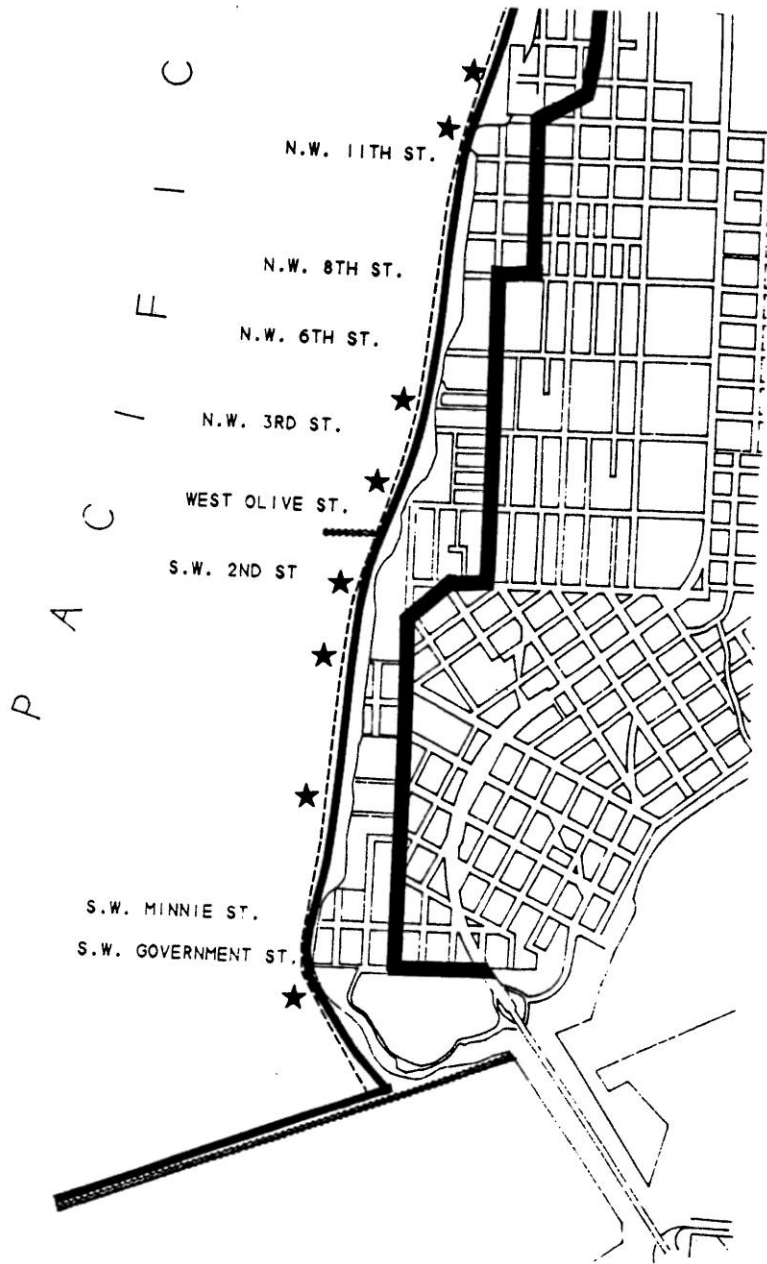
Page 50. CITY OF NEWPORT COMPREHENSIVE PLAN: Natural Features.

# OCEAN SHORELANDS



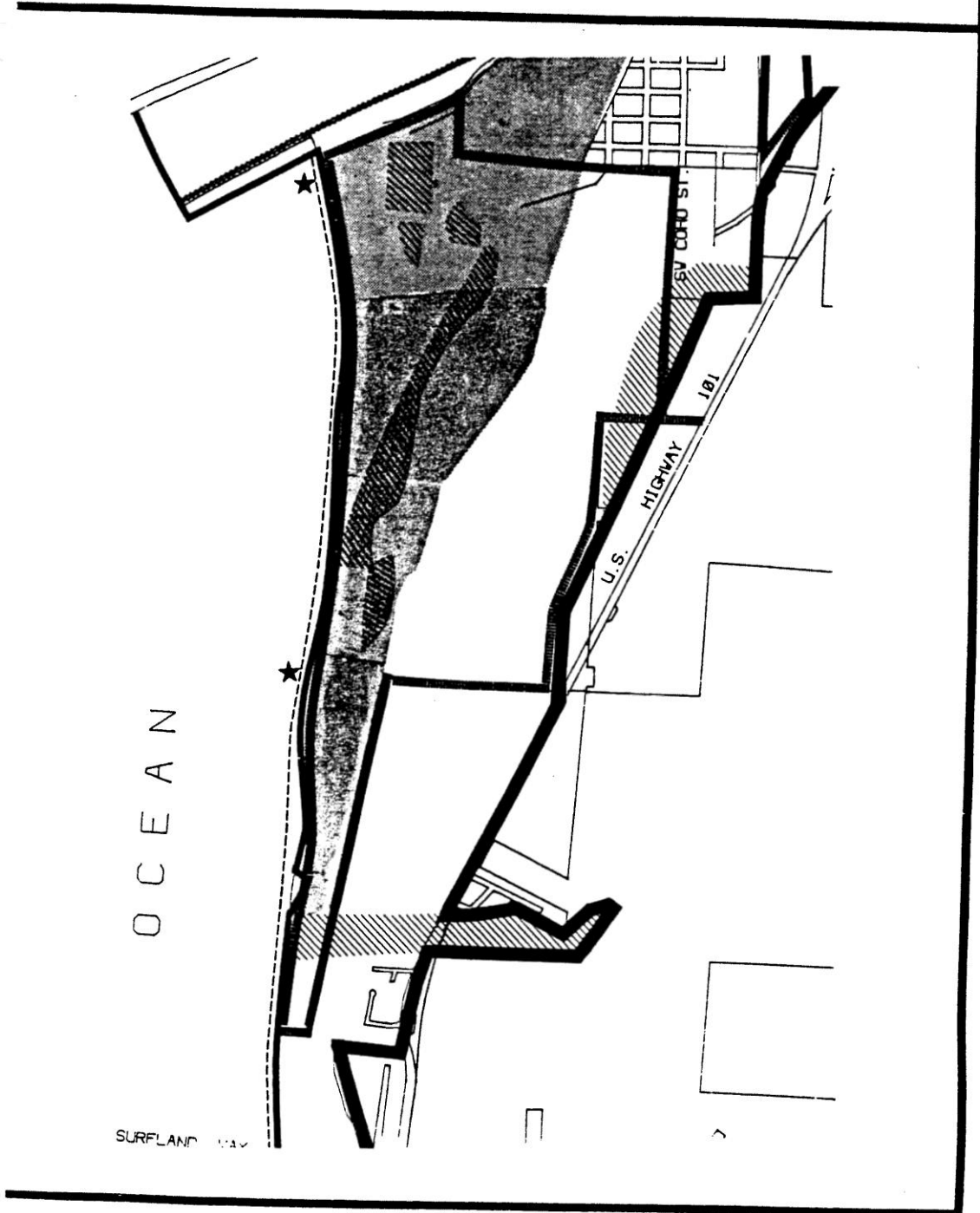
Page 51. CITY OF NEWPORT COMPREHENSIVE PLAN: Natural Features.

# OCEAN SHORELANDS



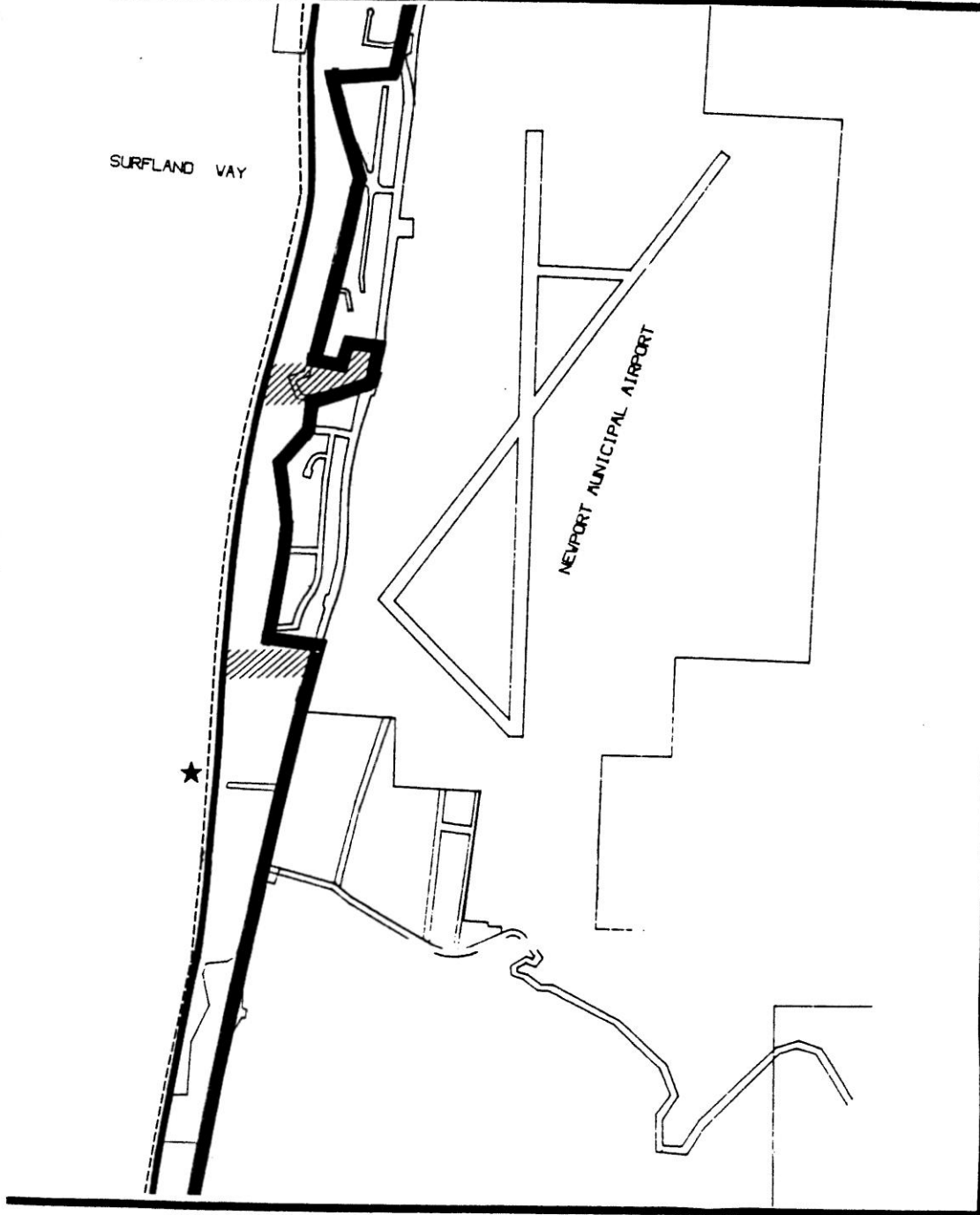
Page 52. CITY OF NEWPORT COMPREHENSIVE PLAN: Natural Features.

# OCEAN SHORELANDS



Page 53. CITY OF NEWPORT COMPREHENSIVE PLAN: Natural Features.

# OCEAN SHORELANDS



Page 54. CITY OF NEWPORT COMPREHENSIVE PLAN: Natural Features.

# **FOREST LANDS**

## **Introduction:**

Forest lands comprise more than 90% (572,000 acres) of the total area of Lincoln County. They are the source of raw materials for the county's leading industry: timber and forest products. Forest lands provide the watersheds necessary for municipal water supplies and for recreation, and they are the principal habitat for big game and spawning and nursery areas for anadromous fish. Consequently, forest lands are a valuable aesthetic, economic, and recreational resource. Within the city's urban growth boundary (UGB), however, commercial forestry is neither visible nor desired.

## **Economic Importance:**

The relevance of these holdings to the economic well being and livability of Lincoln County is evident. Forests are a renewable, productive resource of importance not only to the county, but to the state and nation as well. Because of its various interests, the Newport area faces a major challenge in balancing the competing needs for commercial forest uses, outdoor recreation, environmental protection, and urban uses. To this end, Newport has two major tasks in the Comprehensive Plan: First, there must be an identification of those lands that are forest lands; and, second, there must be a determination of the ultimate disposition of those lands during the next 20 years.

## **Forest Lands Identified:**

The criteria for identifying Newport's forest lands are the following:

- > Lands composed of existing and potential forest lands that are suitable for commercial forest uses.
- > Other forested lands needed for watershed protection, wildlife and fisheries habitat, and recreation.
- > Lands where extreme conditions of climate, soil, and topography require the maintenance of vegetative cover irrespectively of use.
- > Other forested lands in urban and agricultural areas that provide urban buffers, windbreaks, wildlife and fisheries

habitat, livestock habitat, scenic corridors, and recreational use.

This task can be further broken down by identifying those forest lands that are commercial and those that are "other" forest lands where the production of trees is not the primary importance (e.g., open space, watershed protection, habitat, recreation, erosion protection, view, aesthetics, etc.).

With these criteria in mind, the City of Newport has identified the following potential commercial forest lands within the UGB:

- 1.) 80 acres just east of the Jefferies Creek City Park (owned by the Beaver State Land Company).
- 2.) 75 acres between Highway 20 and the Bay Road (owned by Dr. Wallace High).
- 3.) 95 acres north of the Newport Municipal Airport (owned Double D Enterprises).
- 4.) 66± acres north of the airport (owned by the City of Newport).
- 5.) 500± acres south of Thiel Creek Road (owned by Double D Enterprises).

(Other forest lands within the UGB are identified and discussed in the Environment, Parks and Recreation, and Yaquina Bay Estuary sections of this plan.)

**Summary and Conclusions:**

The city has determined that all of the above parcels and a number of smaller ones that are privately owned and wooded are either committed to urban development or are needed for urban uses; therefore, because of size, location, proximity to existing or planned public facilities and services, or topography, they are not suitable for commercial forestry uses.

- 1.) Due to location, size, and adjacent conflicting uses, suitable lands are not available for commercial forestry within the City of Newport's urban growth boundary.
- 2.) There are some forest lands within the urban growth boundary that provide aesthetic scenic and environmental qualities.

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## **GOALS/POLICIES/IMPLEMENTATION MEASURES**

### **FOREST LANDS**

**Goal: To conserve where appropriate those forest lands possessing significant aesthetic, scenic and environmental qualities and providing for the conversion of other forested acreage to urban uses.**

Policy 1: The City of Newport will encourage retaining existing trees and woodlands consistent with the needs of urban development.

Policy 2: The city will promote the conservation of existing forest lands having high value aesthetic, scenic, and environmental qualities.

Policy 3: Forest lands within city, county, state, and federal parks shall be managed.

Policy 4: The inclusion of additional commercial forest lands within the UGB shall occur only upon a finding that the land is needed for urban development.

Policy 5: Forested lands in the UGB but outside Newport city limits which may be currently suitable for commercial forest uses may be used for those purposes regardless of current zoning when done in accordance with applicable forest management practices and regulations.

Policy 6: Forest lands within the city limits may be used for forestry purposes; however, conflicts with urban uses shall be minimized and preference given to properly developed urban uses in instances of adverse affects on such urban uses.

Implementation Measure 1: The city will develop and adopt appropriate management regulations for woodlands with the city limits.

Implementation Measure 2: The city will, as a part of reviewing any land use decision before the Planning Commission or City Council, make recommendations for the retention of valued woodlands.

Implementation Measure 3: The city will review and study the advisability of mandatory regulations governing vegetative cover, both natural and restored, on development projects prior to the next regularly scheduled periodic review.

Implementation Measure 4: Appropriate Zoning Ordinance regulations shall be investigated and considered to promote the conservation of high value recreational and scenic woodlands prior to the next regularly scheduled periodic review.





# **AGRICULTURE**

## **Introduction:**

Commercial agriculture plays only a minor role in the economy of Lincoln County and is essentially non-existent within the City of Newport's urban growth boundary (UGB) except for nurseries and some limited acreage providing firewood and incidental timber income.

Agriculture county-wide has seen significant decreases in acreage from 30 years ago. Also, while the 1980 Comprehensive Plan recognized declines in sales as well, since that time livestock has held roughly steady, while income from small woodland products, nurseries, and greenhouses has tripled. Only specialty crops have seen a significant decline since the early 1980's (see Table 1 on page 60).

The primary non-forest commercial agricultural activity in Lincoln County is found in nurseries, greenhouses, and specialty horticulture, some of which takes place in the Newport area. There is also occasional logging and thinning of wooded parcels within the city for firewood, but none on a sustaining commercial level.

No specific information is available on agricultural production by county area or by city.

## **Summary:**

The City of Newport has no commercial agricultural land within the urban growth boundary. Thus, no need exists for addressing the statewide goal for protection for such lands.

Table 1  
Lincoln County  
Estimated Gross Agricultural Income  
(in thousands of dollars)

	1975	1980	1981	1982	1983	1984	1985	1986	1987	1988
<b>CROPS:</b>										
Small Woodland Products	0	1,500	0	0	0	1,500	1,350	1,560	2,350	4,430
Nursery and Greenhouse	0	700	0	0	0	1,000	1,080	1,900	2,000	2,500
Specialty and Other Crops	1,129	197	1,884	2,475	2,826	160	180	170	182	350
<b>LIVESTOCK:</b>										
Cattle and Calves	690	1,139	1,163	1,229	980	1,003	900	926	1,111	923
Sheep and Lambs	30	123	124	89	92	161	225	148	246	222
Dairy Products	315	255	309	312	380	350	495	420	385	276
Miscellaneous	104	158	176	180	188	234	225	165	142	146
<b>TOTAL:</b>	<b>2,268</b>	<b>4,072</b>	<b>3,656</b>	<b>4,285</b>	<b>4,466</b>	<b>4,408</b>	<b>4,455</b>	<b>5,289</b>	<b>6,416</b>	<b>8,847</b>

Source: Lincoln County Extension Office.

## WATER QUALITY

### **Introduction:**

Water is an important resource in need of management. Various sections of the City of Newport's Comprehensive Plan deal with different aspects of water quality.<sup>1</sup> One aspect of that management program is to maintain water quality.

### **Sensitive Aquifers:**

The only area that is not covered in other sections of this plan is that of sensitive aquifers. The State Department of Environmental Quality (DEQ) has prepared a map that shows sensitive aquifers in the Newport area, two of which are in the Newport urban growth boundary (UGB). Both are in areas on either side of Yaquina Bay. The area north of Yaquina Bay appears to be about the width of the city from the bay to Big Creek. The one in South Beach appears to again be the width of the city from the bay to the south end of South Beach State Park. It is impossible to determine exact boundaries due to the scale of the map.

The city does not draw water from that aquifer for meeting domestic, commercial, or industrial water demands. Although aquifers are important, the one within Newport proper is not as critical as others that do supply water needs. Policies directed toward this aquifer should be more for maintaining a certain level of quantity and quality.

Lincoln County administers subsurface permits for septic tanks in the Newport city limits, while the state is the primary enforcement agency for contaminants that occur because of urban development. The city must rely on those agencies to provide the expertise on the limited issue of the aquifer quality. The city will, however, cooperate with the county and state in their planning and enforcement activities.

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<sup>1</sup> The Yaquina Bay Estuary section addresses the management of estuarine resources.

**GOALS/POLICIES**  
**WATER QUALITY**

**Goal: To maintain a level of water quality that is consistent with state and federal regulations.**

Policy 1: The Department of Environmental Quality has identified major water table areas with sensitive aquifers within the Newport urban growth boundary. A program to regulate these areas has not yet been developed by the DEQ. Once a program is developed, the city will comply with DEQ to carry out this program.

Policy 2: Any development will be required to leave some amount of permeable surface as required by the Zoning Ordinance.

# AIR QUALITY

National Ambient Air Quality Standards (NAAQS) have been adopted by federal and state governments to protect the public health and welfare from the known adverse effects of air pollution. The federal government has set primary standards which define levels of air quality that protect the public health. Secondary ambient air quality standards define levels judged by the federal government as necessary to protect the public welfare. Oregon's control strategies have been directed to meet the more stringent secondary air quality standards.<sup>1</sup>

The pollutants for which standards have been established are common ones that have been shown to be harmful. These standards are exhibited in Table 1.

Table 1  
National Ambient Air Standards

Pollutant	Averaging Time	Federal Standards	
		Primary (Health)	Secondary (Welfare)
Total Suspended Particulate	Annual Geometric Mean	75µg/m <sup>3</sup>	60µg/m <sup>3</sup>
	24 Hours	260µg/m <sup>3</sup>	150µg/m <sup>3</sup>
PM10	Annual Arithmetic Mean	50µg/m <sup>3</sup>	50µg/m <sup>3</sup>
	24 Hours	150µg/m <sup>3</sup>	150µg/m <sup>3</sup>
Ozone	1 Hour	0.12 ppm	0.12 ppm
Carbon Monoxide	8 Hours	9.0 ppm	9.0 ppm
Sulfur Dioxide	Annual Arithmetic Mean	0.03 ppm	-
	24 Hours	0.14 ppm	-
	3 Hours	-	0.5 ppm
Nitrogen Dioxide	Annual Arithmetic Mean	0.053 ppm	0.053 ppm
Lead	Calendar Quarter	1.5µg/m <sup>3</sup>	1.5µg/m <sup>3</sup>

Notes: µg/m<sup>3</sup> = Micrograms of pollutant per cubic meter of air  
ppm = parts per million

<sup>1</sup> State of Oregon Department of Environmental Quality, 1987 Oregon Air Quality Annual Report, 1988.

The Department of Environmental Quality (DEQ) is the state agency responsible for monitoring air quality in Oregon. This department sees that urban areas meet air quality standards and that air quality in the rest of the state does not deteriorate.

The DEQ works with local governments in five airsheds to reduce pollutants to acceptable levels. For areas with identified air quality problems, DEQ has established extensive monitoring and sampling stations. For other areas, monitoring and sampling is done periodically, usually in response to a specific complaint.

The Newport area is within the Willamette Valley Region. The DEQ has not identified Newport as being within a problem area. The meteorology of the area assures a good mixing of the air. In addition, the Newport area does not have significant point sources of pollutants. Therefore, the air quality of Newport is quite good.

However, non-point sources of pollutants do exist here. The major sources are vehicles, road dust, open fires (including wildfires), and wood stoves. If acute problems from these sources do arise, they can be dealt with on a case-by-case basis.

**Conclusion:**

Air quality in the Newport area is good. No major point sources of pollutants are within the Newport UGB. Non-point sources are few and can be handled on a case-by-case basis.

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**GOALS/POLICIES**  
**AIR QUALITY**

**Goal: To protect the air quality of the Newport area while maintaining a climate conducive to economic growth.**

Policy 1: The City of Newport will comply with state and federal agencies, especially the Department of Environmental Quality and the Environmental Protection Agency, to assure a continued high level of air quality.

# NOISE

## Introduction:

When unwanted sounds intrude into our environment, "noise" exists. Most Americans accept some level of noise as a tolerable nuisance--part of our modern, technological way of life. Noise, however, can be more than a nuisance; it can, according to studies conducted by the U.S. Environmental Protection Agency (EPA), degrade the livability of a community and damage the physical and mental health of a person.

## Noise as a Physical Phenomenon:

The loudness, or magnitude of sound, is commonly measured in decibels (dB). For human beings, the audible spectrum ranges from 0 to 140 dB. An illustration of this scale is provided in Table 1.

Table 1  
Loudness Range of Common Sounds<sup>1</sup>  
(Measured at Source or Indicated Distance)

Sound Source	dB	Typical Response
	150	
Sonic Boom	140	Painfully Loud
	130	
Jet Takeoff (200 ft.)	120	Limits of Amplified Speech
Auto Horn (3 ft.)	110	Maximum Vocal Effort
Shout (0.5 ft.)	100	Very Annoying
Heavy Truck (50 Ft.)	90	Annoying
Pneumatic Drill (50 ft.)	80	Telephone Use Difficult
Freeway Traffic (50 ft.)	70	
Air Conditioning Unit (20 ft.)	60	
Living Room	50	Quiet
Library	40	
Soft Whisper	30	Very Quiet
	20	
Leaves Rustling	10	Just Audible
	5	Threshold of Hearing

<sup>1</sup> Council on Environmental Quality, The First Annual Report, Washington D.C., 1970.



Other noise sources include industrial and construction activities and normal human activity. The time and duration of these noise generators are variable depending on the type of activity.

### **In City Noise:**

The Newport area contains relatively few chronic noise problems. Traffic related noises account for a majority of the sources within the city, most of which occurs in commercial areas, thus minimizing the conflicts with sensitive areas such as schools or residential areas.

Airports, also, can be serious sources of noise; this is particularly true where an airport serves jet aircraft. The Newport Municipal Airport is principally a general aviation facility, although jet planes occasionally use it. However, there does exist a potential for more jet traffic, according to the Airport Master Plan <sup>2</sup>. Too, the U.S. Coast Guard has plans to build a helicopter base on airport property. Newport's Airport Master Plan contains a detailed analysis of noise and its affects on the surrounding area. Year 2008 noise contours have been determined, and it appears that the 55 Ldn (day-night average sound level) falls within an area that is not noise sensitive.

### **Noise Restriction: <sup>3</sup>**

In exercising its general powers to protect the health, safety, and welfare of its citizens, the City may address noise problems in a variety of ways, including under the general power of the City to regulate nuisances and through the land use approval process. The City currently has an ordinance to regulate noise nuisances under the general power of the City to regulate for nuisances. This ordinance may be amended by the City Council as needed. The City also currently addresses noise nuisance issues in the land use process. For example, the Newport Zoning Ordinance conditional use permit approval criteria and the extension, expansion, or enlargement of nonconforming uses criteria both consider the impact of nuisances such as noise that may be generated by the proposed conditional use or the nonconforming use.

### **Conclusions:**

Newport has relatively few noise pollution problems. The few acute problems that do arise can be handled as nuisances and dealt with on a complaint basis. If warranted, the police may use the DEQ to determine if a state or federal law has been violated. If it has, it is the responsibility of the DEQ to enforce.

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<sup>2</sup> FORESITE Group, Airport Master Plan, 1991.

<sup>3</sup> Section amended by Ordinance No. 1883 (March 21, 2005).

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**GOALS/POLICIES**  
**NOISE QUALITY**

**Goal: To cooperate with the state and federal agencies responsible for noise regulation.**

Policy 1: The City of Newport recognizes that noise can cause problems, thereby affecting the livability of the city. The city will cooperate and comply with state and federal agencies responsible for the enforcement of state and national regulations regarding noise.

Policy 2: The City may consider noise issues as appropriate in the land use process by including noise nuisance issues within land use approval criteria. 4

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4 Policy 2 Amended by Ordinance No, 1883 (March 21, 2005).

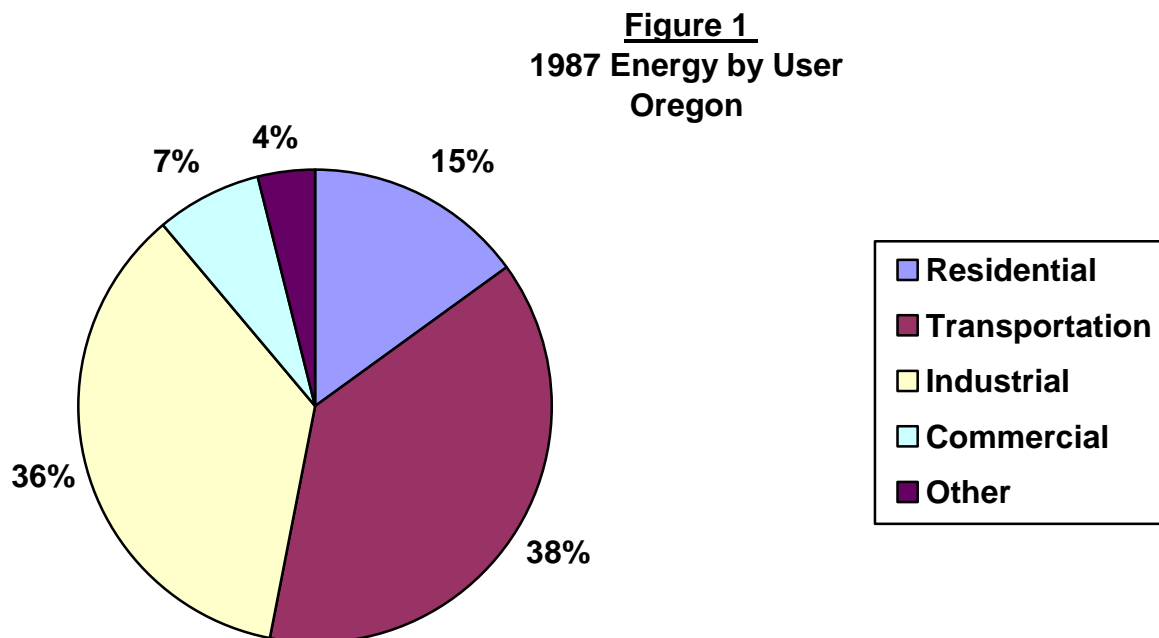
# ENERGY CONSERVATION

## Introduction:

Newport is an energy consumer rather than a producer. Specific data on all energy types is not available for the Newport area, so this section will rely on the State of Oregon's Department of Energy (ODOE) for such information. Consequently, the following discussion represents an overview and analysis of the State of Oregon Third Biennial Energy Plan as it applies to the Newport area.

## Energy Consumption:

Figure 1 depicts the amount of energy used in 1987 by the various energy users. The graph is for the state as a whole.



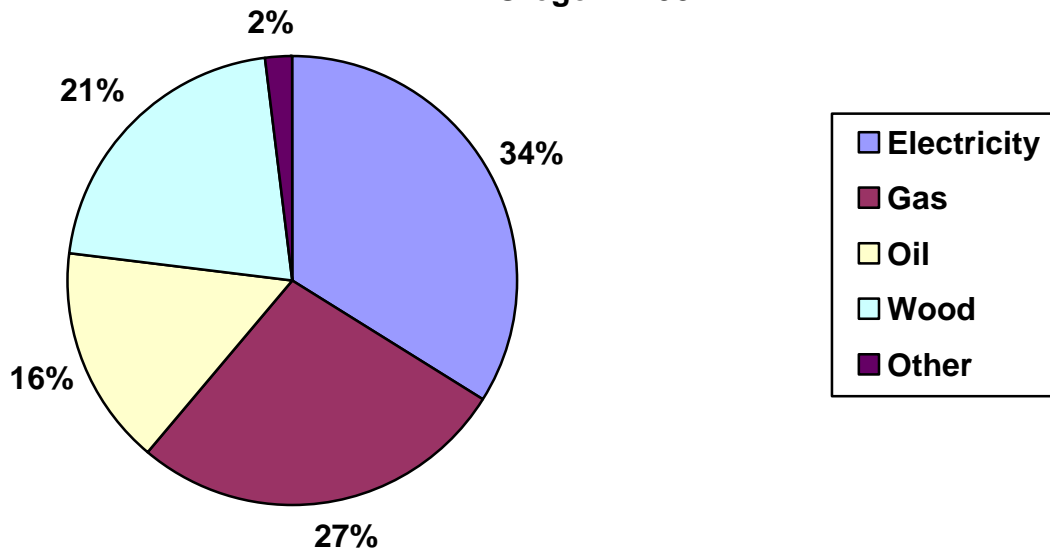
Newport's graph is undoubtedly different, however, in that there is not the industrial development present as in the rest of the state. The percentage of industrial energy consumption is lower, then, while the percentage of the other energy is most likely higher. The exact amount is unknown.

**Residential:**

The Oregon Department of Energy estimates that our households spent about \$850 million on electricity, natural gas, and heating oil in 1987; this averages to about \$800.00 per household. About 40% was spent to run household appliances, another 40% went to home heating, and the remaining 20% was used to heat water. In addition, space heating was supplemented significantly by wood (no estimate of the dollar amount of wood used was available).

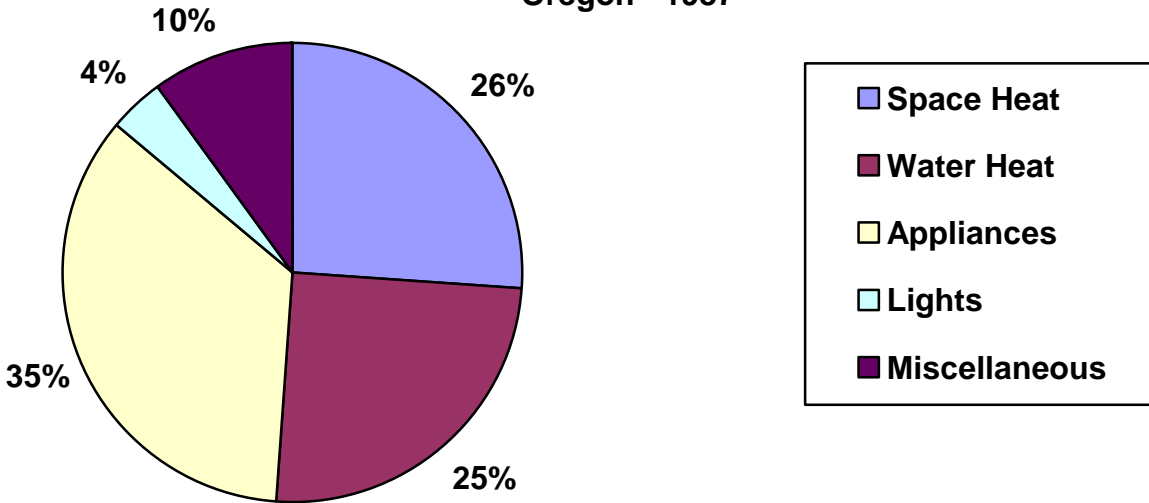
Home heating is the largest single use of energy for most households since most homes have electric, gas, or oil heating systems. One-third of all households also use wood stoves as a primary or back-up heat source. Figure 2 compares the amount of usable heat (the amount it takes to heat the household) each energy source provided.

**Figure 2**  
**Home Space Heating Use by Source**  
**Oregon - 1987**



Virtually all homes use electricity. The 1987 residential electric bill was nearly \$700 million for the State of Oregon. Figure 3 on the next page displays how the total is split among space heat, water heat, and appliances. The miscellaneous group includes up to 50 small household appliances (stereos, blenders, water bed heaters, toasters, etc.).

**Figure 3**  
**Residential Electricity Use**  
**Oregon - 1987**



**Transportation:**

This is the largest energy user (it accounted for 38% of total energy consumed in 1987). With few exceptions, transportation relies wholly on oil products. Nearly two-thirds of its energy comes from gasoline. Fifty-three percent of the gasoline was sold to fuel household vehicles--cars, light trucks, and vans. Another 15% was used for travel by tourists, businesses, and governments. Ships, railroads, and aircraft used about 18%, and the trucking industry used 14%.

**Commercial:**

Energy mainly provides comfort and convenience to customers, employees, students, patients, and other building occupants; thus, energy to light, heat, cool, and ventilate buildings represents more than two-thirds of the energy used by this sector. Cooking in restaurants and refrigeration in grocery stores are the other major energy uses.

Electricity accounts for nearly 60% of commercial energy use, while most of the rest is oil and gas. On page 71, Table 1 lists the major segments.

**Manufacturing:**

Industries use energy mainly to turn raw or unfinished materials into final products. In Oregon, the major consumers are the lumber, paper, primary metals, good, chemicals, and electronics industries. The Newport area has no industry of any significant size in any of those categories.

Table 1  
Commercial Statistics: 1986

Activity	Percent of Electricity Use	Percent of Fuel Use
Grocery	12	1
Restaurants	13	19
Lodging	5	5
Retail	12	3
Office	7	2
Health	7	3
Hospitals	5	11
Schools	8	26
Government	5	7
Other	26	23
<b>Total</b>	<b>100</b>	<b>100</b>

**Conservation:**

Because Newport is a consumer rather than a producer of energy, efficiency is Newport's main energy conservation potential. For residences, weatherization provides the largest energy savings. The Uniform Building Code (UBC) currently requires extensive insulation and other energy saving construction for new homes. According to the ODOE, about 14% of the housing stock in the state is "fully weatherized" and about 12% is "unweatherized." In between is the 74% that is partially weatherized. ODOE estimates that one-third of the conservation potential from weatherization has been attained.

Conservation opportunities for commercial buildings varies depending on the type of business. For most, more efficient lighting is the single greatest way to save energy. Grocery stores, however, can save considerable amounts of energy by switching from open to closed cooler and frozen food cases. Restaurants can best conserve in their manner of cooking, water heating, and refrigeration.

Transportation can profit from more efficient vehicles and by reducing the amount of travel. Industrial uses can also benefit by the use of more efficient machinery, especially electric motors.

**Conclusions:**

Newport is an energy consumer, with the two largest users being residences and transportation. Because we are an energy importer, conservation is the best approach to energy savings.

**GOALS/POLICIES**  
**ENERGY CONSERVATION**

**Goal: To conserve energy.**

Policy 1: The City of Newport shall encourage energy conservation through strict enforcement of Uniform Building Code energy efficiency standards.

Policy 2: The city shall cooperate with energy utilities in their energy conservation programs.

Policy 3: The city will encourage the use of forms of transportation (e.g., bicycles and mass transit) that are more energy efficient.

Policy 4: The city will encourage neighborhood commercial areas in order to conserve energy.

Policy 5: The city shall encourage the location of high density residential areas near high capacity transportation corridors in order to achieve greater energy efficiency.

# SOLID WASTE

## **Background:**

The City of Newport acquired its present sanitary landfill site in 1964-65. Located just north of Newport's urban growth boundary (UGB), the site covers an area of 53 acres. The operation of the landfill is contracted by the Lincoln County Solid Waste Consortium.

In 1971, the legislature amended ORS 451 by adding 451.555, which allowed county service districts to be formed for the purpose of comprehensive planning of public facilities. Lincoln County, the City of Newport, and four other cities formed a solid waste advisory committee in that year. The committee worked with a consultant, U.M.A. Nortec, Inc., and finished preparing a solid waste management plan for Lincoln County in June of 1974; this was part of a comprehensive water, sewerage, and solid waste management plan. In December of 1974, the plan was essentially approved by the State Department of Environmental Quality (DEQ) with certain conditions. The Lincoln County Board of Commissioners then ordered the plan adopted with modifications in April of 1975.

In 1976, the voters of Lincoln County approved a bond measure to fund the adopted plan. The plan called for a refuse processing facility to be located at the existing City of Newport landfill. It was to have a grinding facility, air classification system, and--at some future date--a conveyor belt driven magnetic separator. The combustible fraction was to be sold to Georgia Pacific for boiler fuel, and non-recoverable or non-recyclable materials were to be buried in the landfill. A new site was also to be located for future landfill purposes. This plan, however, was never implemented.

The Environmental Quality Commission ordered the closure of the three main landfill sites in Lincoln County in 1978, and, in January of 1979, the County Commissioners decided to hire a new consulting firm to perform a new study for a landfill site only. R.A. Wright Engineering completed this study,<sup>1</sup> and they also prepared a Preliminary Design and Operational Plan for the finally selected site at Moolack Creek. This site covered approximately 100 acres and was estimated at that time to be sufficient through 1990. The Lincoln County Solid Waste Consortium is currently considering alternatives for solid waste disposal once the facility is full and closed. It appears that trucking the waste to a site that can accept the refuse is the best alternative. The city has and will continue to work closely with Lincoln County to assure adequate and environmentally acceptable disposal of solid waste.

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<sup>1</sup> R.A. Wright Engineering, Solid Waste Landfill Site Search, Phase I, for Lincoln County, 1979.



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**GOALS/POLICIES**  
**SOLID WASTE**

**Goal 1: To provide for the solid waste disposal for the City of Newport in an efficient and environmentally sensitive manner.**

Policy 1: Lincoln County shall take the lead role in the provision of solid waste disposal. The City of Newport will coordinate on solid waste disposal by continuing to have representation at the Solid Waste Consortium or its successor.

Policy 2: The city shall be in compliance with state and federal solid waste regulations.

Policy 3: The city shall encourage recycling.

# WETLANDS

## **Senate Bill 3:**

On July 26, 1989, Governor Neil Goldschmidt signed into law Senate Bill 3, a major piece of legislation that strengthened Oregon's wetlands management program. Although significant legislation, it did not create a major new program. Rather, Senate Bill 3 sought to improve wetland management through changes to existing planning and regulatory statutes.

The Legislative Assembly established clear policy for the state regarding wetland resources. The findings and policy in Senate Bill 3 described the functions and values of wetlands, as well as articulating Oregon's approach to regulation, protection, and development. The new law also established a uniform definition of "wetland" for planning and regulatory purposes. The measure furthermore provided a new definition of "mitigation," which emphasized efforts to avoid adverse influences and reduce unavoidable impacts before resorting to compensation.

This law requires that the Division of State Lands (DSL) conduct and maintain an inventory of the state's wetlands. The inventory is to be distributed to all city and county planning agencies and will be used by local governments to notify DSL of activities to be conducted in inventoried wetlands.

The statute also gives local governments the option to develop conservation plans. The plans focus on wetland resources in a specific geographic area, providing an opportunity for management decisions to be made in a broader context than is possible through the existing site-by-site permitting process. Wetland conservation plans will contain a detailed inventory and assessment of wetlands in the plan area, designating wetland areas for protection, conservation, or development. Plans must provide for full replacement through mitigation of any planned wetland losses. Approval of a wetland conservation plan will result in expedited review of permits for removal and fill in wetland areas designated for development in the plan. In limited cases, it can result in reauthorization of fill and removal without individual permit review by DSL.

Senate Bill 3 also made Oregon law consistent with Federal regulations. Federal law charges the U.S. Army Corp of Engineers and the Environmental Protection Agency (EPA) with the wetland regulatory programs. Other federal agencies (e.g., the U.S. Department of Fish and Wildlife and the U.S. Soil Conservation Service) also provide significant input into wetland regulation.

## Inventory:

The City of Newport and the U.S. Department of Fish and Wildlife have mapped wetlands within the city's urban growth boundary (UGB). The city's delineations are on the Ocean Shorelands Map (beginning on page 50) incorporated in this section. These maps indicate, although they do not specifically state, that the following areas are wetlands:

- > Portions of the South Beach dune complex.
- > An unnamed drainage east and west of Highway 101 just to the north of the Newport Municipal Airport property and south of the South Beach State Park.
- > Grant Creek west of Highway 101.
- > Moore Creek west of Highway 101.
- > The Thiel Creek drainage basin within the Newport UGB.

In addition to the city's designated sites, the U.S. Department of Fish and Wildlife has identified the sites on the map entitled "National Wetlands Inventory, Newport North."

The city, state, and federal governments have designated and mapped wetland boundaries within the Newport urban growth boundary; however, the scale of those maps makes it difficult to determine exact wetland boundaries. State and Federal wetland regulations, though, require that all wetlands be identified and exact boundaries established. This can be done by a site-by-site analysis as development is proposed or by an area-wide analysis in advance of any development.

The city received a grant from the State Department of Land Conservation and Development (DLCD) for the preparation of a wetland conservation plan (WCP) for the South Beach area from the northern boundary of the airport to approximately S.E. 35th Street.<sup>1</sup> Scientific Resources, Inc. (SRI), was hired to delineate wetland boundaries and classify those wetlands by functional value. Once completed, the city will have a detailed inventory and classification scheme for the South Beach area. The plan will then be considered for inclusion in whole or in part into Newport's Comprehensive Plan. Goals and policies to implement the wetland conservation plan will also be considered at that time. Completion is scheduled for early 1991.

As for the rest of the city's urban growth boundary, the more general maps from the U.S. Department of Fish and Wildlife, the Division of State Lands, and the city will have to be used until a more detailed inventory can be performed. Proposals for development that may be within wetland boundaries will then need to obtain separate determinations of permit requirements. The city can assist property developers and regulatory agencies by serving as a liaison between the developer and those agencies.

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<sup>1</sup> Scientific Resources, Inc., Wetlands Conservation Plan for South Beach, Oregon, 1990 (DRAFT).

In the meantime, city staff will study the general wetland areas more closely before the next periodic review and prepare a more detailed inventory as time and money permits. Once again, assistance from state and federal agencies will be needed in making final determinations.

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**GOALS/POLICIES**  
**WETLANDS**

**Goal 1: To identify and regulate identified wetlands consistent with state and federal laws.**

Policy 1: The city will coordinate with state and federal agencies in the delineation and regulation of wetlands.

Policy 2: The city shall, until more detailed information is developed, use the South Beach wetland study, the National Wetland Inventory, and other official sources for the identification of wetlands. That information shall be used to guide property owners in the development of their property.

Implementation Measure 1: The city shall complete the wetland study for South Beach. The study may be the basis for a wetland conservation plan consistent with state law.

Implementation Measure 2: The city will conduct a complete inventory of wetlands within the UGB prior to the next Periodic Review, subject to budgetary and time restraints.

# **AGGREGATE AND MINERAL RESOURCES**<sup>1</sup>

## **Introduction:**

There are no known mineral and aggregate Goal 5 resources within the City of Newport's urban growth boundary (UGB); however, a mineral and aggregate resource site does exist immediately outside the current UGB and city limits. That site, known as the Iron Mountain Rock Quarry, has been identified as a significant Goal 5 resource in the Lincoln County Comprehensive Plan.

## **Mineral and Aggregate Resources:**

Even though the actual resource is outside the city's UGB, the quarry is close enough that a Goal 5 analysis must be performed. A complete set of findings and conclusions is attached as Appendix "A," and, by reference, is incorporated herein.

The basic conclusion of the analysis--based on economic, social, environmental, and energy consequences--is that the consequences of conflicts between the quarry and nearby uses are primarily economic and social. Surrounding land uses do not threaten the rock resource itself, but complaints about quarry activities can severely constrain or prohibit the use of the resource. The inability to use the resource for highway maintenance and construction projects increases the cost of these projects. Transportation is the key component in the price of aggregate. Forced reliance on sites more distant from Newport will dramatically increase the cost of construction on the central coast.

Once the analysis has been done, the Goal 5 rule (OAR 660-16-010) provides: "Based on the determination of the economic, social, environmental, and energy consequences, a jurisdiction must develop a program to achieve the Goal."

The rule allows three methods for implementing a program to achieve the goal of resource protection. The first method requires preserving the resource site regardless of the effect on conflicting uses. The second method involves protecting the resource to a desired extent but allowing identified conflicting uses in a limited fashion. The third method is to allow the conflicting uses fully, regardless of any adverse effects on the resource. This last choice is permissible only if (1) conflicting uses are found to be more valuable than the resource and (2) there is no ability to mitigate the adverse consequences of conflicts between the resource and uses in the impact area.

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<sup>1</sup> Section added by Ordinance No. 1691 (11-15-93).

The requirements to implement a decision to limit conflicting uses are found in OAR 660-16-010(3). The Comprehensive Plan and land use regulations must specify what uses and activities will be prohibited, what uses are allowed fully, and what uses are conditionally allowed. The implementation program, including development regulations, must include clear and objective standards.

**Conclusion:**

In light of the above, the City of Newport recognizes that the Iron Mountain Rock Quarry is a significant Goal 5 mineral and aggregate resource. However, the property within the current UGB is important for the provision of adequate housing. It is therefore necessary to allow conflicting uses on the adjacent property subject to use limitations and design criteria.

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**GOALS/POLICIES**  
**AGGREGATE AND MINERAL RESOURCES**

**Goal: To protect the Iron Mountain Quarry and allow conflicting uses, subject to the limitations and development criteria contained in the City of Newport Zoning Ordinance.**

Policy 1: The city shall create an Iron Mountain Impact Area, or IMIA (see Figure 1 on page 80c), where limitations and development criteria shall be introduced. The development criteria shall be established to balance the need to protect the resource site and development rights of property within the impact area, and the criteria shall be both clear and objective.

Policy 2: Any City of Newport urban growth boundary amendment within Lincoln County's Iron Mountain Impact Area shall address this section and Goal 5 of the Statewide Planning Goals. Adequate findings of fact that speak to all the criteria shall be made before any urban growth boundary modification may be made.

IRON MOUNTAIN IMPACT AREA WITHIN CITY UGB



Page 80C. CITY OF NEWPORT COMPREHENSIVE PLAN: Aggregate and Mineral Resources.

**APPENDIX A**  
**CONTENTS**

- 1.0 NATURE OF THE REQUEST
- 2.0 BACKGROUND
  - 2.1 History of Iron Mountain
  - 2.2 Purpose of Public Resource Sites
  - 2.3 Lincoln County Comprehensive Plan
  - 2.4 Need for Present Action
  - 2.5 Description of Proposed Mining Activities
- 3.0 COMPLIANCE WITH STATEWIDE PLANNING GOAL 5
  - 3.1 Goal 5
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  - 3.3 Effect of Goal 5 Compliance
- 4.0 REQUIREMENTS OF THE GOAL 5 ADMINISTRATIVE RULE
  - 4.1 Inventory Requirements
  - 4.2 Conflicting Uses
  - 4.3 ESEE Analysis
- 5.0 DETERMINATION AND PROGRAM TO ACHIEVE THE GOAL
  - 5.1 Summary of ESEE Analysis
  - 5.2 Program to Achieve the Goal
  - 5.3 Quarry Development Conditions
  - 5.4 Uses in the Impact Area
  - 5.5 Impact Area Development Standards

(The following attachments are hereby, by reference, incorporated herein. They are found in Planning Department File No. 5-CP-92.)

- Attachment A Lincoln County Comprehensive Plan - Mineral and Aggregate Resources
- Attachment B ODOT Letter to the City of Newport
- Attachment C DLCD Technical Bulletin - Planning for Mineral and Aggregate Resources
- Attachment D Iron Mountain Geophysical Investigation
- Attachment E Iron Mountain Quarry Report
- Attachment F Impact Area Map
- Attachment G Noise Control Regulations
- Attachment H Vibration and Air Blast
- Attachment I DLCD Model Comprehensive Plan Policies
- Attachment J DLCD Model Mineral and Aggregate Resources Ordinance

**1.0 NATURE OF THE REQUEST**

The Oregon Department of Transportation (ODOT) requests that Lincoln County and the City of Newport adopt comprehensive plan amendments for the Iron Mountain Rock Quarry. ODOT requests that the respective comprehensive plans accurately identify Iron Mountain as a significant Goal 5 resource site, and that the county and city adopt a program to protect this resource.

This report presents information to support findings and conclusions to amend the respective comprehensive plans.



## 2.0 BACKGROUND

### 2.1 History of Iron Mountain

ODOT surveyed the Iron Mountain site as a material source in 1937 in conjunction with construction of the Coast Highway. The State of Oregon, through ODOT, has owned and operated the site as a noncommercial quarry since 1942. The state and its contractors have used material from Iron Mountain for a variety of public projects, including construction of the old Alsea Bay bridge.

Various users have extracted more than 300,000 cubic yards of material from the site since the state bought it in 1942. Although the amount of material removed in recent years has only averaged between 3,000 and 4,000 cubic yards per year, the site is an extremely important resource because of its public ownership, location, quality of material, and quantity of reserves.

### 2.2 Purpose of Public Resource Sites

ODOT maintains a network of state-controlled or state-owned material source sites throughout Oregon. The state bought many sites years ago in conjunction with a specific highway project but did not sell them upon completion of a project because of the continuing need for stone and gravel. ODOT needs large amounts of high quality material protected for use in maintenance activities, reconstruction or safety projects, and highway modernization projects.

The 1991 Oregon Highway Plan estimates that nearly 2,000 miles of state highways require modernization and over 1,100 miles of pavement require immediate treatment in order to achieve ODOT's goal of achieving 90 percent fair or better road pavement conditions by the year 2010. Furthermore, many highway bridges are nearing the end of their 50 year expected lifespan and require major rehabilitation or replacement. Meeting the needs of the highway system requires large amounts of high quality material. For example, repaving just one mile of a two-lane highway requires between 4,000 and 5,000 tons of quality aggregate.

State-owned or state-controlled material sources serve two primary functions. First, they are a source of aggregate material for maintenance activities (so the state does not have to purchase rock from suppliers or pay royalties to land owners). Second, state-controlled material sites are prospective sources available to any contractor on major highway projects. ODOT offers these sites to contractors without charging a royalty for the rock. This arrangement helps ensure an economical source of material for rock and fosters more competitive bids for highway contracts. More competitive bids result in more efficient use of taxpayers' money and allows ODOT to maintain and improve more highway miles.

### 2.3 Lincoln County Comprehensive Plan

The Land Conservation and Development Commission acknowledged the Lincoln County Comprehensive Plan to comply with the Statewide Planning Goals in December 1982. The plan identifies the Iron Mountain site as one of 58 significant Goal 5 mineral and aggregate resource sites. The plan includes an estimate of demand for aggregate material in Lincoln County and concludes that crushed quarry rock is the major source of aggregate. Iron Mountain is one of six major sites identified in the plan as available for crushed rock production. Attachment A.

Iron Mountain is listed in the county plan as a Category 1 site. These sites are found on land zoned for forestry uses and, according to the county plan, are not adversely affected by uses allowed in the zone. The county plan states: "Other uses of forest land which are permitted or reviewed on a conditional basis will not conflict with or preempt the use of the forest quarries." [Comprehensive Plan, Goal 5 inventory, Part III, p. 13]

By designating the Iron Mountain resource as a Category 1 site, the county determined that the site would not be affected by conflicting uses. This designation is consistent with a determination to preserve the resource in accordance with the Goal 5 administrative rule (OAR 660-16-005(1)). If conflicting uses did not threaten the resource, the county's original decision would be sufficient. However, both the county and city have authorized uses that either individually, or cumulatively, may adversely affect the Iron Mountain resource.

Today, Iron Mountain can no longer be classified as a forest quarry, far removed from conflicting uses. It is on the periphery of an urbanizing area. The exiting program to protect the site from conflicting uses through

case-by-case review of applications for conflicting uses on nearby properties is insufficient to protect the resource and does not comply with Goal 5. The goal does not allow resource protection decisions to be deferred to a permit review stage. Local comprehensive plans must clearly identify what conflicting uses will be allowed, prohibited, or conditionally allowed under clear and objective standards.

#### 2.4 Need for Present Action

Iron Mountain and ODOT's ability to obtain materials from this resource is threatened. Urban development is encroaching on the boundary of the site, thus increasing the likelihood of future conflicts between quarrying activities and neighbors of the site. In 1980, ODOT expressed its concerns to the City of Newport about the annexation of land (including state-owned property) adjacent to the Iron Mountain quarry. Attachment B. Although the state's property was not included, land next to the southern boundary of the site was annexed to the city and, in 1990, rezoned to allow high density residential use.

In September 1990, the city proposed annexing and rezoning an additional 15 acres bordering the state-owned quarry site for residential use. In recent years, the city has approved requests for high density residential zoning totaling 36.12 acres adjacent to the Iron Mountain Rock Quarry site. Complete buildout at densities, authorized by the Newport Zoning Ordinance, could result in more than 800 new dwelling units. A large increase in residential densities is likely to result in more complaints about the quarry and threaten ODOT's ability to use the site.

ODOT appealed the city's most recent action to the Oregon Land Use Board of Appeals (LUBA). On June 29, 1992, LUBA remanded the annexation and rezoning decision to the city. In doing so, LUBA sustained ODOT's contention that the city misconstrued the applicable law, made a decision not supported by evidence in record, and violated Goal 5 by not adequately analyzing the impacts nearby residential uses may have on the protected aggregate resource.

Finally, ODOT has objected to Newport's final periodic review order, contending that the city's recent actions approving development near Iron Mountain are inconsistent with the county's plan to protect the resource. ODOT believes the city must consider protection of Iron Mountain during periodic review.

These reasons--previous approval of conflicting uses near the quarry, LUBA's remand of the most recent decision to allow conflicting uses, and the city's periodic review--require further examination of land use plans for the Iron Mountain area. The county and city should adopt comprehensive plan amendments that recognize the site's significance and enact a program to protect the site from conflicting uses.

#### 2.5 Description of Proposed Mining Activities

ODOT will develop Iron Mountain gradually over many years. The site has not been used and is not intended to be used for commercial production. Therefore, use of the site will be intermittent and dependent on ODOT demand for rock. Full use of the estimated five million cubic yards of high-quality aggregate will take place over at least 50 years.

The Iron Mountain development plan calls for mining the resource using hill removal and multiple benching techniques. Seven "lifts," or phases, are planned. Each lift will remove approximately 25 to 30 vertical feet of material. The hill removal technique is planned for the first four lifts; benching will be employed for additional mining below 325 feet elevation. Because of the extremely hard nature of the basalt, quarry operators will occasionally use controlled blasting to prepare the material for excavation.

During the hill removal phase of the operation, each lift will be mined so that material is first extracted from the northern through southeastern portions of the site. A berm will be retained on the western and southwestern portion of the site to screen adjacent land uses from the effects of dust and noise. The western and southern portions of the site will be mined last in each phase of the operation, with the berm retained until the next lower lift is developed. For safety reasons, the berm must be removed and redeveloped when the next lower lift of the mine is excavated. ODOT will require that quarry operators retain all vegetation in all unmined areas to screen the site from view.

Below the 325 foot level, operations will mine using a vertical benching technique. Lifts will be removed to create 12 foot wide benches with nearly vertical slopes. ODOT proposes to backfill the three benches dug into the mountain; reclaimed slopes will be in accordance with Department of Geology and Mineral Industries (DOGAMI)

standards.

Approximately 40,000 cubic yards of soil and 400,000 cubic yards of overburden will be removed during mining. Overburden will be trucked down the mountain to the stockpile site in the southwestern portion of the property. Stockpiles will be seeded and mulched to control erosion and will be contoured to screen properties west of the site from haul road traffic.

ODOT will ensure that the site is reclaimed in accordance with state regulations administered by DOGAMI. The department has filed a reclamation plan with DOGAMI for its approval.

### **3.0 COMPLIANCE WITH STATEWIDE PLANNING GOAL 5**

#### **3.1 Goal 5**

Statewide Planning Goal 5 states in part--

"To conserve open space and protect natural and scenic resources.

"Programs shall be provided that will

- (1) insure open space,
- (2) protect scenic and historic areas and natural resources for future generations
- (3) promote healthy and visually attractive environments in harmony with the natural landscape character...

"Where conflicting uses have been identified, the economic, social, environmental, and energy consequences of the conflicting uses shall be determined and programs developed to achieve the goal."

In addition to the mandatory language of the Goal, the goal guidelines suggest the following--

"In conjunction with the inventory of mineral and aggregate resources, sites for removal and processing of such resources should be identified and protected."

#### **3.2 Goal 5 Administrative Rules (OAR Chapter 660, Division 16)**

The Goal 5 rule specifies the requirements and procedures local government must follow to comply with Goal 5. Goal compliance involves six basic steps:

- 1.) Identify a resource's location, quality, and quantity
- 2.) Determine the resource's significance
- 3.) Identify the conflicting uses
- 4.) Analyze the economic, social, environmental, and energy consequences of conflicts
- 5.) Determine the level of protection for the resource
- 6.) Implement a program to protect significant resources

#### **3.3 Effect of Goal 5 Compliance**

Goal 5 requires local governments to inventory resources and develop programs to protect significant resources. In the case of mineral and aggregate resource sites, the goal requirement to protect resources translates to protecting the site for its eventual use through mining. See Eckis v. Linn County, \_\_Or\_\_ LUBA (LUBA No. 90-132, September 11, 1991).

Planning for mineral and aggregate resources under Goal 5 is explained in Attachment C.

Because development of the aggregate resource is synonymous with protection of the site, identification of an impact area and analysis of conflicting uses must recognize the nature of surface mining activities. Not only is mining at aggregate resource sites adversely affected by surrounding land uses, but mining may affect the use of property near the site.

## 4.0 REQUIREMENTS OF THE GOAL 5 ADMINISTRATIVE RULE

### 4.1 Inventory Requirements

The Lincoln County Comprehensive Plan already identifies the Iron Mountain site as a significant Goal 5 resource site. As such, ODOT is not obligated to defend or rejustify the importance of this resource site. The following inventory information augments information in the Lincoln County and Newport comprehensive plans concerning the site's significance.

#### 4.11 Location

The Iron Mountain quarry is located on approximately 49 acres in Section 20, Township 10 South, Range 11 West, Willamette Meridian. The property is also identified as Lincoln County tax lots 600 and 700, Section 20, Township 10 South, Range 11 West. The state also owns tax lot 800, a stockpile site which is an integral part of the Iron Mountain surface mining operation.

Iron Mountain is an intrusive basalt formation. This formation consists of very hard, fine-grained material suitable for many highway uses and is very consistent in its make-up. ODOT conducted tests on the mountain to determine the quality and extent of the resource. See attachments D and E. It believes that the resource most certainly extends underneath adjacent property not owned by the state.

The protected Goal 5 aggregate resource site must include the entire state property and portions of the mountain under ownership by the Boise Cascade Corporation. Protection of this area is critical to ensure that other valuable construction materials are protected for use and that areas necessary for aggregate processing are protected consistent with Goal 5.

ODOT will not mine the entire property. Instead, it will leave a large amount of material in place to buffer operations for surrounding land uses, provided that surrounding land uses are similarly restricted. The development plan proposes mining laterally to the 325 foot contour line on the western and southern flanks of the mountain.

#### 4.12 Quality

Local governments in Oregon rely on three tests to help determine the relative quality of an aggregate resource. The tests are--Resistance to Abrasion (OSHD Test Method 211), Sodium Sulfate Soundness (OSHD Test Method 206), and the Oregon Air Degradation test (OSHD Test Method 208). These tests are the best indicators of quality aggregate for use as road base, asphalt, and concrete. Lesser quality materials are used for fill and embankment.

Samples from the Iron Mountain quarry have been tested by the Central Highway Laboratory in Salem against these and other tests. The test results show that material from the Iron Mountain quarry substantially exceeds these tests and is highly desirable for a wide range of highway construction uses. See Attachment E, pp. 4-5.

The inventory of mineral and aggregate resources in the Lincoln County plan does not refer to specific quality measures. Sites are rated as having poor, marginal, variable, or good quality. Among the 58 sites inventoried in the comprehensive plan, 15 are characterized as having good quality, 8 as having variable quality, 2 as having marginal quality, 19 as having poor quality, and 14 with unknown quality. Iron Mountain's rating in the current plan is variable.

Available information shows that Iron Mountain's quality is excellent. Variability of the resource is minimal. Because similar test data is unavailable for other sites, a comparison of the resource at Iron Mountain with other similar sites in Lincoln County is difficult. However, assuming that the quality ratings in the county comprehensive plan are accurate, Iron Mountain has better quality rock than most other sites in the region.

#### 4.13 Quantity

The Lincoln County Comprehensive Plan identifies the quantity of material at inventoried sites as large, medium, small, and unknown. The plan identifies the Iron Mountain site as a small resource.

Based on field reconnaissance and subsurface exploration, ODOT estimates the total volume of usable rock will be more than 5 million cubic yards. This estimate only takes into account the volume of material that could be economically extracted from state property. Land not owned by the state contains additional reserves of the same rock resource.

#### 4.14 Conclusion

The large reserve of high-quality rock found at Iron Mountain is uncommon in the coastal region of Oregon. Most basalt historically surveyed by ODOT in the coast range is highly weathered and does not meet quality specifications for highway use. The large amount of high-quality rock makes the Iron Mountain site one of the most important sources owned by ODOT.

The location near U.S. Highway 101 makes this source even more valuable since transportation of aggregate to any project in the Newport vicinity is relatively easy. The nearest commercial source to Newport is the Cedar Creek Quarry, over 20 miles from the center of Newport. In contrast, Iron Mountain is a mere 5 miles from the center of Newport.

The Iron Mountain quarry is a significant resource site by virtue of its location, quality, and quantity, and should be retained on the inventory of significant Goal 5 resources in the Lincoln County Comprehensive Plan.

## 4.2 Conflicting Uses

Identifying conflicting uses to a significant resource site requires two principal steps: (1) designating and justifying an impact area surrounding the resource and (2) determining conflicting uses allowed by the zoning ordinance and identifying conflicts with other significant Goal 5 resources.

### 4.21 Impact Area

The Goal 5 rule (OAR 660-16-000(2)) requires identification of an impact area surrounding the resource site if different from the resource site itself. The impact area is the area in which identified conflicting uses may adversely affect the resource. Although "impact area" is not defined in either the goals or in the Goal 5 rule, the impact area for a mineral and aggregate resource site must be the area which includes uses that could adversely affect the resource, but also the area including those uses which could be affected by the presence of a significant resource. See Portland Audubon Society v. Clackamas County, 14 Or LUBA 433, 442 (1986).

Noise, dust, odor, and blasting effects may adversely affect surround land uses. Conversely, the complaints expressed by surrounding property owners about these effects, as well as complaints about traffic and the effects to visual quality influence whether, or how, a resource may be mined.

To assess potential impacts surrounding the resource site, ODOT believes that an impact area between 400 and approximately 1,400 feet from the property boundary is an appropriate impact area. See Attachment F. Land west and south of the quarry is committed to or contemplated for residential uses. The impact area here must be larger to reflect the sensitivity of home owners to surface mining. Land east and north of the quarry is undeveloped forest land zoned for forestry use. Few conflicts exist, and few conflicting uses would be allowed in this zone. The impact area on the northern and eastern boundaries of the site can be much smaller than the area on western and southern boundaries.

#### 4.211 Noise

The identified impact area is appropriate to evaluate the consequences attributable to noise for several reasons. First, existing vegetation on the perimeter of the quarry site is dense and can help minimize noise produced by either quarry operations or haul trucks.

Second, most noise-sensitive properties, as defined by the Department of Environmental

Quality (DEQ) regulations (OAR 340-35-015(38)), are located west of the Iron Mountain site. Most of these properties within the impact area are separated by roughly the same distance from mining operations at Iron Mountain as they now are from traffic noise on Highway 101. Any noise from quarry activities is not expected to exceed noise control standards at these properties because of the level of background noise.

Third, ODOT requires, as a condition of any contract with the state, that contractors comply with state environmental regulations.

Noise control regulations are described in Attachment G.

#### 4.212 Dust

The identified impact area is appropriate to evaluate impacts of fugitive dust because of prevailing winds off the Pacific Ocean that will blow dust generated by the operation away from settlements. Furthermore, dense vegetation will be retained to capture fallout on surrounding properties.

#### 4.213 Blasting

The air pressure (noise) and seismic (ground vibration) effects of blasting are not regulated by any Oregon state agency, except when DOGAMI regulates mine activities to protect groundwater or minimize adverse effects to surrounding wells. Based on the proposed mining plan, no blasting will occur any closer than 100 feet to the nearest property line. Contractors using state-controlled quarries are required to use safe blasting techniques and conduct pre-blast inspections to minimize effects to surrounding property. The possible effects of blasting and mitigation techniques are discussed in Attachment H.

#### 4.214 Visual

The existing quarry site is largely invisible to surrounding properties. Neither Iron Mountain nor the surrounding area are identified as a significant Goal 5 visual resource in either the county or city comprehensive plans. The mine development plan calls for continuing the existing practice of mining behind a screen of the existing landform and vegetation.

#### 4.215 Traffic

Traffic is not expected to be a significant conflict or consequence of protecting the Iron Mountain Quarry. ODOT owns and maintains exclusive ownership of the haul road leading to the public road system. Trucks serving the regional landfill located north of Iron Mountain, residents of the area, and the state police office currently use the same road system that serves Iron Mountain. ODOT has committed to share the cost of improvements at the intersection with Highway 101. Improvements may include left and right turn refuges.

#### 4.216 Conclusion

Quarry activities may affect surrounding property. Goal 5, however, requires that significant resource sites be protected from conflicting uses. For aggregate resources, protection from conflicting uses requires analyzing the consequences of allowing uses that will likely result in future complaints or requests for restriction on lawful mining activities. ODOT believes that the appropriate impact area in which to analyze conflicting uses includes all land near the quarry that could be developed with conflicting uses. Special emphasis is placed on land near the site which is either or may be developed in the future, based on current zoning.

### 4.22 Conflicting Uses

The Goal 5 rule (OAR 660-16-005) requires identification of conflicting uses. A conflicting use is one which, if allowed, could adversely affect a Goal 5 resource site. Identifying conflicting uses is primarily done by examining uses authorized by zoning districts within the impact area. Within the impact area, three zoning districts exist: Public Facilities (P-F) and Timber Conservation (T-C) in Lincoln County's

jurisdiction and High Density Residential (R-4) in the City of Newport's jurisdiction.

4.221 Public Facilities (P-F)

The quarry site and the State of Oregon's property containing material stockpiles (Tax Lot 800) are within the impact area. Typically, ownership of property is not a factor in determining whether conflicting uses to a resource are present. However, in this case, public ownership of property directly associated with surface mining operations means that uses which are not compatible with aggregate operations will not be developed, or will be developed with the full understanding of potential effects on the resource. Clearly, it is not in the interests of the state for ODOT to develop incompatible uses. Therefore, any uses allowed by the Public Facilities zoning district should not be treated as conflicting uses to the aggregate resource.

4.222 Timber Conservation (T-C)

Most of the property surrounding the Iron Mountain quarry is zoned Timber Conservation. The Timber Conservation zone allows 20 permitted and conditional uses. However, new requirements of Goal 4 and the Goal 4 administrative rule (OAR 660, Division 06) will apply to Lincoln County no later than February 1993. As such, the following analysis only considers uses allowed by the Goal 4 rule and their likelihood of representing conflicts to the aggregate resources.

4.2221 Allowed uses not applicable to the analysis. The following uses may be allowed pursuant to the Goal 4 rule but are not appropriately considered in the analysis:

- Exploration for mineral and aggregate resources;
- Exploration and production of geothermal, gas, and oil;
- Solid waste disposal sites ordered established by the Environmental Quality Commission;
- Mining and processing of oil, gas, and other subsurface resources;
- Mining and processing of mineral and aggregate resources;
- Temporary asphalt and concrete batch plants;
- Expansion of existing airports;
- Public road and highway projects;

Activities involving development of a mineral resource cannot conflict with mineral or aggregate resource protection since the purpose of protecting the resource is for its eventual use through mining.

The Environmental Quality Commission does not have the authority to order establishment of a solid waste disposal site in Lincoln County. Therefore, such a facility is not a conflict.

No airport exists anywhere near Iron Mountain and, therefore, cannot conflict with surface mining. The area's terrain limits serious consideration of a future airport.

No public roads and highways exist on the resource site and cannot adversely affect protection or use of the resource. Road construction projects, in fact, will directly benefit from protection of the Iron Mountain site.

4.2222 Allowed uses that will not conflict with the mineral and aggregate resource:

- Forest operations or forest practices;
- Temporary onsite auxiliary structures;
- Physical alterations to the land auxiliary to forest practices;
- Farm use;
- Local distribution lines within existing rights-of-way;
- Temporary portable facilities for processing of forest products;
- Towers and fire stations for forest fire protection;

Widening of roads within existing rights-of-way;  
Water intake facilities, canals, and distribution lines for farm use;  
Uninhabitable structures accessory to fish and wildlife enhancement;  
Permanent facilities for the processing of forest products;  
Permanent logging equipment repair and storage;  
Log scaling and weigh stations;  
Solid waste disposal site;  
Communication facilities and transmission towers;  
Fire stations for rural fire protection;  
Utility facilities for generating 5 megawatts or less of power;  
Aids to navigation and aviation;  
Firearms training facility;  
Cemeteries.

The above uses fail to satisfy the DEQ definition of noise sensitive property and do not have other characteristics that would make them sensitive to quarry operations. These uses, if allowed within the impact area surrounding the Iron Mountain Quarry, would pose no threat to quarry operations or force a significant change in mining activities.

4.2223 Allowed uses that may pose conflicts with surface mining activities, but are unlikely to be sited near the resource site:

Forest management dwellings;  
Private hunting and fishing operations without lodging;  
Caretaker residences for public parks and fish hatcheries;  
Temporary forest labor camps;  
Destination resorts;  
Water intake, treatment and pumping facilities, and distribution lines;  
Reservoirs and water impoundments;  
Private seasonal accommodations for fee hunting operations;  
New electrical, gas, oil, and geothermal distribution lines;  
Private accommodations for fishing occupied on a temporary basis;  
Forest management research and experimentation facilities.

The above uses may meet the definition of noise sensitive property or could be adversely affected by mining activities such as blasting and ground vibration (e.g., reservoirs or water, gas, and utility distribution lines). However, they are activities that have specific requirements for their location and, as such, are highly unlikely to be sited at or near Iron Mountain. They will generally be treated as conflicting uses to aggregate development at the site.

4.2224 Allowed uses that may pose a conflict to the mineral and aggregate resource:

Maintenance, repair, or replacement of existing dwellings;  
Parks and campgrounds;  
Home occupations;  
Mobile homes as a temporary dwelling for the term of a hardship;  
New non-forest dwellings.

The above-listed uses meet the definition of noise sensitive property in DEQ noise control regulations. OAR 340-35-015(38) defines noise sensitive property as:

...real property normally used for sleeping, or normally used as schools, churches, hospitals, or public libraries. Property used in industrial or agricultural activities is not noise sensitive property unless it meets the above criteria in more than an incidental manner.

Nine residences are located within the impact area. All the residences are sited on existing parcels zoned Timber Conservation west of Iron Mountain. The nearest



residence to the quarry is approximately 100 feet west of the ODOT property boundary. All other existing residences are located adjacent to the old Coast Highway (Avery Street). The nearest of these residences is over 1,000 feet from the present quarry site.

The potential for additional homes on T-c zoned parcels west of the quarry is limited since few, if any, vacant parcels exist. It is possible to site a residence on one of the larger forest parcels north and east of Iron Mountain. Regardless of any program to protect Iron Mountain, approval of a residence would be subject to strict regulations of the county zoning ordinance. Although the likelihood of siting a non-forest dwelling in the forest surrounding Iron Mountain is remote, dwellings will be treated as conflicting uses.

Parks or campgrounds are unlikely to be developed at or near Iron Mountain because of the availability of similar sites in the Newport area. Nevertheless, existing zoning does not prohibit such uses, and they should be treated as potential conflicting uses to the aggregate resource.

#### 4.223 High Density Residential (R-4)

All property zoned R-4 within the impact area is vacant; therefore, there are no existing conflicting uses. The identification of conflicting uses must focus on those uses authorized by the R-4 zone.

4.2231 Noise sensitive uses. Most uses allowed in the R-4 zone could fall under the definition of "noise sensitive property" as defined in DEQ noise regulations.

The following uses are authorized by the R-4 zone, could meet the definition of noise sensitive property, and will be treated as conflicting uses:

- Residential Uses
- Parks
- Hospitals and Clinics
- Schools
- Libraries and Museums
- Churches
- Clubs and Lodges
- Tourist Accommodation Facilities
- Child Care Facilities

4.2232 Commercial or truck gardening and nurseries represent potential conflicting uses to a quarry operation to the extent that dust-sensitive crops could be grown. Although the likelihood of such activities becoming established in the impact area is remote, they will be treated as potential conflicting uses.

4.2233 Nothing about the nature of utility facilities indicates that such activities or structures would conflict with nearby quarrying operations. They should not be considered conflicting uses.

4.2234 A golf course is not a conflicting use to a gravel quarry. Courses are often sited near land uses, such as airports, which produce much noise. Furthermore, a regulation 9 hole golf course generally includes at least 65 acres of land. Only 21 acres of land zoned R-4 exists within the Iron Mountain impact area. Golf courses will not be treated as conflicting uses for this analysis.

#### 4.224 Other Goal 5 Resources

Neither the Lincoln County nor the City of Newport comprehensive plans identify the Iron Mountain site or the surrounding proposed impact area as the site of another significant Goal

5 resource. Consideration of other natural resource values is not necessary to enact a protection program for the Iron Mountain site.

#### 4.23 Conclusion

Within the impact area surrounding Iron Mountain, few conflicting uses are found. Uses authorized for the state-owned property zoned Public Facilities (P-F) should not be characterized as conflicting uses.

Existing conflicting uses to the quarry site are limited to nine dwellings within approximately 1/4 mile west of the site. These dwellings represent few conflicts with future quarry operations as they have been established since original development of the quarry and have not significantly threatened the resource. These uses will be examined as conflicting uses, however, so that quarry operations can be modified, if necessary, to minimize conflicts with them.

Other uses allowed by forestry zoning are unlikely to be sited near Iron Mountain. However, to the extent that these uses are noise sensitive or may otherwise be affected by surface mining, they should be treated as conflicting uses to the aggregate resource.

Uses allowed in the City of Newport R-4 zone that meet the DEQ definition of noise sensitive property, or which otherwise may be adversely affected by quarrying activities, shall be considered conflicting uses to the aggregate resource.

#### 4.3 ESEE Analysis

The Goal 5 rule (OAR 660-16-005(2)) requires that if conflicting uses to the resource are identified, the economic, social, environmental, and energy (ESEE) consequences of the conflicts must be determined. "Both the impacts on the resource site and on the conflicting use must be considered in analyzing the ESEE consequences. The applicability and requirements of other Statewide Planning Goals must also be considered, where appropriate, at this stage of the process."

For clarity, the ESEE consequences will be analyzed by examining (a) the effect on use of the aggregate resource if conflicting uses are allowed fully without restriction and (b) the effect on the conflicting uses if development of the aggregate resource is allowed fully without restriction.

#### 4.31 Economic

##### 4.311 Effect on use of the aggregate resource if conflicting uses are allowed fully

The economic consequences of allowing conflicting uses to be established next to the Iron Mountain site are significant. Although urban encroachment upon an aggregate site does not have any measurable effect on the resource itself, extraction of the resource can be severely curtailed or prohibited by complaints from neighbors. Because the intent of aggregate resource protection under Statewide Planning Goal 5 is to allow mining of the resource, protection programs must ensure mining operations are not made completely uneconomical because of neighbor complaints.

Economic consequences of allowing conflicting uses fully can be characterized in at least three ways. First, uses of the resource may be completely prevented. Second, use of the resource may be constrained by costly mitigation measures that would otherwise be unnecessary if conflicting uses were not present. Third, complaints about quarry activities may delay permit decisions at key times during the construction bid process.

Total loss of the resource would have severe economic ramifications. Iron Mountain contains an exceptionally valuable source of material. Based on the estimate of 5 million cubic yards of mineable, high-quality material, the value of the resource is between \$35 million and \$49 million. This assumes \$7.00 to \$9.85 per cubic yard of material as the price of pit-run aggregate in the region.

In other terms, Iron Mountain alone contains enough material to pave a significant part of the Oregon Coast Highway. ODOT's Lincoln Beach/Fogarty Creek project used more than

31,000 cubic yards of material for a 1.9 mile reconstruction project. This quantity is less than three percent of the volume Iron Mountain reserve. At this rate of use, Iron Mountain contains enough material to reconstruct approximately 68 miles, or 17 percent, of the coast highway in Oregon. Highway 101 runs 64.7 miles through Lincoln County.

ODOT estimates that the cost of hauling material by a standard 10-yard dump truck to be about \$45 per hour. Any increase in haul distance because a more convenient site is unavailable increases the cost of the raw material by \$4.50 per yard per hour. Historically, projects on the north coast and the Portland metropolitan area have required hauling aggregate as much as 75 miles to a project site. Such long distance hauling of material dramatically increases the cost of roadbuilding, and it is unnecessary if sufficient sources of material are available where needed.

Even assuming that use of a resource site is not totally precluded, constraints on quarry operations to eliminate conflicts with surrounding property may be costly. Economic use of certain portions of the quarry site could be curtailed, or the operator would have to establish elaborate measures to eliminate conflicts with surrounding properties. Additional measures to reduce conflicts with quarrying activities increases the cost of surface mining. The increased cost of surface mining translates into higher costs for raw materials. Higher raw material costs adversely affect the amount and size of highway projects.

Lack of a clear program to protect and allow the needed development of a resource also has economic consequences. In the permitting process, highway projects may be much more sensitive to delays caused by neighbor opposition than is a commercial quarry. Opposition to surface mining can be equally successful by delaying a decision as obtaining an outright denial.

Highway project managers must balance precise time schedules. Delay in the permit process may cause a manager to select another, less desirable source of material in order to meet other construction deadlines.

However, alternative sources of rock are not always economically viable. For example, based on ODOT calculations, using the next nearest source of quality aggregate (Cedar Creek Quarry) for a project similar to Lincoln Beach in Newport would cost approximately \$105,000 more than if material were obtained from Iron Mountain.

Additional costs of material due to delay or use of another source depletes money budgeted for a specific project. Projected budget overruns can force cancellation of a project. If a project is not canceled, another project may be scaled back, delayed, or canceled to overcome higher material costs on another project.

#### 4.312 Effect on conflicting uses if development of the resource is allowed

The need for affordable housing in the City of Newport has driven recent actions to rezone land adjacent to the quarry for high density residential development. The Newport Comprehensive Plan anticipates a need for 800 additional multiple-family dwelling units. The city's buildable lands inventory indicates land zoned to accommodate 2,000 units; however, site constraints--such as steep slopes or wetlands and development of single-family dwellings on property zoned for high density residential--lower the amount of land actually available.

ODOT does not foresee any adverse economic consequences on surrounding property that can be directly attributed to quarry activities at Iron Mountain. ODOT is not aware of any diminished property values surrounding any of its material source sites in the state. The economic consequences to undeveloped property are speculative at this point.

Since ODOT's primary goal is to prevent future conflicts arising between quarry activities at Iron Mountain and surrounding properties, it expects that newly established uses will assume a portion of the obligation to mitigate conflicts. Mitigating surface mining impacts typically involves building design and orientation considerations, sound insulation, and visual and noise screening. The cost of such measures to the developer may influence the economics of a

housing development.

Development of housing on land currently zoned for high density residential will result in more people adjacent to quarry activities and increase the likelihood that ODOT must respond to complaints about accepted and lawful mining practices. High density housing, on the other hand, allows a developer to spread the cost of mitigation built into the project among more units. Compared to low density development, the unit cost of the same mitigation measures will be less for high density development.

4.32 Social

4.321 Effect on use of the aggregate resource if conflicting uses are allowed fully.

The consequences of allowing conflicting uses adjacent to quarry operations are not directly applicable to protection of the rock resource itself. However, the social consequences of development upon surrounding land uses may cause significant modification of quarry operations.

Based upon current zoning near the quarry, more than 450 new residential units could be constructed. This represents the potential for more than 450 complaints about use of the aggregate resource for highway projects.

If conflicting uses are allowed near the site, it is possible that the resource could not be developed because of the inability to meet environmental regulations designed to protect the livability of surrounding property. Requiring measures to protect conflicting land uses from the impacts typically generated by quarry operations could result in additional costs to mine as explained in the discussion of economic consequences.

The inability to use the source or the constraints on its use because of local opposition could have an adverse effect on the quality of the region's highway system. The level of development contemplated for Highway 101 could be scaled back or significantly delayed.

4.322 Effect on conflicting uses if development of the resource is allowed.

The consequences to conflicting uses resulting from development of the quarry resource can be characterized in two ways. First, residents near the quarry may be directly affected by noise, dust, and traffic associated with mining activities. Second, the city may experience indirect effects if the ability to develop high density housing is restricted near the quarry and not accounted for at another location in the community.

Noise from quarry operations could adversely affect individual perceptions about the livability of their property. ODOT anticipates that the distance separating the quarry from existing and potential conflicting uses will mitigate noise impacts. Ensuring that newly established conflicting uses mitigate newly created conflicts will further protect the aggregate resource.

It is nearly impossible to positively determine, in advance, the effects or magnitude of potential noise from quarry activities. This site is not presently being mined on any large scale. The cost of setting up the necessary equipment (loaders, crushers, processing equipment, etc.) to conduct noise tests is prohibitive and is not contemplated by ODOT.

Because the site is not and will not be a permanent, year-round commercial operation, the adverse effects, if any, on surrounding noise sensitive properties should be minimal.

Operations of the quarry will typically only occur when there is a need to supply aggregate materials for a nearly public road project. Larger projects, such as those on Highway 101, are widely publicized with a beginning and ending date identified. When the quarry operates, area residents will have prior knowledge of the duration of any potential noise impacts.

Nevertheless, intermittent use of the quarry could affect surrounding residents. Noise, while measurable, is also based on people's perceptions. If people are accustomed to only occasional activity at the site, they may perceive that periods of very intensive quarry activity

are more disruptive than a steady, predictable level of use. ODOT will take steps so that the effects of any activity at the site will be mitigated.

While it is not certain that any adverse effects will occur, ODOT and its contractors will take measures to avoid conflicts with surrounding properties. The mine development plan calls for retention of an earthen berm on the west and southwest boundaries of the pit. This will create an amphitheater effect to direct sound brought about as part of the operations to the east and southeast, away from sensitive properties. Retention of existing vegetation surrounding mining and processing activities should also help attenuate any noise generated.

Additionally, DEQ regulations require operations to meet quantifiable standards for noise levels. All ODOT contractors must comply with these regulations.

Adverse effects of any blasting activities will be significantly more limited than the effects of noise due to processing activities. The intent of blasting is not to cause loud noises or to cast flyrock onto surrounding property. Instead, it is occasionally employed to loosen deposits for their extraction. How blasting occurs--and the potential impacts resulting from it--depends upon the structure of the rock resource, the geologic composition of surrounding land, and meteorological conditions at the time of blasting. Blasting professionals rigorously monitor the conditions under which safe blasting can occur to avoid injury or damage to property.

Dust impacts are similarly expected to be intermittent and insignificant. Prevailing ocean breezes should direct any fugitive dust away from the most sensitive properties west of the quarry operation. Thick vegetation surrounding the site should capture dust generated by truck traffic, minimizing adverse effects on surrounding properties. Retention of vegetative buffers and watering, oiling, or paving the haul road are expected to further minimize dust. ODOT will also retain the forested hillsides of the site through each phase of the mine's development. Doing so will keep the majority of the quarry screened from view and minimize visual impacts to surrounding properties.

Additional traffic will occur during times of active mining. This will create the potential for noise, dust, and vehicle conflicts. The volume of traffic using the ODOT haul road is difficult to determine in advance, since usage depends on the size of the highway project being constructed. Federal law regulates the noise impacts from construction vehicles. Dust can be mitigated by treatment of haul road and retention of vegetation buffers. Vehicle conflicts should not be significant.

The area already experiences regular truck traffic due to the nearby regional landfill. Additionally, any construction project in the immediate vicinity for which rock from the Iron Mountain quarry is used would affect vehicle movement in a manner typical of major highway construction projects. Safety hazards between quarry truck traffic and surrounding residents is a possibility, although unlikely given the level of traffic management associated with highway construction projects. The potential for conflict can be reduced by maintaining distance between residential development and roadways and by installing fences or barrier vegetation.

#### 4.33 Environmental

##### 4.331 Effect on use of the aggregate resource if conflicting uses are allowed fully

ODOT does not expect that any adverse environmental consequences would result from allowing conflicting uses near the aggregate resource. However, if a new noise sensitive use is sited in such a manner that causes the quarry to violate noise control standards, ODOT will be forced to modify or curtail operations at the quarry. The consequences of such action are discussed above as economic consequences.

##### 4.332 Effect on conflicting uses if development of the resource is allowed

The environmental consequences if development of the aggregate resource were allowed have been discussed above as social consequences. Quarry development has the potential

of adversely affecting air quality (dust and noise) and visual quality of the immediate area. State law requires that mined land be reclaimed for a future beneficial use. Because the effects of mining can be mitigated or corrected, there should not be a significant adverse environmental effect.

4.34 Energy

4.341 Effect on use of the aggregate resource if conflicting uses are allowed fully

The energy consequences of allowing conflicting uses to the extent of precluding use of the resource for a local highway project could be extensive. The distance traveled between an aggregate resource site and a job site is the most critical part in assessing energy consumption.

If material from Iron Mountain is unavailable for projects in the Newport area, energy use to bring rock from other locations could be extensive. For example, contractors trucking aggregate over the coast range from the Willamette Valley will consume much more energy than usage of a local source. Even hauling rock from the nearest major commercial source, the Cedar Creek Quarry, will use much more energy than hauling from Iron Mountain. As discussed above, energy savings translate into economic savings.

ODOT has the authority to require use of state-controlled sources for highway projects. Requiring any contractor to use the Iron Mountain site for Highway 101 projects near Newport is likely in order to save energy and money.

4.342 Effect on conflicting uses if development of the resource is allowed

Allowing the quarry operation at the Iron Mountain site is not expected to influence energy consumption of the conflicting uses. If, however, a developer of high density housing is severely restricted in building in the impact area and must look elsewhere in the community, the effects could be beneficial. High density development is more efficient if constructed near employment opportunities and community services near the Newport commercial core.

4.35 Requirements of other applicable statewide planning goals

4.351 Goal 4 - Forest Lands

The Iron Mountain quarry site is inventoried as forest land in the Lincoln County Comprehensive Plan. Aggregate operations on this site are not expected to conflict with the protection of forest land, forest practices, or other activities necessary and appropriate for management of soil, air, water, fish and wildlife resources, the provision for recreational opportunities, and agricultural uses. Use of the quarry is a transient or temporary land use which should not preclude forest activities on surrounding lands.

Mining and processing of aggregate and mineral resources are permissible uses of forest lands as specified by the Goal 4 administrative rule (OAR 660-06-025 (4)(f)). No aspects of the quarry's development, as envisioned by ODOT, would force a significant change in or significantly increase the cost of accepted forest or farming practices on surrounding lands dedicated for resource use. Similarly, no aspects of proposed operations are expected to significantly increase the fire hazards, the cost of fire suppression, or the risks to fire suppression personnel.

4.352 Goal 6 - Air, Water, and Land Resources Quality

Compliance with Goal 6 does not necessarily require that compliance with applicable environmental quality standards have been met prior to approval. Compliance with the goal can be shown if the proposed use can meet environmental standards via conditions on operations. See Eckis v. Linn County, 19 Or LUBA 15, 34-6, (1990). The nature of this quarry operation is such that any environmental effects will be limited. As discussed in the discussion of ESEE consequences, the effects of dust and noise resulting from quarry operations can be mitigated

by mining and reclamation techniques.

No processing method is contemplated at present. Any crushing equipment used on the site will require permits from DEQ; state contractors are required to obtain and comply with all permits.

To date, mining at Iron Mountain has been exempt from state reclamation requirements by virtue of the limited amount of material removed from the site. ODOT has submitted a reclamation plan to DOGAMI for its approval. DOGAMI's approval of the reclamation plan and operating permit will be based on consistency with local land use requirements.

#### 4.353 Goal 10 - Housing

Protection of the Iron Mountain Quarry site as a significant Goal 5 resource may have consequences for Newport's ability to demonstrate continued compliance with Goal 10. Compliance with Goal 10 requires local governments to provide for needed housing units within urban growth boundaries.

As identified above, development of property immediately adjacent to the Iron Mountain site has been rezoned for high density residential development. This approximately 20 acre tract is potentially valuable land for affordable housing.

Newport's Comprehensive Plan anticipates a need for 800 new multiple family dwelling units before the year 2010. Land currently zoned to allow high density housing could provide for 2,000 additional units; however, the city planning department believes that this number is overly optimistic for several reasons.

First, because the Zoning Ordinance allows single-family dwellings in the high density zoning district (R-4), some available parcels have been developed at significantly less than planned densities.

Second, the inventory of buildable lands does not precisely identify physical development constraints. An unknown portion of the inventory consists of small or irregularly-shaped lots that will not contribute significantly to satisfying the need for high density housing. The inventory of R-4 land also includes steep land generally unsuitable for apartment development. According to the city, those lands that are relatively flat and suitable for apartment development may, upon further investigation, be wetlands.

Third, the availability of sewer and water may further limit the amount of buildable R-4 land.

Because of development constraints, the estimate of land in Newport available for high density residential development may be high. Land on the southern boundary of the ODOT property could be desirable for future apartment development.

Newport may have other options to satisfy demand for affordable housing. Replanning and redirected development in the center of the city could result in more efficient provision of public and private services. Concentrating development in the existing city would also take pressure off land on the urban fringe, including land near Iron Mountain.

#### 4.354 Goal 12 - Transportation

Statewide Planning Goal 12 requires local governments "[t]o provide and encourage a safe, convenient, and economic transportation system." The primary purpose of state ownership of the Iron Mountain quarry site is to ensure the low-cost availability of rock products for highway construction. The site is less than one mile from U.S. Highway 101 and will be used for highway projects near Newport. Protection of the site furthers Goal 12 by assisting economical development of the transportation system.

#### 4.355 Goal 13 - Energy Conservation

Energy conservation benefits depend upon the relationship of aggregate resource to the places the material will be used. Protection and availability of the Iron Mountain site offers ideal opportunities to conserve energy. If the Iron Mountain site were not available, use of other--more distant--sites for projects in the Newport area would result in longer transportation distances and greater energy consumption.

#### 4.356 Goal 14 - Urbanization

Goal 14 requires the orderly and efficient transition from rural to urban land uses. Development of mineral or aggregate resources is not strictly a rural land use; however, quarry activities are more incompatible with urban development than they are with sparsely developed rural areas. The goal requires that changes in urban growth boundaries consider the economic, social, environmental, and energy consequences of the change.

The consequences of urban development near the Iron Mountain site are discussed above. Based on this analysis, the adverse effects of urban development on the quarry could be significant without appropriate mitigation.

## 5.0 DETERMINATION AND PROGRAM TO ACHIEVE THE GOAL

### 5.1 Summary of ESEE Analysis

ODOT has clearly documented the significance of the Iron Mountain resource. The site contains at least five million cubic yards of material. The material has been found to meet ODOT specifications for its use in highway projects. The site is one of the most valuable sources owned by the state.

The impact area includes land surrounding the site which may be developed with a conflicting use according to existing zoning. Land already committed to development, or developable under existing zoning, is the major area of impact at this time and requires a larger impact area west of the site. Commercial forest land borders more than half of the state-owned property. Uses allowed by the county forest zone are unlikely to conflict with development of the quarry. The impact area can be smaller. Any future plan or zone change from forestry use to urbanizable land would require a reevaluation of the impact area surrounding Iron Mountain on the southern, eastern, and northern boundaries.

Conflicting uses to the Iron Mountain quarry are mainly those that meet the definition of noise sensitive in the DEQ noise control regulations. Eleven existing residences and the majority of uses allowed in the Newport zone are conflicting uses. Uses allowed by the Lincoln County public facilities zone or forestry zone pose few, if any, conflicts. Other uses, although not provided for by current zoning, could be compatible with quarry activities. Industrial and commercial uses not sensitive to noise or dust could be appropriate near the quarry in the future.

The consequences of conflicts between the quarry and nearby uses are primarily economic and social. Surrounding land uses do not threaten the rock resource itself. Complaints about quarry activities can severely constrain or prohibit ODOT's use of the resource. The inability to use the resource for highway maintenance and construction projects increases the cost of these projects. Transportation is the key component in the price of aggregate. Forced reliance on sites more distant from Newport will dramatically increase the cost of construction on the central coast.

### 5.2 Program to Achieve the Goal

The Goal 5 rule (OAR 660-16-010) states: "Based on the determination of the economic, social, environmental, and energy consequences, a jurisdiction must develop a program to achieve the Goal."

The rule allows three methods for implementing a program to achieve the goal of resource protection. The first method requires preserving the resource site regardless of the effect on conflicting uses. The second method involves protecting the resource to a desired extent but allowing identified conflicting uses in a limited fashion. The third method is to allow the conflicting uses fully, regardless of any adverse effects on the resource. This last choice is permissible only if conflicting uses are found to be more valuable than the resource and there is no ability to mitigate the adverse consequences of conflicts between the resource and uses in the impact area.



The ESEE analysis shows that development of Iron Mountain may have adverse effects on nearby property. The analysis also shows that urban development of nearby property may have adverse effects on the Iron Mountain resource. Therefore, the most appropriate method to comply with Goal 5 is to protect the resource site with limitations on conflicting uses.

The requirements to implement a decision to limit conflicting uses are found in OAR 660-16-010(3). The comprehensive plan and land use regulations must specify what uses and activities will be prohibited, what uses are allowed fully, and what uses are conditionally allowed. The implementation program, including development regulations, must include clear and objective standards.

The Lincoln County and City of Newport program should include several elements:

- 1.) The county needs to amend the plan to identify Iron Mountain as a Category 3 site. A category 3 site is a potential site located in probable conflict areas.
- 2.) The county needs to adopt updated comprehensive plan policies and zoning regulations to ensure protection of significant Goal 5 resources. Model policies and zoning regulations found in attachments I and J. The model policies and land use regulations address the procedure for designating a significant site consistent with Goal 5 and contain suggested substantive development standards.
- 3.) The county needs to adopt an extraction area and impact area as comprehensive plan and zoning designations. The city concurrently needs to adopt an impact area designation for affected property within its jurisdiction. Both designations are implemented by policies, site specific conditions adopted as part of this Goal 5 decision, and zoning regulations.

### 5.3 Quarry Development Conditions

- 1.) The haul road between the quarry and the public road system shall be paved or treated with dust suppression emulsion to control dust.
- 2.) ODOT shall retain vegetation suitable as a visual screen within a 50 foot setback from property boundaries.
- 3.) No operation shall commence without approval of all applicable state agency permits.
- 4.) All overburden stockpiles shall be stabilized from erosion as required by DOGAMI.
- 5.) All quarry operations and vehicles shall comply with applicable DEQ noise control standards.
- 6.) Blasting shall be restricted to 9:00 a.m. - 5:00 p.m., Monday through Friday. No blasting shall occur on Saturdays, Sundays, or the following legal holidays: New Year's Day, Memorial Day, July 4, Labor Day, Thanksgiving Day, or Christmas Day.
- 7.) Notice of blasting events shall be provided in a manner calculated to be received by occupants of noise sensitive property within the impact area at least 48 hours prior to the blasting event.
- 8.) Berms or screening shall be developed or incorporated into the mining plan for the active mine area as defined by the DOGAMI operating permit. Overburden stockpiles shall be placed so as to screen quarry operations from surrounding properties as best is practicable and shall be stabilized in accordance with the operating permit and reclamation plan approved by DOGAMI.
- 9.) The entire site shall be developed and reclaimed in a manner that permits uses allowed by the underlying zone.

### 5.4 Uses in the Impact Area

- 5.41 The following uses authorized by existing zoning may be allowed within the impact area subject to the underlying zone requirements:

Forest operations or forest practices;

- Temporary onsite auxiliary structures;
- Physical alterations to the land auxiliary to forest practices;
- Farm use;
- Local distribution lines within existing rights-of-way;
- Temporary portable facilities for processing of forest products;
- Towers and fire stations for forest fire protection;
- Widening of roads within existing rights-of-way;
- Water intake facilities, canals, and distribution lines for farm use;
- Water intake, treatment and pumping facilities, and distribution lines;
- Reservoirs and water impoundments;
- New electrical, gas, oil, and geothermal distribution lines;
- Uninhabitable structures accessory to fish and wildlife enhancement;
- Permanent facilities for the processing of forest products;
- Permanent logging equipment repair and storage;
- Log scaling and weigh stations;
- Solid waste disposal site;
- Communication facilities and transmission towers;
- Fire stations for rural fire protection;
- Utility facilities for generating 5 megawatts or less of power;
- Aids to navigation and aviation;
- Firearms training facilities;
- Cemeteries;
- Commercial or truck gardening and horticultural nurseries;
- Future urban uses which are not sensitive or otherwise conflicting with surface mining activities, subject to planning and zoning in accordance with the statewide planning goals.

5.42 The following uses authorized by existing zoning shall be prohibited within the impact area:

County zoning:

- Private hunting and fishing operations without lodging;
- Caretaker residences for public parks and fish hatcheries;
- Parks and campgrounds;
- Temporary forest labor camps;
- Destination resorts;
- Private seasonal accommodations for fee hunting operations;
- Private accommodations for fishing occupied on a temporary basis;
- Forest management research and experimentation facilities.

City zoning:

- Hospitals, sanitariums, or nursing homes;
- Schools, libraries, colleges, churches, clubs, lodge halls, and museums;
- Motels, hotels, condominium hotels, and time-share projects;
- Bed and breakfast facilities;
- Boarding, lodging, or rooming houses;
- Golf courses;
- Recreational vehicle parks;
- Hostels.

5.43 The following uses authorized by existing zoning may be allowed, subject to criteria and standards of the underlying zone and the program to protect Iron Mountain:

- Child care facilities;
- Condominiums;
- Dwellings;
- Mobile home parks.

## 5.5 Impact Area Development Standards

Uses listed in subsection 5.43, above, may be allowed in the impact area upon demonstrating that the proposed use satisfies the following criteria and standards:

- 1.) The proposed use will not directly interfere with or cause an adverse impact on lawfully established and lawfully operating mining activities.
- 2.) The proposed use will not directly interfere with or threaten to cause the mining operation to violate environmental standards contained in permits issued by state agencies.
- 3.) The proposed use will not cause the mining operation to violate noise control standards and ambient air quality and emission standards as measured at the proposed use.
- 4.) The applicant for a use in the impact area shall submit an analysis prepared by an acoustical engineer demonstrating that the applicable DEQ noise control standards are met or can be met by a specified date by the mining activities at Iron Mountain. Noise impact analysis must address activities proposed through the life of the quarry. If noise mitigation measures are necessary to ensure mining activities' continued compliance with noise control standards, such measures shall be a condition of approval. If the applicant for a use in the impact area cannot demonstrate that DEQ noise control standards will be met, the use shall not be approved in the impact area.
- 5.) As a condition of approval for a new use in the impact area, the permittee shall execute a waiver of remonstrance and restrictive covenant in favor of ODOT. The waiver of remonstrance and restrictive covenant shall specify that owners and tenants of uses within the impact area cannot object to the terms of a permit sought by ODOT or its contractors from the city, county, a state agency, or a federal agency, and may not object to lawful mining activities at Iron Mountain.
- 6.) Any proposal to change existing comprehensive plan and zone designations within the impact area shall consider whether the impact area and program to protect the resource will continue to protect Iron Mountain.

## **6.0 NATURE OF THE REQUEST**

The City of Newport is considering expanding the urban growth boundary (UGB) into an area that is within the Iron Mountain Impact Area. That area has been already identified as next to and affected by a Statewide Planning Goal 5 resource, the Iron Mountain Quarry. In order for the city to accept the UGB extension, adequate findings of fact that address the Aggregate and Mineral Resources of the Newport Comprehensive Plan and Goal 5 must be made. This report presents information to support findings and conclusions to meet the policy requirement.

The background material, compliance with Statewide Planning Goal 5, inventory requirements, and a definition and method of determining conflicting uses have already been discussed and adopted as part of the Comprehensive Plan. Those materials can be found in the first four sections of this appendix. It is, therefore, not necessary to repeat that information here. However, the identification of conflicting uses, the environmental, social, energy, and economic analysis, and a program to achieve the goal must be done for the current request. The rest of this report will address those issues.

## **7.0 CONFLICTING USES**

The Goal 5 rule (OAR 660-16-005) requires identification of conflicting uses. A conflicting use is one which, if allowed, could adversely affect a Goal 5 resource site. Identifying conflicting uses is primarily done by examining uses authorized by zoning districts within the impact area.

### **7.21. Light Industrial (I-1)**

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Sections 6.0 - 9.5 of Appendix "A" added by Ordinance No. 1701 (March 21, 1994).

The proposed zoning on the subject property is I-1/"Light Industrial." All property zoned I-1 within the impact area is vacant, so there are no existing conflicting uses. The identification of conflicting uses must focus on those uses authorized by the I-1 zone.

- 7.211. Noise sensitive uses. Many uses allowed in the I-1 zone could fall under the definition of "noise sensitive property" as defined in DEQ noise regulations.

The following uses authorized by the I-1 zone could meet the definition of noise sensitive property, will be treated as conflicting uses, and are not allowed:

- Agricultural Production--Crops
- Veterinary Services
- Animal Services (Except Veterinary)
- Dog Grooming
- Farm Labor and Management Services
- Manufacturing of Glass Products Made of Purchased Glass
- Manufacturing of Office, Computing, and Accounting Machinery
- Manufacturing of Measuring, Analyzing, and Controlling Instruments; Photographic, Medical, and Optical Goods; Watches and clocks
- Communication
- General Merchandise Stores
- Food Stores
- Automotive Dealers and Gasoline Service Stations
- Apparel and Accessory Stores
- Furniture, Home Furnishing, and Equipment
- Miscellaneous Retail
- Finance, Insurance and Real Estate Offices
- Hotels, Rooming Houses, Camps and Other Lodging Places
- Personal Services
- Business Services
- Motion Pictures
- Theatrical Producers (Except Motion Pictures), Bands, Orchestras, and Entertainers
- Health Services
- Legal Services
- Educational Services
- Social Services
- Arboreta, Botanical, and Zoological Gardens
- Membership Organizations
- Miscellaneous Services
- Public Administration
- Manufacturing of Food and Kindred Products
- Glass and Glassware Pressed or Blown
- Residences

- 7.212. Some uses may or may not be in conflict depending on how they are developed. These uses must be looked at on a case-by-case basis and conditioned to meet the goals of this section and the Goal 5 requirements. Hence the following uses are conditional uses subject to the review and approval standards contained in the Zoning Ordinance:

- Manufacturing of Beverages
- Miscellaneous Manufacturing Industries
- Building Materials, hardware, Garden Supplies, and Mobile Home Dealers
- Eating and Drinking Places
- Dance Halls, Studios, and Schools
- Commercial Sports
- Miscellaneous Amusement and Recreation Services
- Miscellaneous Services
- Tobacco Manufacturing
- Manufacturing of Wood Containers
- Leather and Leather Products

Manufacturing of Fabricated Metal Products (Except machinery and Transportation Equipment)  
Manufacturing of machinery (Except Electrical)  
Manufacturing of Electric and Electronic Machinery, Equipment, and Supplies  
Manufacturing of Transportation Equipment  
Pipe Lines (Except Natural Gas)  
Electric, Gas, and Sanitary Services

- 7.213. Some uses may be allowed in the Impact area and not pose a conflict because they are not sensitive uses. Those uses are hereby permitted and are as follows:

Forest Services  
Building Construction--General Contractors and Operative Builders  
Construction Other Than Building Contractors--General Contractors  
Construction--Special Trade Contractors  
Manufacturing of Apparel and Other Finished Products Made from Fabrics and Similar Materials  
Manufacturing of Furniture and Fixtures  
Printing, Publishing and Allied Industries  
Local and Suburban Transit and Interurban Highway Passenger Transportation  
Motor Freight Transportation and Warehousing  
U.S. Postal Service  
Transportation by Air  
Transportation Services  
Wholesale Trade--Durable Goods  
Wholesale Trade--Nondurable Goods  
Automotive Repair, Services and Garages  
Miscellaneous Repair Services  
Bowling Alleys and Billiard and Pool Establishments

- 7.22. Conclusion

Within the I-1 zone surrounding Iron Mountain, no conflicting uses are currently found. However, the I-1 zone does allow many uses that are conflicting, many that may be conflicting, and many that are not conflicting.

## 8.1 ESEE ANALYSIS

The Goal 5 rule (OAR 660-16-005(2)) requires that if conflicting uses to the resource are identified, the economic, social, environmental, and energy (ESEE) consequences of the conflicts must be determined. "Both the impacts on the resource site and on the conflicting use must be considered in analyzing the ESEE consequences. The applicability and requirements of other Statewide Planning Goals must also be considered, where appropriate, at this stage of the process."

- 8.11. Economic

- 8.111. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.311 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

- 8.112. Effect on conflicting uses if development of the resource is allowed:

The need for additional industrial land within the City of Newport has driven recent actions to rezone land adjacent to the quarry for light industrial development. The Newport Comprehensive Plan anticipates a need for additional commercial and industrial lands in significant quantities. The area around Iron Mountain is one of the few areas within or outside the city that can accommodate that need.

In addition to the need question, the subject I-1 property within the Iron Mountain Impact Area has been

considered for other zoning designations. The residential and commercial zones allow too many conflicting uses to be appropriate next to the quarry. Other city zoning designations, such as the Water and Public zones, are also not appropriate since the property is not near the water and it is not publicly owned. The only remaining zoning is the industrial zoning.

The city has three industrial zones, I-1, I-2, and I-3. The I-3 zone is heavy industrial and allows uses such as lumber mills and other factories. While this may be appropriate if the quarry were the only consideration, properties to the west and south are within residential districts. In fact, the intent of the I-3 is outlined in the Zoning Ordinance and reads as follows:

The intent of this zone is to provide for industrial uses that involve production and processing activities generating noise, vibration, dust, and fumes. Typically, this zone requires good access to transportation, large lots, and segregation from other uses due to nuisances.

Because of the proximity of the residential uses and zones, the I-3 zone is not appropriate for the subject property.

The I-2 zone has similar considerations. The intent of the I-2 zone states:

The intent of this zone is to provide areas suitable for industrial activities, including manufacturing, fabricating, processing, packing, storage, repairing, and wholesaling. This classification should be applied to industrial areas having good access to transportation facilities and not near residential zones.

Again, because of the proximity of the residential uses and zones, the I-2 zone is not appropriate.

The I-1 zone, however, has this as the intent:

The intent of this zone is to provide for commercial and industrial uses that can be located near residential or commercial zones. Uses that are associated with excessive noise, dust, vibration, or fumes shall be prohibited.

The I-1 zone thus becomes the most appropriate because it may be located near residential zones. Also, because the zone does allow many uses that will not conflict with the quarry, it is the most appropriate next to the quarry. Through the process of elimination, the I-1 zone becomes the most logical for the subject property.

The I-1 zoning also gives the private property owner a use for the property that is compatible with the neighborhood. ODOT is on record that the subject property should not be developed with sensitive uses. Residential and commercial zones do not comply with that criterion. The I-1 is a logical zone to apply to the land so as to serve the dual goal of protecting the quarry and providing the owner with an economical use of the property.

#### 8.12. Social

##### 8.121. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.321 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

##### 8.122. Effect on conflicting uses if development of the resource is allowed:

The consequences to conflicting uses resulting from development of the quarry resource can be characterized in two ways. First, persons working near the quarry may be directly affected by noise, dust, and traffic associated with mining activities. Second, the city may experience indirect effects if the ability to develop industrial uses is restricted near the quarry and not accounted for at another location in the community.

These consequences can be easily mitigated, however, by either limiting the types of uses to those that are not sensitive to the impacts from the quarry operation, by developing property in such a way so that

uses that may be sensitive are sited and built to mitigate negative impacts, or by both. Uses that have been identified as allowed or conditional in this analysis are such uses. Uses that are identified as sensitive should not be allowed under any circumstance. Therefore, the best way to address the potential social consequences is to develop a program to assure that conflicting uses are prohibited or built in such a way as to not be affected by the quarry operation.

8.13. Environmental

8.131. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.331 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

8.132. Effect on conflicting uses if development of the resource is allowed:

The environmental consequences, if development of the aggregate resource were allowed, have been discussed above as social consequences. Quarry development has the potential of adversely affecting air quality (dust and noise) and visual quality of the immediate area. State law requires that mined land be reclaimed for a future beneficial use. Because the effects of mining can be mitigated or corrected, there should not be a significant adverse environmental effect.

8.14. Energy.

8.141. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.341 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

8.142. Effect on conflicting uses if development of the resource is allowed:

Allowing the quarry operation at the Iron Mountain site is not expected to influence energy consumption of the conflicting uses.

8.15. Requirements of other applicable statewide planning goals.

8.151. Goal 4 - Forest Lands:

See section 4.351 of this appendix.

8.152. Goal 6 - Air, Water, and Land Resources Quality:

See section 4.352 of this appendix.

8.153. Goal 9 - Economic Development:

Statewide Planning Goal 9 requires the each city provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens. Comprehensive plans for urban areas must 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. The city has already determined that the subject property is necessary to meet the industrial land needs consistent with this goal.

8.154. Goal 10 - Housing:

Because the property under consideration does not allow housing, this goal will not be affected by the proposed inclusion into the Iron Mountain Impact Area other than that the I-1 zoning is the most appropriate zoning considering the proximity of residential zoning and uses.

8.155. Goal 12 - Transportation:

See section 4.354 of this appendix.

8.156. Goal 13 - Energy Conservation:

See Section 4.355 of this appendix.

8.157. Goal 14 - Urbanization:

See Section 4.356 of this appendix.

## 9.0 DETERMINATION AND PROGRAM TO ACHIEVE THE GOAL

### 9.1 Summary of ESEE Analysis

ODOT has clearly documented the significance of the Iron Mountain resource. The site contains at least five million cubic yards of material. The material has been found to meet ODOT specifications for its use in highway projects. The site is one of the most valuable sources owned by the state.

The consequences of conflicts between the quarry and nearby uses are primarily economic and social. Surrounding land uses do not threaten the rock resource itself. Complaints about quarry activities can severely constrain or prohibit ODOT's use of the resource. The inability to use the resource for highway maintenance and construction projects increases the cost of these projects. Transportation is the key component in the price of aggregate. Forced reliance on sites more distant from Newport will dramatically increase the cost of construction on the central coast.

### 9.2. Program to Achieve the Goal

The Goal 5 rule (OAR 660-16-010) states: "Based on the determination of the economic, social, environmental, and energy consequences, a jurisdiction must develop a program to achieve the Goal."

The rule allows three methods for implementing a program to achieve the goal of resource protection. The first method requires preserving the resource site regardless of the effect on conflicting uses. The second method involves protecting the resource to a desired extent but allowing identified conflicting uses in a limited fashion. The third method is to allow the conflicting uses fully, regardless of any adverse effects on the resource. This last choice is permissible only if conflicting uses are found to be more valuable than the resource and there is no ability to mitigate the adverse consequences of conflicts between the resource and uses in the impact area.

The ESEE analysis shows that development of Iron Mountain may have adverse effects on nearby property. The analysis also shows that urban development of nearby property may have adverse effects on the Iron Mountain resource. Therefore, the most appropriate method to comply with Goal 5 is to protect the resource site with limitations on conflicting uses.

The requirements to implement a decision to limit conflicting uses are found in OAR 660-16-010(3). The comprehensive plan and land use regulations must specify what uses and activities will be prohibited, what uses are allowed fully, and what uses are conditionally allowed. The implementation program, including development regulations, must include clear and objective standards.

### 9.3. Uses in the Impact Area that are zoned I-1

9.43. The following uses authorized by the existing I-1 zone shall be prohibited with the impact area:

- Agricultural Production--Crops
- Veterinary Services
- Animal Services (Except Veterinary)
- Dog Grooming
- Farm Labor and Management Services
- Manufacturing of Glass Products Made of Purchased Glass



Manufacturing of Office, Computing, and Accounting Machinery  
 Manufacturing of Measuring, Analyzing, and Controlling Instruments; Photographic, Medical, and  
 Optical Goods; Watches and clocks  
 Communication  
 General Merchandise Stores  
 Food Stores  
 Automotive Dealers and Gasoline Service Stations  
 Apparel and Accessory Stores  
 Furniture, Home Furnishing, and Equipment  
 Miscellaneous Retail  
 Finance, Insurance and Real Estate Offices  
 Hotels, Rooming Houses, Camps and Other Lodging Places  
 Personal Services  
 Business Services  
 Motion Pictures  
 Theatrical Producers (Except Motion Pictures), Bands, Orchestras, and Entertainers  
 Health Services  
 Legal Services  
 Educational Services  
 Social Services  
 Arboreta, Botanical, and Zoological Gardens  
 Membership Organizations  
 Miscellaneous Services  
 Public Administration  
 Manufacturing of Food and Kindred Products  
 Glass and Glassware Pressed or Blown  
 Residences

- 9.32. The following uses authorized by the existing I-1 zone may be allowed, subject to criteria and standards of the underlying zone and the issuance of a conditional use permit consistent with the program to protect the Iron Mountain quarry:

Manufacturing of Beverages  
 Miscellaneous Manufacturing Industries  
 Building Materials, hardware, Garden Supplies, and Mobile Home Dealers  
 Eating and Drinking Places  
 Dance Halls, Studios, and Schools  
 Commercial Sports  
 Miscellaneous Amusement and Recreation Services  
 Miscellaneous Services  
 Tobacco Manufacturing  
 Manufacturing of Wood Containers  
 Leather and Leather Products  
 Manufacturing of Fabricated Metal Products (Except machinery and Transportation Equipment)  
 Manufacturing of machinery (Except Electrical)  
 Manufacturing of Electric and Electronic Machinery, Equipment, and Supplies  
 Manufacturing of Transportation Equipment  
 Pipe Lines (Except Natural Gas)  
 Electric, Gas, and Sanitary Services

- 9.31. The following uses authorized by existing zoning may allowed within the impact area subject to the underlying zone requirements:

Forest Services  
 Building Construction--General Contractors and Operative Builders  
 Construction Other Than Building Contractors--General Contractors  
 Construction--Special Trade Contractors  
 Manufacturing of Apparel and Other Finished Products Made from Fabrics and Similar Materials  
 Manufacturing of Furniture and Fixtures  
 Printing, Publishing and Allied Industries  
 Local and Suburban Transit and Interurban Highway Passenger Transportation

Motor Freight Transportation and Warehousing  
U.S. Postal Service  
Transportation by Air  
Transportation Services  
Wholesale Trade--Durable Goods  
Wholesale Trade--Nondurable Goods  
Automotive Repair, Services and Garages  
Miscellaneous Repair Services  
Bowling Alleys and Billiard and Pool Establishments

#### 9.5. Impact Area Development Standards

Uses listed in subsection 9.43 above, may be allowed in the impact area upon demonstrating that the proposed use satisfies the criteria and standards contained in Sections 2-4-14.025 and 2-5-3 of the Zoning Ordinance.

### 10.0 NATURE OF THE REQUEST (3)

The City of Newport is considering expanding the urban growth boundary (UGB) into an area that is within the Iron Mountain Impact Area. The properties included within the proposed UGB expansion that are also within the Iron Mountain Impact Area include Lincoln County Assessor's Map # 10-11-20 Tax Lots 200, 300, 301, 400, 500, and 501. Those properties would be designated on the Newport Comprehensive Plan Map as "Industrial". The "Industrial" map designation is implemented by three possible industrial zone classifications: I-1/"Light Industrial", I-2/"Medium Industrial", and I-3/"Heavy Industrial". The proposed UGB expansion includes property to be designated with both I-2 and I-3 zone classifications. In order for the city to accept the UGB expansion, adequate findings of fact that address the Aggregate and Mineral Resources of the Newport Comprehensive Plan and Goal 5 must be made. The I-1/"Light-Industrial" designation has been previously addressed in this appendix and therefore the analysis for I-1 zone property has been completed. This report presents information to support findings and conclusions to meet the policy requirements for I-2 and I-3 zone designations.

The background material, compliance with Statewide Planning Goal 5, inventory requirements, and a definition and method of determining conflicting uses have already been discussed and adopted as part of the Comprehensive Plan. Those materials can be found in the first four sections of this appendix. It is, therefore, not necessary to repeat that information here. However, the identification of conflicting uses, the environmental, social, energy, and economic analysis, and a program to achieve the goal must be done for the current request. The rest of this report will address those issues.

### 11.0 CONFLICTING USES

The Goal 5 rule (OAR 660-16-005) requires identification of conflicting uses. A conflicting use is one which, if allowed, could adversely affect a Goal 5 resource site. Conflicting uses (as established in Section 4.216) are those uses that will likely result in future complaints or requests for restriction on lawful mining activities. Identifying conflicting uses is primarily done by examining uses authorized by zoning districts within the impact area. Three types of impacts were previously evaluated (in Section 4.322) for the effect on conflicting uses if development of the resource (Iron Mountain) is allowed. To summarize from Section 4.322

- noise impacts may affect surrounding residents even if the noise impact is intermittent;
- effects from blasting will be significantly more limited than the effects of noise due to processing activities; and
- dust impacts are similarly expected to be intermittent and insignificant.

The ESEE analysis reached the conclusion in Section 5.1 (Summary of ESEE Analysis) that "Industrial and commercial uses not sensitive to noise or dust could be appropriate near the quarry in the future."

ODOT has established a set of Quarry Development Conditions in Section 5.3 of Section 5.0 (Implementation and Program to Achieve The Goal) that further limit the potential for impacts on surrounding properties. ODOT, for example, to implement the Goal 5 program, restricts blasting activities to 9:00 a.m. – 5:00 p.m. Monday through Friday and does not blast on a number of holidays. Additionally, as part of the implementation of Goal 5,

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3 Section 10.0 -14.2 of Appendix "A" added by Ordinance No. 1878 (October 18, 2004)

ODOT provides notice to noise sensitive properties at least 48 hours prior to the blasting event.

11.21. Medium Industrial (I-2) and Heavy Industrial (I-3)

Proposed zoning on the subject property is I-2/"Medium Industrial" and I-3/"Heavy Industrial". All property to be zoned I-2 or I-3 within the impact area is vacant or is in an existing residential use, so there are no existing conflicting uses other than the existing residential use. The identification of future conflicting uses must focus on those uses authorized by the I-2 and/or the I-3 zone.

11.211. Noise, dust or blast sensitive uses. Very few uses allowed in the I-2 and/or I-3 zone would fall under the definition of "noise sensitive property" as defined in DEQ noise regulations. Additionally, few uses would generally be considered dust sensitive uses or would be considered blast/ground vibration sensitive uses. As the adopted Goal 5 analysis, prepared by the ODOT and adopted by the City as Appendix A of the Aggregate and Mineral Section of the Comprehensive Plan, concludes that ground/vibration and dust issues are minimal concerns, the main focus is on uses that may be considered noise sensitive properties. Because a conflicting use is one that may object to the continued operation of the Iron Mountain quarry, an easement in favor of the owner and operators of the Iron Mountain Quarry to protect the continued use of the quarry is required by the Newport Zoning Ordinance of the owner/developer of land in the Iron Mountain Impact Area. All uses of the property will therefore be subject to the easement requirements. Additionally, some uses will be prohibited outright while other uses will be allowed upon a showing that the use meets the development criteria and standards 1 through 5 found in Section 5.5 (Impact Area Development Standards).

The following uses authorized by the I-2 and/or I-3 zone could meet the definition of noise sensitive property. These uses will be treated as conflicting uses and will not be allowed:

Hotels, Rooming Houses, Camps and Other Lodging Places  
Residences

The following uses authorized by the I-2 and/or I-3 zone could meet the definition of noise sensitive property and will be allowed as authorized (either permitted outright or conditionally by the I-2 and/or I-3 zone) subject to the requirement that the proposed use satisfies the criteria and standards 3 through 5 found in Section 5.5:

Veterinary Services  
Animal Services (Except Veterinary)  
Dog Grooming  
Finance, Insurance and Real Estate Offices  
Eating and Drinking Places  
Miscellaneous Amusement and Recreation Services  
Personal Services  
Business Services  
Motion Pictures  
Educational Services (Correspondence & Vocational Schools)  
Social Services (Day Care)  
Membership Organizations  
Miscellaneous Services  
Public Administration

11.212. Some uses may or may not be dust and/or blast sensitive uses depending on how they are developed. As dust and blast impacts have been determined to be negligible, these uses will be allowed in the I-2 and/or I-3 zone (either permitted outright or conditionally as specified in the Zoning Ordinance) subject to standard 5 of Section 5.5.

Flat Glass and Glass and Glassware Pressed or Blown  
Manufacturing of Beverages  
Chemicals and Allied Products  
Pipe Lines (Except Natural Gas)

Electric, Gas, and Sanitary Services  
Manufacturing of Glass Products Made of Purchased Glass  
Manufacturing of Office, Computing, and Accounting Machinery  
Manufacturing of Measuring, Analyzing, and Controlling Instruments;  
Photographic, Medical, and Optical Goods; Watches and clocks

11.213. Some uses may be allowed in the Impact area and not pose a conflict because they are not sensitive uses. Those uses are hereby permitted as allowed by the I-2 and/or I-3 zone designation and consist of those uses not mentioned above in Section 11.211 and Section 11.212.

#### 11.22. Conclusion

Within the proposed I-2 zone and I-3 zones surrounding Iron Mountain, no conflicting uses are currently found other than the existing residential use. However, the I-2 and the I-3 zone does allow uses that are conflicting, uses that may be conflicting, and uses that are not conflicting.

### 12.1 ESEE ANALYSIS

The Goal 5 rule (OAR 660-16-005(2)) requires that if conflicting uses to the resource are identified, the economic, social, environmental, and energy (ESEE) consequences of the conflicts must be determined. "Both the impacts on the resource site and on the conflicting use must be considered in analyzing the ESEE consequences. The applicability and requirements of other Statewide Planning Goals must also be considered, where appropriate, at this stage of the process."

#### 12.11. Economic

12.111. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.311 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

12.112. Effect on conflicting uses if development of the resource is allowed:

The need for additional industrial land within the City of Newport has driven recent actions to rezone land adjacent to the quarry for medium and heavy industrial development. The Newport Comprehensive Plan anticipates a need for additional commercial and industrial lands in significant quantities. The area around Iron Mountain is one of the few areas within or outside the city that can accommodate that need and is the best location to fulfill the need for industrial land as documented by the UGB application material.

The city has three industrial zones, I-1, I-2, and I-3. The I-3 zone is heavy industrial and allows uses such as lumber mills and other factories. The intent of the I-3 is outlined in the Zoning Ordinance and reads as follows:

The intent of this zone is to provide for industrial uses that involve production and processing activities generating noise, vibration, dust, and fumes. Typically, this zone requires good access to transportation, large lots, and segregation from other uses due to nuisances.

Because of the location near the quarry and away from residential zones, the I-3 zone is appropriate for the subject property.

The I-2 zone has similar considerations. The intent of the I-2 zone states:

The intent of this zone is to provide areas suitable for industrial activities, including manufacturing, fabricating, processing, packing, storage, repairing, and wholesaling. This classification should be applied to industrial areas having good access to transportation facilities and not near residential zones.

Again, because of the location away from residential zones, the I-2 zone is appropriate.

12.12. Social

12.121. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.321 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

12.122. Effect on conflicting uses if development of the resource is allowed:

The consequences to conflicting uses resulting from development of the quarry resource can be characterized in two ways. First, I-2 and I-3 zone uses near the quarry may be directly affected by noise, dust, and associated with mining activities. However, as noted in Section 4.322, "because the site is not and will not be a permanent year-round commercial operation, the adverse effects, if any, on surrounding noise sensitive properties should be minimal." Noise sensitive property under OAR 340-35-015 (38) is defined as ... "real property used for sleeping, or normally used as schools, churches, hospitals, or public libraries." Very few allowed uses in the I-2 or I-3 zones meet this definition. The intent of both the I-2 and I-3 zones is to allow for uses that should be conducted away from residential areas. Therefore, most of the I-2 and I-3 zone uses will not be conflicting uses because of noise sensitivity. Additionally, the blasting and dust impacts from mining operations are expected to be minimal and ODOT will operate the quarry in such a manner as to minimize those impacts.

Second, the city may experience indirect effects if the ability to develop industrial uses is restricted near the quarry and not accounted for at another location in the community.

These consequences can be easily mitigated, however, by either limiting the types of uses to those that are not sensitive to the impacts from the quarry operation, by developing property in such a way so that uses that may be sensitive are sited and built to mitigate negative impacts, and/or by requiring potential conflicting uses to shoulder the consequences of the potential conflicting use choosing to site near the quarry. Uses that have been identified as allowed or conditional in this analysis are such uses. Some uses that are identified as sensitive, such as residences, should not be allowed under any circumstance. Therefore, the best way to address the potential social consequences is to develop a program to assure that conflicting uses are prohibited, built in such a way, and/or agree to shoulder the consequences of locating next to the quarry so that the quarry operation is not affected.

12.13. Environmental

12.131. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.331 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

12.132. Effect on conflicting uses if development of the resource is allowed:

The environmental consequences, if development of the aggregate resource were allowed, have been discussed above as social consequences. Quarry development has the potential of adversely affecting air quality (dust and noise) and visual quality of the immediate area. State law requires that mined land be reclaimed for a future beneficial use. Because the effects of mining can be mitigated or corrected, there should not be a significant adverse environmental effect.

12.14. Energy.

12.141. Effect on use of the aggregate resource if conflicting uses are allowed fully:

Section 4.341 of this appendix adequately addresses this factor. It is incorporated by reference into this section.

12.142. Effect on conflicting uses if development of the resource is allowed:

Allowing the quarry operation at the Iron Mountain site is not expected to influence energy consumption

of the conflicting uses.

12.15. Requirements of other applicable statewide planning goals.

12.151. Goal 4 - Forest Lands:

See section 4.351 of this appendix.

12.152. Goal 6 - Air, Water, and Land Resources Quality:

See section 4.352 of this appendix.

12.153. Goal 9 - Economic Development:

Statewide Planning Goal 9 requires that each city provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon's citizens. Comprehensive plans for urban areas must 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. The city has determined that the subject property is necessary to meet the industrial land needs consistent with this goal.

12.154. Goal 10 - Housing:

Because the property under consideration does not allow housing, this goal will not be affected by the proposed inclusion into the Iron Mountain Impact Area other than that the I-2 and I-3 zoning of the subject property is the most appropriate zoning considering the intent of the I-2 and I-3 zones.

12.155. Goal 12 - Transportation:

See section 4.354 of this appendix.

12.156. Goal 13 - Energy Conservation:

See Section 4.355 of this appendix.

12.157. Goal 14 - Urbanization:

See Section 4.356 of this appendix.

13.0 **DETERMINATION AND PROGRAM TO ACHIEVE THE GOAL**

13.1 Summary of ESEE Analysis

ODOT has clearly documented the significance of the Iron Mountain resource. The site contains at least five million cubic yards of material. The material has been found to meet ODOT specifications for its use in highway projects. The site is one of the most valuable sources owned by the state.

The consequences of conflicts between the quarry and nearby uses are primarily economic and social. Surrounding land uses do not threaten the rock resource itself. Complaints about quarry activities can severely constrain or prohibit ODOT's use of the resource. The inability to use the resource for highway maintenance and construction projects increases the cost of these projects. Transportation is the key component in the price of aggregate. Forced reliance on sites more distant from Newport will dramatically increase the cost of construction on the central coast.

13.2. Program to Achieve the Goal

The Goal 5 rule (OAR 660-16-010) states: "Based on the determination of the economic, social, environmental, and energy consequences, a jurisdiction must develop a program to achieve the Goal."

The rule allows three methods for implementing a program to achieve the goal of resource protection. The first

method requires preserving the resource site regardless of the effect on conflicting uses. The second method involves protecting the resource to a desired extent but allowing identified conflicting uses in a limited fashion. The third method is to allow the conflicting uses fully, regardless of any adverse effects on the resource. This last choice is permissible only if conflicting uses are found to be more valuable than the resource and there is no ability to mitigate the adverse consequences of conflicts between the resource and uses in the impact area.

The ESEE analysis shows that development of Iron Mountain may have adverse effects on nearby property. The analysis also shows that urban development of nearby property may have adverse effects on the Iron Mountain resource. Therefore, the most appropriate method to comply with Goal 5 is to protect the resource site with limitations on conflicting uses.

The requirements to implement a decision to limit conflicting uses are found in OAR 660-16-010(3). The comprehensive plan and land use regulations must specify what uses and activities will be prohibited, what uses are allowed fully, and what uses are conditionally allowed. The implementation program, including development regulations, must include clear and objective standards.

13.3. Uses in the Impact Area that are zoned I-2 or I-3

13.31. The following uses authorized by the existing I-2 zone shall be prohibited within the impact area:  
Hotels, Rooming Houses, Camps and Other Lodging Places  
Residences

13.32. The following uses authorized by the I-2 could meet the definition of noise sensitive property and will be allowed as authorized (either permitted outright or conditionally by the I-2 zone) subject to the requirement that the proposed use satisfies the criteria and standards 3 through 5 found in Section 5.5:

Veterinary Services  
Animal Services (Except Veterinary)  
Dog Grooming  
Finance, Insurance and Real Estate Offices  
Eating and Drinking Places  
Personal Services  
Business Services  
Motion Pictures  
Miscellaneous Amusement and Recreation Services  
Correspondence Schools & Vocational Schools  
Social Services  
Membership Organizations  
Miscellaneous Services  
Public Administration

13.33. Some uses may or may not be dust and/or blast sensitive uses depending on how they are developed. As dust and blast impacts have been determined to be negligible, these uses will be allowed in the I-2 zone (either permitted outright or conditionally as specified in the Zoning Ordinance) subject to standard 5 of Section 5.5.

Flat Glass and Glass and Glassware Pressed or Blown  
Manufacturing of Beverages  
Chemicals and Allied Products  
Pipe Lines (Except Natural Gas)  
Electric, Gas, and Sanitary Services  
Manufacturing of Glass Products Made of Purchased Glass  
Manufacturing of Office, Computing, and Accounting Machinery  
Manufacturing of Measuring, Analyzing, and Controlling Instruments;  
Photographic, Medical, and Optical Goods; Watches and Clocks

13.34. The remaining uses (not mentioned in 13.32 and 13.33 above) authorized (either permitted outright or conditionally) by the existing I-2 zoning may allowed within the impact area subject to the underlying zone requirements and upon demonstrating that the proposed use satisfies applicable criteria and standards contained in Section 2-4-14.025 of the Newport Zoning Ordinance.

13.35. The following uses authorized by the existing I-3 zone shall be prohibited within the impact area:

Residences

13.36 The following uses authorized by the I-3 could be noise sensitive property and will be allowed as authorized (either permitted outright or conditionally by the I-3 zone) subject to the requirement that the proposed use satisfies the criteria and standards 3 through 5 found in Section 5.

Veterinary Services  
Animal Services (Except Veterinary)  
Dog Grooming  
Social Services  
Public Administration

13.37. Some uses may or may not be dust and/or blast sensitive uses depending on how they are developed. As dust and blast impacts have been determined to be negligible, these uses will be allowed in the I-3 zone (either permitted outright or conditionally as specified in the Zoning Ordinance) subject to standard 5 of Section 5.5.

Flat Glass and Glass and Glassware Pressed or Blown  
Manufacturing of Beverages  
Chemicals and Allied Products  
Pipe Lines (Except Natural Gas)  
Electric, Gas, and Sanitary Services  
Manufacturing of Glass Products Made of Purchased Glass  
Manufacturing of Office, Computing, and Accounting Machinery  
Manufacturing of Measuring, Analyzing, and Controlling Instruments;  
Photographic, Medical, and Optical Goods; Watches and Clocks

13.38. The remaining uses (not identified in 13.36 and 13.37 above) authorized (either permitted outright or conditionally) by the existing I-3 zoning (see 14.2) may be allowed within the impact area subject to the underlying zone requirements and upon demonstrating that the proposed use satisfies applicable criteria and standards contained in Section 2-4-14.025 of the Newport Zoning Ordinance.

#### **14.0 USES ALLOWED OUTRIGHT AND CONDITIONALLY IN THE I-2 AND I-3 ZONES**

14.1 Uses Allowed Outright and Conditionally in the I-2 Zone by Standard Industrial Classification (SIC):

**Major Group 01: Agricultural Production—Crops** - 013 (Field Crops, Except Cash Grains), 016 (Vegetables & Melons), 017 (Fruits & Tree Nuts), 018 (Horticultural Specialists), 019 (General Crops, Primary Crops)

**Major Group 07: Agricultural Services** - 071 (Soil Preparation Services), 072(Crop Services), 076 (Farm Labor & Management Services), 078 (Landscape & Horticultural Svcs.), 074 (Veterinary Services), 075 (Animal Services, Except Veterinary), Dog Grooming

**Major Group 08: Forestry** - 084 (Gathering of Misc. Forest Products, Except Tree Seeds), 085 (Forest Services)

**Major Group 14: Mining and Quarrying of Nonmetallic Minerals, Except Fuels** - 142 (Crushed & Broken Stone, Including Riprap), 144 (Sand & Gravel), 145 (Clay, Ceramic, & Refractory Minerals), 148 (Nonmetallic Minerals Services, Except Fuels)

**Major Group 15: Building Construction--General Contractors and Operative Builders**  
152 (General Building Contractors, Residential Bldgs), 153 (Operative Builders), 154 (General Building Contractors, Nonresidential Bldgs. & Residential Bldgs)



**Major Group 16: Construction Other Than Building Construction --General Contractors**

161 (Highway & Street Construction, Except Elevated Highways), 162 (Heavy Construction, Except Highway & Street Construction)

**Major Group 17: Construction--Special Trade Contractors** - 171 (Plumbing, Heating (Except Electric), & Air Conditioning), 172 (Painting, Paper Hanging, & Decorating), 173 (Electrical Work), 174 (Masonry, Stonework, Tile Setting, & Plastering), 175 (Carpentering & Flooring), 176 (Roofing & Sheet Metal Work), 177 (Concrete Work), 178 (Water Well Drilling), 179 (Misc. Special Trade Contractors)

**Major Group 20: Manufacturing of Food and Kindred Products** - 201 (Meat Products), 202 (Dairy Products), 202 (Canned & Preserved Fruits and Vegetables), 204 (Grain Mill Products), 205 (Bakery Products), 206 (Sugar & Confectionery Products), 207 (Fats & Oils), 208 (Beverages), 209 (Misc. Food Preparation & Kindred Products)

**Major Group 21: Tobacco Manufacturing** - 211 (Cigarettes), 212 (Cigars), 213 (Tobacco (Chewing & Smoking) & Snuff), 214 (Tobacco Stemming & Drying)

**Major Group 22: Textile Mill Products** - 221 (Broad Woven Fabric Mills, Cotton), 222 (Broad Woven Fabric Mills, Man-Made Fiber & Silk), 223 (Broad Woven Fabric Mills, Wool (Including Dyeing & Finishing)), 224 (Narrow Fabrics & Other Small wares Mills: Cotton, Wool, Silk, & Man-Made Fiber), 225 (Knitting Mills), 226 (Dyeing & Finishing Textiles, Except Wool Fabrics and Knit Goods), 227 (Floor Covering Mills), 228 (Yard & Thread Mills), 230 (Miscellaneous Textile Goods)

**Major Group 23: Manufacturing of Apparel and Other Finished Products Made From Fabrics and Similar Materials** - 231 (Mens', Youths', & Boys' Suits, Coats, & Overcoats), 232 (Mens', Youths', & Boys' Furnishings, Work Clothes, & Allied Garments), 233 (Womens', Misses', & Juniors' Outerwear), 234 (Womens', Misses', Childrens' & Infants' Undergarments), 235 (Hats, Caps & Millinery), 236 (Girls', Childrens', & Infants' Outerwear), 237 (Fur Goods), 238 (Misc. Apparel & Accessories), 239 (Misc. Fabricated Textile Products)

**Major Group 24: Lumber and Wood Products, Except Furniture** - 241 (Logging Camps & Logging Contractors), 242 (Sawmills & Planning Mills), 243 (Millwork, Veneer, Plywood, & Structural Wood Members), 244 (Wood Containers), 245 (Wood Buildings & Mobile Homes), 249 (Miscellaneous Wood Products)

**Major Group 25: Manufacturing of Furniture and Fixtures** - 251 (Household Furniture), 252 (Office Furniture), 254 (Partitions, Shelving, Lockers, & Office & Store Fixtures), 259 (Misc. Furniture & Fixtures)

**Major Group 26: Paper and Allied Products** - 261 (Pulp Mills), 262 (Paper Mills, Except Building Paper Mills), 263 (Paperboard Mills), 264 (Converted Paper & Paperboard Products, Except Containers & Boxes), 265 (Paperboard Containers & Boxes)

**Major Group 27: Printing, Publishing, and Allied Industries** - 271 (Newspapers; Publishing & Printing), 272 (Periodicals; Publishing & Printing), 273 (Books), 274 (Misc. Publishing), 275 (Commercial Printing), 276 (Manifold Business Forms), 277 (Greeting Card Publishing), 278 (Blankbooks, Looseleaf Binders, & Bookbinding & Related Work), 279 (Service Industries For the Printing Trade)

**Major Group 28: Chemicals and Allied Products** - 281 (Industrial Inorganic Chemicals), 282 (Plastics Materials & Synthetic Resins, Synthetic Rubber, Synthetic & Other Man-Made Fibers, Except Glass), 283 (Drugs), 284 (Soap, Detergents, & Cleaning Preparations, Perfumes, Cosmetics, & Other Toilet Preparations), 285 (Paints, Varnishes, Lacquers, Enamels, & Allied Products), 286 (Industrial Organic Chemicals), 287 (Agricultural Chemicals), 289 (Misc. Chemical Products)

**Major Group 29: Petroleum Refining and Related Industries** - 291 (Petroleum Refining), 295 (Paving & Roofing Materials), 299 (Misc. Products of Petroleum & Coal)

**Major Group 30: Rubber and Miscellaneous Plastics Products** - 301 (Tires & Inner Tubes), 302 (Rubber & Plastics Footwear), 303 (Reclaimed Rubber), 304 (Rubber & Plastics Hose & Belting), 306 (Fabricated Rubber Products, NEC), 307 (Misc. Plastics Products)

**Major Group 31: Leather and Leather Products** - 311 (Leather Tanning & Finishing), 313 (Boot & Shoe Stock

& Findings), 314 (Footwear, Except Rubber), 315 (Leather Gloves & Mittens), 316 (Luggage), 317 (Handbags & Other Personal Leather Goods), 319 (Leather Goods, NEC)

**Major Group 32: Stone, Clay, Glass, and Concrete Products** - 321 (Flat Glass), 322 (Glass & Glassware Pressed or Blown), 323 (Glass Products, Made of Purchased Glass), 324 (Cement, Hydraulic), 325 (Structural Clay Products), 326 (Pottery & Related Products), 327 (Concrete, Gypsum & Plaster Products), 328 (Cut Stone & Stone Products), 329 (Abrasive, Asbestos & Misc. Nonmetallic Mineral Products)

**Major Group 33: Primary Metal Industries** - 331 (Blast Furnaces, Steel Works & Rolling & Finishing Mills), 332 (Iron & Steel Foundries), 333 (Primary Smelting & Refining of Non-Ferrous Metals), 334 (Secondary Smelting & Refining of Non-Ferrous Metals), 335 (Rolling, Drawing & Extruding of Non-Ferrous Metals), 336 (Nonferrous Foundries), 339 (Misc. Primary Metal Products)

**Major Group 34: Fabricated Metal Products, Except Machinery and Transportation Equipment** - 341 (Metal Cans & Shipping Containers), 342 (Cutlery, Hand Tools & General Hardware), 343 (Heating Equipment, Except Electric & Warm Air; & Plumbing Fixtures), 344 (Fabricated Structural Metal Products), 345 (Screw Machine Products, & Bolts, Nuts, Screws, Rivets & Washers), 346 (Metal Forging & Stamping), 347 (Coating, Engraving & Allied Svcs.), 348 (Ordinance & Accessories, Except Vehicles & Guided Missiles), 359 (Misc. Fabricated Metal Products)

**Major Group 35: Machinery, Except Electrical** - 351 (Engines & Turbines), 352 (Farm & Garden Machinery & Equipment), 353 (Construction, Mining & Materials Handling Machinery & Equipment), 354 (Metalworking Machinery & Equipment), 355 (Special Industry Machinery, Except Metalworking Machinery), 356 (General Industrial Machinery & Equipment), 357 (Office, Computing & Accounting Machinery), 358 (Refrigeration & Service Industry Machinery), 359 (Misc. Machinery, Except Electrical)

**Major Group 36: Electrical and Electronic Machinery, Equipment and Supplies** - 361 (Electric Transmission & Distribution Equipment), 362 (Electrical Industrial Apparatus), 363 (Household Appliances), 364 (Electrical Lighting & Wiring Equipment), 365 (Radio & Television Receiving Equipment, Except Communication Type), 366 (Communication Equipment), 367 (Electronic Components & Accessories), 369 (Misc. Electrical Machinery, Equipment & Supplies), 371 (Motor Vehicles & Motor Vehicle Equipment)

**Major Group 37: Transportation Equipment** - 372 (Aircraft & Parts), 373 (Ship & Boat Building & Repairing), 374 (Railroad Equipment), 375 (Motorcycles, Bicycles & Parts), 376 (Guided Missiles & Space Vehicles & Parts), 379 (Misc. Transportation Equip.)

**Major Group 38: Measuring Analyzing, and Controlling Instruments; Photographic, Medical, and Optical Goods; Watches and Clocks** - 381 (Engineering, Laboratory, Scientific & Research Instruments & Associates Equip.), 382 (Measuring & Controlling Equip.), 383 (Optical Instruments & Lenses), 384 (Surgical, Medical & Dental Instruments & Supplies), 385 (Ophthalmic Goods), 386 (Photographic Equipment & Supplies), 387 (Watches, Clocks, Clockwork Operated Devices & Parts)

**Major Group 39: Miscellaneous Manufacturing Industries** - 391 (Jewelry, Silverware, & Plated Ware), 393 (Musical Instruments), 394 (Toys & Amusement, Sporting & Athletic Goods), 395 (Pens, Pencils & Other Office & Artists' Materials), 396 (Costume Jewelry, Costume, Novelties, Buttons, & Misc. Notions, Except Precious Metals), 399 (Misc. Manufacturing Industries)

**Major Group 40: Railroad Transportation** - 401 (Railroads), 404 (Railway Express Service)

**Major Group 41: Local and Suburban Transit and Interurban Highway Passenger Transportation** - 411 (Local & Suburban Passenger Transportation), 412 (Taxicabs), 414 (Passenger Transportation Charter Service), 415 (School Buses), 417 (Terminal & Service Facilities for Motor Vehicle Passenger Transportation)

**Major Group 42: Motor Freight Transportation and Warehousing** - 421 (Trucking, Local & Long Distance), 422 (Public Warehousing), 423 (Terminal & Joint Terminal Maintenance Facilities for Motor Freight & Transportation)

**Major Group 43: U.S. Postal Service** - 431 (U.S. Postal Service)

**Major Group 44: Water Transportation** – 441 (Deep Sea Foreign Transportation), 442 (Deep Sea Domestic Transportation), 444 (Transportation on Rivers & Canals), 445 (Local Water Transportation), 446 (Services Incidental To Water Transportation)

**Major Group 45: Transportation By Air** – 451 (Air Transportation, Certified Carriers), 452 (Air Transportation, Noncertified Carriers), 453 (Fixed Facilities & Services Related To Air Transportation)

**Major Group 46: Pipe Lines, Except Natural Gas** – 461 (Pipe Lines, Except Natural Gas)

**Major Group 47: Transportation Services** – 471 (Freight Forwarding), 472 (Arrangement of Transportation), 474 (Rental of Railroad Cars), 478 (Misc. Services Incidental To Transportation)

**Major Group 48: Communication** – 481 (Telephone Communication (Wire or Radio)), 482 (Telegraph Communication (Wire or Radio)), 483 (Radio & Television Broadcasting), 489 (Communication Services, NEC)

**Major Group 49: Electric, Gas, and Sanitary Services** – 491 (Electric Services), 492 (Gas Production & Distribution), 493 (Combination Electric & Gas & Other Utility Service), 494 (Water Supply), 495 (Sanitary Services), 496 (Steam Supply), 497 (Irrigation Systems)

**Major Group 50: Wholesale Trade--Durable Goods** – 501 (Motor Vehicles & Automotive Parts & Supplies), 502 (Furniture & Home Furnishing), 503 (Lumber & Other Construction Materials), 504 (Sporting, Recreational, Photographic & Hobby Goods, Toys & Supplies), 505 (Metals & Minerals, Except Petroleum), 506 (Electrical Goods), 507 (Hardware, & Plumbing & Heating Equipment & Supplies), 508 (Machinery, Equipment & Supplies), 509 (Misc. Durable Goods)

**Major Group 51: Wholesale Trade--Nondurable Goods** – 511 (Paper & Paper Products), 512 (Drugs, Drug Proprietaries & Druggists' Sundries), 513 (Apparel, Piece Goods & Notions), 514 (Groceries & Related Products), 515 (Farm-Product Raw Materials), 516 (Chemicals & Allied Products), 517 (Petroleum & Petroleum Products), 518 (Liquor Stores), 519 (Misc. Nondurable Goods)

**Major Group 52: Building Materials, Hardware, Garden Supply and Mobile Home Dealers** – 521 (Lumber & Other Building Materials Dealers), 523 (Paint, Glass & Wallpaper Stores), 525 (Hardware Stores), 526 (Retail Nurseries, Lawn & Garden Supply Stores), 527 (Mobile Home Dealers)

**Major Group 53: General Merchandise Stores** – 531 (Department Stores), 533 (Variety Stores), 539 (Misc. General Merchandise Stores)

**Major Group 55: Automotive Dealers and Gasoline Service Stations** – 551 (Motor Vehicle Dealers (New & Used)), 552 (Motor Vehicle Dealers (Used Only)), 553 (Auto & Home Supply Stores), 554 (Gasoline Service Station), 555 (Boat Dealers), 556 (Recreational & Utility Trailer Dealers), 557 (Motorcycle Dealers), 559 (Automotive Dealers, NEC)

**Major Group 56: Apparel and Accessory Stores** – 561 (Men's & Boys' Clothing & Furnishing Stores), 562 (Women's Ready-to-Wear Stores), 563 (Women's Accessory & Specialty Stores), 564 (Children's & Infants' Wear Stores), 565 (Family Clothing Stores), 566 (Shoe Stores), 568 (Furriers & Fur Shops), 569 (Misc. Apparel & Accessory Stores)

**Major Group 57: Furniture, Home Furnishings, and Equipment Stores** – 571 (Furniture, Home Furnishings, & Equipment Stores, Except Appliances), 572 (Household Appliance Stores), 573 (Radio, Television & Music Store)

**Major Group 58: Eating and Drinking Places** – 581 (Eating & Drinking Places)

**Major Group 59: Miscellaneous Retail** – 591 (Drug Stores & Proprietary Stores), 592 (Liquor Stores), 593 (Used Merchandise Stores), 594 (Misc. Shopping Goods Stores), 596 (Non-store Retailers), 598 (Fuel & Ice Dealers), 599 (Retail Stores, NEC)

**Major Group 60: Banking** – 601 (Federal Reserve Bank), 602 (Commercial & Stock Savings Banks), 603 (Mutual Savings Banks), 604 (Trust Companies Not Engaged in Deposit Banking), 605 (Establishments

Performing Functions Closely Related to Banking)

**Major Group 61: Credit Agencies Other Than Banks** – 611 (Rediscount & Financing Institutions for Credit Agencies Other Than Banks), 612 (Savings & Loan Associations), 613 (Agricultural Credit Institutions), 614 (Personal Credit Institutions), 615 (Business Credit Institutions), 616 (Mortgage Bankers & Brokers)

**Major Group 62: Security and Commodity Brokers, Dealers, Exchanges, and Services** – 621 (Security Brokers, Dealers, & Flotation Companies), 622 (Commodity Contracts Brokers & Dealers), 623 (Security & Commodity Exchanges), 628 (Services Allied With the Exchange of Securities or Commodities)

**Major Group 63: Insurance** – 631 (Life Insurance), 632 (Accident & Health Insurance & Medical Service Plans), 633 (Fire, Marine & Casualty Insurance), 635 (Surety Insurance), 636 (Title Insurance), 637 (Pension, Health & Welfare Funds), 639 (Insurance Carriers, NEC)

**Major Group 64: Insurance Agents, Brokers, and Service** – 641 (Insurance Agents, Brokers & Service)

**Major Group 65: Real Estate** – 651 (Real Estate Operators (Except Developers) & Lessors), 653 (Real Estate Agents & Managers), 654 (Title Abstract Offices), 655 (Subdividers & Developers)

**Major Group 66: Combinations of Real Estate, Insurance, Loans, Law Offices** – 661 (Combinations of Real Estate, Insurance, Loans, Law Offices)

**Major Group 67: Holding and Other Investment Offices** – 671 (Holding Offices), 672 (Investment Offices), 673 (Trusts), 679 (Miscellaneous Investment)

**Major Group 70: Hotels, Rooming Houses, Camps and Other Lodging Places** – 701 (Hotels, Motels & Tourist Courts), 702 (Bed & Breakfast Inns), 703 (Camps & Trailer Parks), 704- (Organization Hotels & Lodging Houses, on Membership Basis)

**Major Group 72: Personal Services** – 721 (Laundry, Cleaning & Garment Services, 721 (Coinop Self-Service Laundry), 722 (Photographic Studios, Portrait), 723 (Beauty Shops), 724 (Barber Shops), 726 (Funeral Service & Crematories), 729 (Misc. Personal Services)

**Major Group 73: Business Services** – 731 (Advertising), 732 (Consumer Credit Reporting Agencies, Mercantile Reporting Agencies & Adjustment & Collection Agencies), 733 (Mailing, Reproduction Commercial Art & Photography & Stenographic Services), 734 (Services to Dwelling & Other Buildings), 735 (News Syndicates), 736 (Personnel Supply Services), 737 (Computer & Data Processing Svcs.), 739 (Misc. Business Services)

**Major Group 75: Automotive Repair, Services and Garages** – 751 (Automotive Rental & Leasing, Without Drivers), 752 (Automobile Parking), 753 (Automotive Repair Shops), 754 (Automotive Services, Except Repair)

**Major Group 76: Miscellaneous Repair Services** – 762 (Electrical Repair Shops), 763 (Watch, Clock & Jewelry Repair), 764 (Reupholstery & Furniture Repair), 769 (Misc. Repair Shops & Related Services)

**Major Group 78: Motion Pictures** – 781 (Motion Picture Production & Allied Services), 782 (Motion Picture Distribution & Allied Services), 7832 (Motion Picture Theaters, Except Drive-in), 7833 (Drive-in Motion Picture Theaters)

**Major Group 79: Amusement and Recreation Services, Except Motion Pictures** – 7932 (Billiard & Pool Establishments), 7933 (Bowling Alleys), 794 (Commercial Sports), 799 (Misc. Amusement & Recreation Services)

**Major Group 82: Educational Services** – 824 (Correspondence Schools & Vocational Schools)

**Major Group 83: Social Services** – 835 (Day Care Services)

**Major Group 86: Membership Organizations** – 861 (Business Associations), 862 (Professional Membership Organizations), 863 (Labor Unions & Similar Labor Organizations), 864 (Civic, Social, & Fraternal Associations), 865 (Political Organizations)

**Major Group 88: Private Households** – 881 (Private Households (Residences))

**Major Group 89: Miscellaneous Services** – 891 (Engineering, Architectural & Surveying Services), 892 (Noncommercial Educational, Scientific & Research Organizations), 893 (Accounting, Auditing & Bookkeeping Services), 899 (Services, NEC)

**Major Group 91: Executive, Legislative, and General Government, Except Finance** – 911 (Executive Offices), 912 (Legislative Bodies), 913 (Executive & Legislative Offices Combined), 919 (General Government, NEC)

**Major Group 92: Justice, Public Order, and Safety** – 921 (Courts), 922 (Public Order & Safety)

**Major Group 97: National Security and International Affairs** – 971 (National Security), 972 (International Affairs)

14.2 Uses Allowed Outright and Conditionally in the I-3 Zone by Standard Industrial Classification (SIC):

**Major Group 01: Agricultural Production—Crops** - 013 (Field Crops, Except Cash Grains), 016 (Vegetables & Melons), 017 (Fruits & Tree Nuts), 018 (Horticultural Specialists), 019 (General Crops, Primary Crops)

**Major Group 07: Agricultural Services** - 071 (Soil Preparation Services), 072(Crop Services), 076 (Farm Labor & Management Services), 078 (Landscape & Horticultural Svcs.), 074 (Veterinary Services), 075 (Animal Services, Except Veterinary), (Dog Grooming)

**Major Group 08: Forestry** - 084 (Gathering of Misc. Forest Products, Except Tree Seeds), 085 (Forest Services)

**Major Group 14: Mining and Quarrying of Nonmetallic Minerals, Except Fuels** - 142 (Crushed & Broken Stone, Including Riprap), 144 (Sand & Gravel), 145 (Clay, Ceramic, & Refractory Minerals), 148 (Nonmetallic Minerals Services, Except Fuels)

**Major Group 15: Building Construction--General Contractors and Operative Builders** - 152 (General Building Contractors, Residential Bldgs), 153 (Operative Builders), 154 (General Building Contractors, Nonresidential Bldgs. & Residential Bldgs)

**Major Group 16: Construction Other Than Building Construction--General Contractors** - 161 (Highway & Street Construction, Except Elevated Highways), 162 (Heavy Construction, Except Highway & Street Construction)

**Major Group 17: Construction--Special Trade Contractors** - 171 (Plumbing, Heating (Except Electric), & Air Conditioning), 172 (Painting, Paper Hanging, & Decorating), 173 (Electrical Work), 174 (Masonry, Stonework, Tile Setting, & Plastering), 175 (Carpentering & Flooring), 176 (Roofing & Sheet Metal Work), 177(Concrete Work), 178 (Water Well Drilling), 179 (Misc. Special Trade Contractors)

**Major Group 20: Manufacturing of Food and Kindred Products** - 201 (Meat Products), 202 (Dairy Products), 202 (Canned & Preserved Fruits and Vegetables), 204 (Grain Mill Products), 205 (Bakery Products), 206 (Sugar & Confectionery Products), 207 (Fats & Oils), 208 (Beverages), 209 (Misc. Food Preparation & Kindred Products)

**Major Group 21: Tobacco Manufacturing** - 211 (Cigarettes), 212 (Cigars), 213 (Tobacco (Chewing & Smoking) & Snuff), 214 (Tobacco Stemming & Drying)

**Major Group 22: Textile Mill Products** - 221 (Broad Woven Fabric Mills, Cotton), 222 (Broad Woven Fabric Mills, Man-Made Fiber & Silk), 223 (Broad Woven Fabric Mills, Wool (Including Dyeing & Finishing)), 224

(Narrow Fabrics & Other Small wares Mills: Cotton, Wool, Silk, & Man-Made Fiber), 225 (Knitting Mills), 226 (Dyeing & Finishing Textiles, Except Wool Fabrics and Knit Goods), 227 (Floor Covering Mills), 228 (Yard & Thread Mills), 230 (Miscellaneous Textile Goods)

**Major Group 23: Manufacturing of Apparel and Other Finished Products Made From Fabrics and Similar Materials** - 231 (Men's, Youths', & Boys' Suits, Coats, & Overcoats), 232 (Men's, Youths', & Boys' Furnishings, Work Clothes, & Allied Garments), 233 (Women's, Misses', & Juniors' Outerwear), 234 (Women's, Misses', Children's & Infants' Undergarments), 235 (Hats, Caps & Millinery), 236 (Girls', Children's, & Infants' Outerwear), 237 (Fur Goods), 238 (Misc. Apparel & Accessories), 239 (Misc. Fabricated Textile Products)

**Major Group 24: Lumber and Wood Products, Except Furniture** - 241 (Logging Camps & Logging Contractors), 242 (Sawmills & Planning Mills), 243 (Millwork, Veneer, Plywood, & Structural Wood Members), 244 (Wood Containers), 245 (Wood Buildings & Mobile Homes), 249 (Miscellaneous Wood Products)

**Major Group 25: Manufacturing of Furniture and Fixtures** - 251 (Household Furniture), 252 (Office Furniture), 254 (Partitions, Shelving, Lockers, & Office & Store Fixtures), 259 (Misc. Furniture & Fixtures)

**Major Group 26: Paper and Allied Products** - 261 (Pulp Mills), 262 (Paper Mills, Except Building Paper Mills), 263 (Paperboard Mills), 264 (Converted Paper & Paperboard Products, Except Containers & Boxes), 265 (Paperboard Containers & Boxes)

**Major Group 27: Printing, Publishing, and Allied Industries** - 271 (Newspapers; Publishing & Printing), 272 (Periodicals; Publishing & Printing), 273 (Books), 274 (Misc. Publishing), 275 (Commercial Printing), 276 (Manifold Business Forms), 277 (Greeting Card Publishing), 278 (Blankbooks, Looseleaf Binders, & Bookbinding & Related Work), 279 (Service Industries For the Printing Trade)

**Major Group 28: Chemicals and Allied Products** - 281 (Industrial Inorganic Chemicals), 282 (Plastics Materials & Synthetic Resins, Synthetic Rubber, Synthetic & Other Man-Made Fibers, Except Glass), 283 (Drugs), 284 (Soap, Detergents, & Cleaning Preparations, Perfumes, Cosmetics, & Other Toilet Preparations), 285 (Paints, Varnishes, Lacquers, Enamels, & Allied Products), 286 (Industrial Organic Chemicals), 287 (Agricultural Chemicals), 289 (Misc. Chemical Products)

**Major Group 29: Petroleum Refining and Related Industries** - 291 (Petroleum Refining), 295 (Paving & Roofing Materials), 299 (Misc. Products of Petroleum & Coal)

**Major Group 30: Rubber and Miscellaneous Plastics Products** - 301 (Tires & Inner Tubes), 302 (Rubber & Plastics Footwear), 303 (Reclaimed Rubber), 304 (Rubber & Plastics Hose & Belting), 306 (Fabricated Rubber Products, NEC), 307 (Misc. Plastics Products)

**Major Group 31: Leather and Leather Products** - 311 (Leather Tanning & Finishing), 313 (Boot & Shoe Stock & Findings), 314 (Footwear, Except Rubber), 315 (Leather Gloves & Mittens), 316 (Luggage), 317 (Handbags & Other Personal Leather Goods), 319 (Leather Goods, NEC)

**Major Group 32: Stone, Clay, Glass, and Concrete Products** - 321 (Flat Glass), 322 (Glass & Glassware Pressed or Blown), 323 (Glass Products, Made of Purchased Glass), 324 (Cement, Hydraulic), 325 (Structural Clay Products), 326 (Pottery & Related Products), 327 (Concrete, Gypsum & Plaster Products), 328 (Cut Stone & Stone Products), 329 (Abrasive, Asbestos & Misc. Nonmetallic Mineral Products)

**Major Group 33: Primary Metal Industries** - 331 (Blast Furnaces, Steel Works & Rolling & Finishing Mills), 332 (Iron & Steel Foundries), 333 (Primary Smelting & Refining of Non-Ferrous Metals), 334 (Secondary Smelting & Refining of Non-Ferrous Metals), 335 (Rolling, Drawing & Extruding of Non-Ferrous Metals), 336 (Nonferrous Foundries), 339 (Misc. Primary Metal Products)

**Major Group 34: Fabricated Metal Products, Except Machinery and Transportation Equipment** - 341 (Metal Cans & Shipping Containers), 342 (Cutlery, Hand Tools & General Hardware), 343 (Heating Equipment, Except Electric & Warm Air; & Plumbing Fixtures), 344 (Fabricated Structural Metal Products), 345 (Screw Machine Products, & Bolts, Nuts, Screws, Rivets & Washers), 346 (Metal Forging & Stamping), 347 (Coating, Engraving & Allied Svcs.), 348 (Ordinance & Accessories, Except Vehicles & Guided Missiles), 359 (Misc. Fabricated Metal Products)

**Major Group 35: Machinery, Except Electrical** - 351 (Engines & Turbines), 352 (Farm & Garden Machinery & Equipment), 353 (Construction, Mining & Materials Handling Machinery & Equipment), 354 (Metalworking Machinery & Equipment), 355 (Special Industry Machinery, Except Metalworking Machinery), 356 (General Industrial Machinery & Equipment), 357 (Office, Computing & Accounting Machinery), 358 (Refrigeration & Service Industry Machinery), 359 (Misc. Machinery, Except Electrical)

**Major Group 36: Electrical and Electronic Machinery, Equipment and Supplies** - 361 (Electric Transmission & Distribution Equipment), 362 (Electrical Industrial Apparatus), 363 (Household Appliances), 364 (Electrical Lighting & Wiring Equipment), 365 (Radio & Television Receiving Equipment, Except Communication Type), 366 (Communication Equipment), 367 (Electronic Components & Accessories), 369 (Misc. Electrical Machinery, Equipment & Supplies), 371 (Motor Vehicles & Motor Vehicle Equipment)

**Major Group 37: Transportation Equipment** - 372 (Aircraft & Parts), 373 (Ship & Boat Building & Repairing), 374 (Railroad Equipment), 375 (Motorcycles, Bicycles & Parts), 376 (Guided Missiles & Space Vehicles & Parts), 379 (Misc. Transportation Equip.)

**Major Group 38: Measuring Analyzing, and Controlling Instruments; Photographic, Medical, and Optical Goods; Watches and Clocks** - 381 (Engineering, Laboratory, Scientific & Research Instruments & Associates Equip.), 382 (Measuring & Controlling Equip.), 383 (Optical Instruments & Lenses), 384 (Surgical, Medical & Dental Instruments & Supplies), 385 (Ophthalmic Goods), 386 (Photographic Equipment & Supplies), 387 (Watches, Clocks, Clockwork Operated Devices & Parts)

**Major Group 39: Miscellaneous Manufacturing Industries** - 391 (Jewelry, Silverware, & Plated Ware), 393 (Musical Instruments), 394 (Toys & Amusement, Sporting & Athletic Goods), 395 (Pens, Pencils & Other Office & Artists' Materials), 396 (Costume Jewelry, Costume, Novelties, Buttons, & Misc. Notions, Except Precious Metals), 399 (Misc. Manufacturing Industries)

**Major Group 40: Railroad Transportation** - 401 (Railroads), 404 (Railway Express Service)

**Major Group 41: Local and Suburban Transit and Interurban Highway Passenger Transportation** - 411 (Local & Suburban Passenger Transportation), 412 (Taxicabs), 414 (Passenger Transportation Charter Service), 415 (School Buses), 417 (Terminal & Service Facilities for Motor Vehicle Passenger Transportation)

**Major Group 42: Motor Freight Transportation and Warehousing** - 421 (Trucking, Local & Long Distance), 422 (Public Warehousing), 423 (Terminal & Joint Terminal Maintenance Facilities for Motor Freight & Transportation)

**Major Group 43: U.S. Postal Service** - 431 (U.S. Postal Service)

**Major Group 44: Water Transportation** - 441 (Deep Sea Foreign Transportation), 442 (Deep Sea Domestic Transportation), 444 (Transportation on Rivers & Canals), 445 (Local Water Transportation), 446 (Services Incidental To Water Transportation)

**Major Group 45: Transportation By Air** - 451 (Air Transportation, Certified Carriers), 452 (Air Transportation, Noncertified Carriers), 453 (Fixed Facilities & Services Related To Air Transportation)

**Major Group 46: Pipe Lines, Except Natural Gas** - 461 (Pipe Lines, Except Natural Gas)

**Major Group 47: Transportation Services** - 471 (Freight Forwarding), 472 (Arrangement of Transportation), 474 (Rental of Railroad Cars), 478 (Misc. Services Incidental To Transportation)

**Major Group 48: Communication** - 481 (Telephone Communication (Wire or Radio)), 482 (Telegraph Communication (Wire or Radio)), 483 (Radio & Television Broadcasting), 489 (Communication Services, NEC)

**Major Group 49: Electric, Gas, and Sanitary Services** - 491 (Electric Services), 492 (Gas Production & Distribution), 493 (Combination Electric & Gas & Other Utility Service), 494 (Water Supply), 495 (Sanitary Services), 496 (Steam Supply), 497 (Irrigation Systems)

**Major Group 50: Wholesale Trade--Durable Goods** – 501 (Motor Vehicles & Automotive Parts & Supplies), 502 (Furniture & Home Furnishing), 503 (Lumber & Other Construction Materials), 504 (Sporting, Recreational, Photographic & Hobby Goods, Toys & Supplies), 505 (Metals & Minerals, Except Petroleum), 506 (Electrical Goods), 507 (Hardware, & Plumbing & Heating Equipment & Supplies), 508 (Machinery, Equipment & Supplies), 509 (Misc. Durable Goods)

**Major Group 51: Wholesale Trade--Nondurable Goods** – 511 (Paper & Paper Products), 512 (Drugs, Drug Proprietaries & Druggists' Sundries), 513 (Apparel, Piece Goods & Notions), 514 (Groceries & Related Products), 515 (Farm-Product Raw Materials), 516 (Chemicals & Allied Products), 517 (Petroleum & Petroleum Products), 518 (Liquor Stores), 519 (Misc. Nondurable Goods)

**Major Group 52: Building Materials, Hardware, Garden Supply and Mobile Home Dealers**  
521 (Lumber & Other Building Materials Dealers), 523 (Paint, Glass & Wallpaper Stores), 525 (Hardware Stores), 526 (Retail Nurseries, Lawn & Garden Supply Stores), 527 (Mobile Home Dealers)

**Major Group 53: General Merchandise Stores** – 531 (Department Stores), 533 (Variety Stores), 539 (Misc. General Merchandise Stores)

**Major Group 55: Automotive Dealers and Gasoline Service Stations** – 551 (Motor Vehicle Dealers (New & Used)), 552 (Motor Vehicle Dealers (Used Only)), 553 (Auto & Home Supply Stores), 554 (Gasoline Service Station), 555 (Boat Dealers), 556 (Recreational & Utility Trailer Dealers), 557 (Motorcycle Dealers), 559 (Automotive Dealers, NEC)

**Major Group 59: Miscellaneous Retail** – 598 (Fuel & Ice Dealers), 599 (Retail Stores, NEC)

**Major Group 75: Automotive Repair, Services and Garages** – 752 (Automobile Parking)

**Major Group 83: Social Services** – 835 (Day Care Services)

**Major Group 88: Private Households** - 881 (Private Households (Residences))

**Major Group 91: Executive, Legislative, and General Government, Except Finance** – 911 (Executive Offices), 912 (Legislative Bodies), 913 (Executive & Legislative Offices Combined), 919 (General Government, NEC)

**Major Group 92: Justice, Public Order, and Safety** – 921 (Courts), 922 (Public Order & Safety)

**Major Group 97: National Security and International Affairs** – 971 (National Security), 972 (International Affairs)





# POPULATION GROWTH AND CHARACTERISTICS\*

## BACKGROUND

The study and understanding of population characteristics is essential to any planning work. Such characteristics help determine the types and levels of city services, land use requirements, social programs, and capital expenditures.

Counties are required to coordinate population forecasts among the cities and unincorporated areas within the County (ORS 195.036). As of 2011, Lincoln County did not have a coordinated, adopted population forecast for the cities within the County. As a result, Newport developed a population forecast for the urban growth boundary (UGB).

OAR 660-024 provides “safe harbor” approaches for forecasting population in cities that do not have a coordinated, adopted population forecast. A city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis’s (OEA) population forecast for the County, assuming that the urban area’s share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)).

## POPULATION FORECAST

Newport’s population has grown over the last two decades. Table 1 shows population change in selected areas in Newport, Lincoln County, and Oregon between 1990 and 2010. Over the 20-year period Newport added over 1,500 people, an 18% increase in population, at an average annual rate of 1.0%. Newport grew at a slower rate (1.0% per year) than Oregon (1.9% per year), and at the same rate as Lincoln County (1.0% per year).

**Table 1. Population change, Oregon, Lincoln County, and Newport, 1990 to 2010**

Area	Population			Change 1990 to 2010		
	1990	2000	2010	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	308,745,538	60,035,665	24%	1.3%
Oregon	2,842,321	3,421,399	3,831,074	988,753	35%	1.8%
Lincoln County	38,889	44,479	46,034	7,145	18%	1.0%
Newport	8,437	9,532	9,989	1,552	18%	1.0%

Source: U.S. Census 1990 SF1 P001, U.S. Census 2000 SF1 P1

Note: AAGR is average annual growth rate.

Table 2 shows annual population figure estimates for the City of Newport for the period 1990 through 2010. The data are from the Population Research Center (PRC) at Portland State University. The figures are annual population estimates. The PRC uses the decennial census conducted by the U.S. Census Bureau as a baseline and generates estimates using a methodology that considers residential building permits and other data.

PSU made significant adjustments to the 2010 population estimates for Lincoln County and Newport as a result of the 2010 Census. The estimate for Lincoln County was 44,700 persons. This was revised up to 46,135 – a difference of 1,435 persons. The initial 2010

\*Section replaced in its entirety by Ordinance No. 2015 (7/21/2011).

population estimate for Newport was 10,605 persons. The 2010 Census count for Newport was 9,989 persons. PSU revised the 2010 estimate to 10,030 persons.

**Table 2. Annual Population Growth, Lincoln County and Newport, 1990 to 2010**

Year	Lincoln County	Newport	Newport's Share of County Pop.
1990	38,889	8,437	21.7%
1991	39,880	8,540	21.4%
1992	40,730	8,675	21.3%
1993	41,900	8,885	21.2%
1994	42,940	9,075	21.1%
1995	43,940	9,495	21.6%
1996	44,500	9,785	22.0%
1997	45,050	9,960	22.1%
1998	44,840	10,240	22.8%
1999	44,500	10,290	23.1%
2000	44,479	9,532	21.4%
2001	44,650	9,660	21.6%
2002	44,700	9,650	21.6%
2003	45,000	9,740	21.6%
2004	44,400	9,760	22.0%
2005	44,405	9,925	22.4%
2006	44,520	10,240	23.0%
2007	44,630	10,455	23.4%
2008	44,713	10,580	23.7%
2009	44,700	10,600	23.7%
2010	46,135	10,030	21.7%
<b>Change 1990 to 2010</b>			
Number	7,246	1,593	
Percent	19%	19%	
AAGR	0.9%	0.9%	
<b>Change 2000 to 2010</b>			
Number	1,656	498	
Percent	4%	5%	
AAGR	0.4%	0.5%	

Source: Portland State University Population Research Center;  
 Calculations by ECONorthwest  
 Note: 2010 figures revised by PSU to reflect the 2010 Census count.

Table 3 shows the Oregon Department of Administrative Service's Office of Economic Analysis (OEA) forecast for population between 2000 and 2030 in Lincoln County. The forecast projects that Lincoln County's population will grow from nearly 47,000 people in 2010 to about 53,700 people in 2030, an increase of 6,765 people or 14% over the 20-year period. The figures are extrapolated for the 2011 to 2031 period to correspond with the requirement for a 20-year forecast.

**Table 3. Population forecast,  
Lincoln County, 2000 to 2030**

Year	Lincoln County
2000	44,600
2010	46,945
<b>2011</b>	<b>47,306</b>
2030	53,710
<b>2031</b>	<b>54,051</b>
Change 2010 to 2030	
Number	6,765
Percent	14%
AAGR	0.68%
Change 2020 to 2030	
Number	3,331
Percent	7%
AAGR	0.64%

Source: Oregon Office of Economic Analysis;  
Calculations by ECONorthwest  
Note: Population for 2011 and 2031 was  
extrapolated based on the growth rates used  
between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
Note: AAGR is average annual growth rate

Based on the revised PSU estimates, Newport's 2010 population accounted for 21.7% of Lincoln County's population. Table 4 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 21.7% of Lincoln County's population over the 20-year period. Table 4 shows that Newport's population would grow by 1,466 people over the 20-year period.

**Table 4. Population forecast,  
Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	10,285
2031	54,051	11,751
Change 2011 to 2031		
Number	6,745	1,466
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic  
Analysis forecast for Lincoln County  
Note: Population for 2011 and 2031 was  
extrapolated based on the growth rates used  
between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
Note: AAGR is average annual growth rate

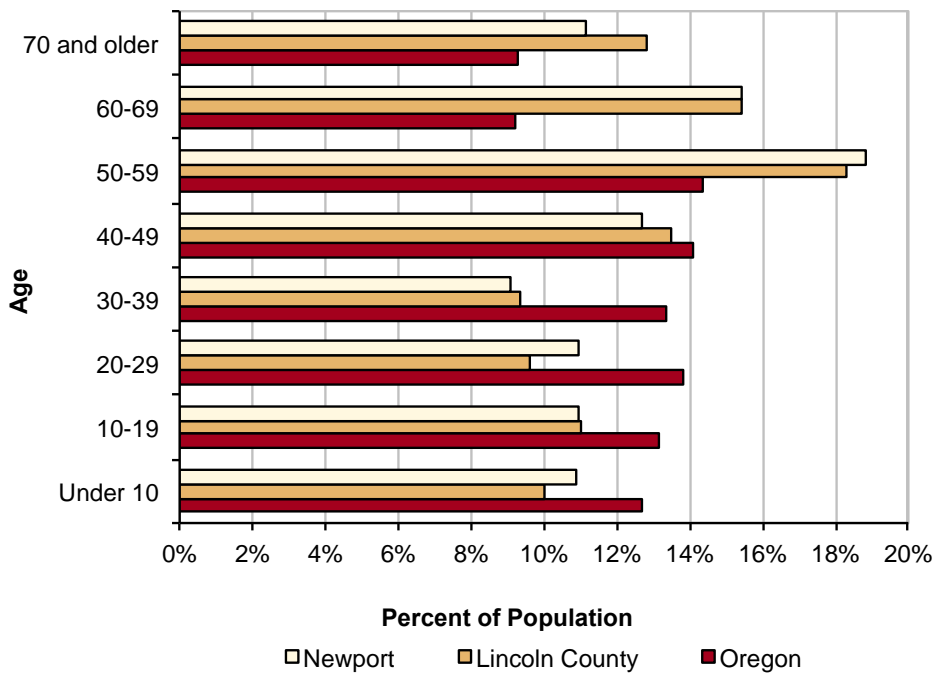
## DEMOGRAPHIC TRENDS

Demographic and housing trends are important to a thorough understanding of the dynamics of the Newport housing market. Newport exists in a regional economy; trends in the region impact the local housing market. Demographic trends also provide a broader context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and shape future growth.

### Age

Figure 1 shows the age distribution in Newport, compared to Lincoln County and Oregon, for the 2005-2009 period. Newport has a higher proportion of its population aged 50 or older (45%) than State (33%) averages. Newport has comparatively fewer residents below age 39 (42%) than the State (53%), but more than the County (40%).

**Figure 1. Population distribution by age, Oregon, Lincoln County, and Newport, 2005-2009**



Source: American Community Survey 2005-2009 5-year estimates B01001

In comparison to nearby communities, Newport has a smaller share of children and people over 65 years but a larger share of working-aged persons:

- Nineteen percent of Newport households have one or more people under the age of 18. Nearby cities generally have a larger percentage of households with one or more people under the age of 18, including Siletz (25%) and Toledo (35%).
- Nineteen percent of the city’s residents were over the age of 65. Outlying communities with the largest percent of persons 65 and over were Yachats (42%), Waldport (29%) and Depoe Bay (21%).

- Just over fifty percent of the city's residents are of working age (20-60 years old)<sup>1</sup>

Table 5 shows population by age for Newport for 2000 and the 2005-2009 period. The data show that Newport grew by 329 people between 2000 and 2005-2009, a 3% increase. The age breakdown shows that the fastest growing age groups in Newport were aged 45 to 64 years and 65 and over, consistent with County and State trends. The number of people under 44 years of age decreased in Newport.

**Table 5. Population by age, Newport, 2000 and 2005-2009**

Age Group	2000		2005-2009		Change 2000 to 2005-2009		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	533	6%	476	5%	-57	-11%	-1%
5-17	1,590	17%	1,497	15%	-93	-6%	-1%
18-24	770	8%	656	7%	-114	-15%	-1%
25-44	2,452	26%	2,087	21%	-365	-15%	-5%
45-64	2,548	27%	3,245	33%	697	27%	6%
65 and over	1,639	17%	1,900	19%	261	16%	2%
<b>Total</b>	<b>9,532</b>	<b>100%</b>	<b>9,861</b>	<b>100%</b>	<b>329</b>	<b>3%</b>	<b>0%</b>

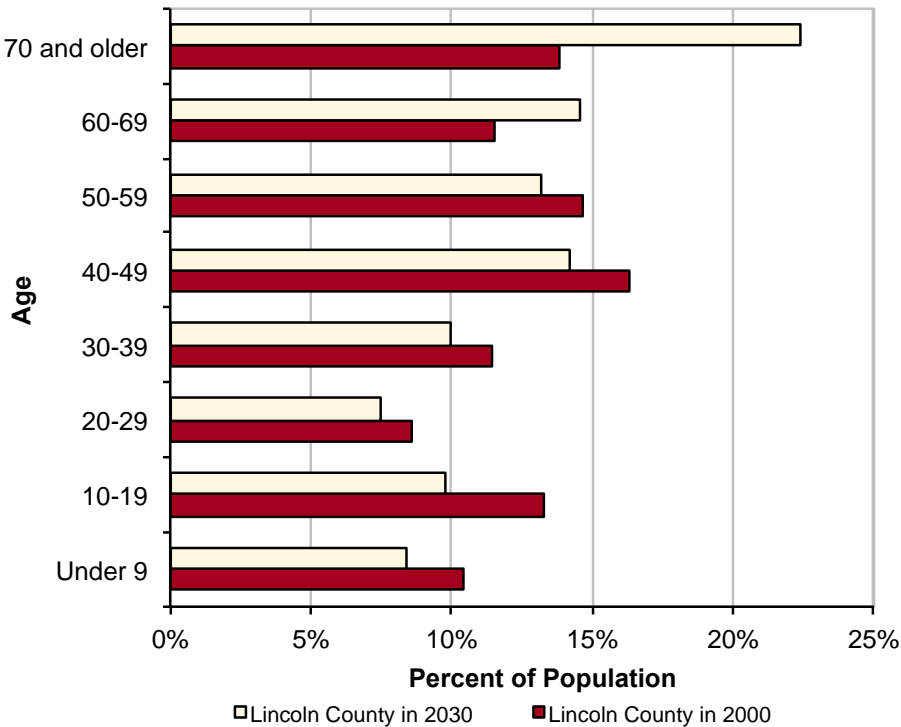
Source: U.S. Census 2000 P12, American Community Survey 2005-2009 B01001

The data in Table 5 suggests that Newport's population is aging and that the City is attracting older people and with growth concentrated in people 45 years and older. This trend is consistent with State and national trends.

Figure 2 shows the Office of Economic Analysis's (OEA) forecast of population by age group for 2000 to 2030 for Lincoln County. The OEA forecasts that Lincoln County will experience net population growth in younger age groups, but that all groups under age 60 will account for a smaller share of the county's population. The share of population in people 60 years and older is forecast to increased from 25% of the population in 2000 to 37% of the population in 2030. The share of population 29 years and younger is forecast to decrease from 32% in 2000 to 26% in 2030.

<sup>1</sup> Based on information from the U.S. Census 2005-2009 American Community Survey.

**Figure 2. Change in population distribution by age, Lincoln County, 2000-2030**



Source: Oregon Office of Economic Analysis. [http://www.oregon.gov/DAS/OEA/docs/demographic/pop\\_by\\_ageandsex.xls](http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls)

## Ethnicity

Newport has grown more ethnically diverse since 1990. Table 6 shows the number of persons of Hispanic or Latino origin for Oregon, Lincoln County, and Newport for 1990, 2000, and the 2005-2009 period. In the 2005-2009 period, Newport’s population was 8% Hispanic/Latino, compared with 7% of residents of Lincoln County and 11% of residents of Oregon.

The Hispanic/Latino population in Lincoln County grew faster than the State as a whole from 1990 to 2005-2009. Newport’s Hispanic/Latino population grew by 385% between 1990 and 2005-2009, adding 650 new Hispanic/Latino residents. During the same period, Lincoln County’s Hispanic/Latino population grew by 455% and Oregon’ Hispanic/Latino population grew by 249%.

**Table 6. Persons of Hispanic or Latino origin, Oregon, Lincoln County, and Newport, 1990, 2000, and 2005-2009**

	Oregon	Lincoln County	Newport
<b>1990</b>			
Total Population	2,842,321	38,889	8,437
Hispanic or Latino	112,707	598	169
Percent Hispanic or Latino	4%	2%	2%
<b>2000</b>			
Total Population	3,421,399	44,479	9,532
Hispanic or Latino	275,314	2,119	854
Percent Hispanic or Latino	8%	5%	9%
<b>2008</b>			
Total Population	3,727,407	45,892	9,861
Hispanic or Latino	393,466	3,316	819
Percent Hispanic or Latino	11%	7%	8%
<b>Change 1990 to 2008</b>			
Hispanic or Latino	280,759	2,718	650
Percent Hispanic or Latino	249%	455%	385%

Source: U.S. Census 1990 STF1 P009, U.S. Census 2000 P4, American Community Survey 2005-2009 B03002

## **GOALS/POLICIES: POPULATION GROWTH AND CHARACTERISTICS**

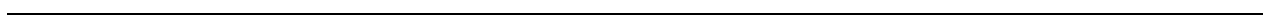
**Goal:** To use the population numbers and characteristics to evaluate and help assure that land use and other city services recognize the diverse needs of the residents of Newport.

Policy 1: The city should review the population forecast every five years in conjunction with the review of housing needs (Housing Policy 1, Implementation Measure 1.1). That description should include not only the quantitative but the qualitative components of the general population.

Policy 2: The City of Newport shall cooperate with other governmental agencies and public and private entities in the development of a county coordinated population forecast as required by ORS 195.036.



Pages 88, 89, and 90 left intentionally blank.



# **HOUSING\***

## **BACKGROUND**

The Housing section presents the results a housing needs analysis for the City of Newport.<sup>1</sup> Consistent with statewide planning Goal 10 and OAR 660-008, the primary goals of the housing needs analysis are to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

## **Purpose**

The purpose of the Housing section of the Newport Comprehensive Plan is to meet the requirements of Statewide Planning Goal 10 and its Administrative Rule (OAR 660-008). State policy requires the Housing section identify local housing needs. The goals of the Housing section are to:

- (1) Describe characteristics of the existing mix and density of housing in Newport
- (2) Describe recent residential development trends in the City,
- (3) Evaluate housing affordability, and
- (4) Project future need for housing in Newport.

This chapter evaluates the existing residential land supply within the Newport Urban Growth Boundary to determine if it is adequate to meet present and future housing needs. The methods used for this study generally follow the Planning for Residential Growth guidebook, published by the Oregon Transportation and Growth Management Program (1996).

## **Policy Framework and Methods for the Housing Needs Analysis**

Statewide Planning Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10. Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines housing needs as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” In addition to other housing types, this definition includes government-assisted housing and mobile home or manufactured dwelling parks as provided in ORS 197.303 and ORS

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\*Section replaced in its entirety by Ordinance No. 2015 (7/21/2011)

<sup>1</sup> *Newport Housing Needs Analysis*, prepared by ECONorthwest, May 2011

197.475 to 197.490. For communities with populations greater than 2,500 and counties with populations greater than 15,000, needed housing types include (but are not limited to):

- Attached and detached single family housing and multiple-family housing for both owner and renter occupancy;
- Manufactured homes on individual lots planned and zoned for single-family residential use; and
- Government-assisted housing.

The following process and methods were used in preparing this Housing element of the Comprehensive Plan:

- 1. Population forecast.** The housing needs analysis used a safe harbor methodology to forecasting population growth in which a city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis's (OEA) population forecast for the County, assuming that the urban area's share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)).
- 2. Housing Needs Analysis.** The Housing Needs Analysis (HNA) is based on the requirements of Goal 10 and OAR 660-008. The housing types that were used in the housing needs analysis included those defined in ORS 197.303: single-family detached, single-family attached, multifamily, mobile or manufactured housing in parks and on lots, and government assisted housing. The HNA uses the following aggregations of housing types: single-family detached (including manufactured home), single-family attached dwellings, and multifamily housing (including duplexes, tri- and quad-plexes, and structures with more than five units. Additionally, the HNA evaluates secondary dwellings (e.g., vacation units) and government assisted housing. The housing needs analysis includes the following components:
  - A) Project new housing units needed.** We projected needed housing units based on forecast population growth for the Newport UGB between 2011 and 2031. The analysis considered other factors such as number of people expected to live in group quarters, household size, housing mix, and vacancy rates.
  - B) Identify trends that may affect housing mix and density.** The analysis includes a review of national, state, and local demographic and economic trends that may affect housing mix and density. These trends include: changes in housing tenure, changes in housing mix, changes in the region's age structure, changes in ethnicity, changes in housing prices and recent increases in mortgage foreclosures, and other trends.
  - C) Determine types of housing that are likely to be affordable.** The analysis includes a review of trends in housing affordability, such as changes in income, changes in housing price, changes in rental costs, rate of cost-burden, and housing affordability by type of housing for households of different incomes.
  - D) Estimate the number of units needed by housing type.** The estimate of the number of units needed by housing type will be based on the information described in the steps above (A through C).

3. **Determine actual mix and density of existing housing.** The analysis of housing mix and density of existing housing is based on analysis of building permits and land that was developed since 2000.
4. **Determine average density and mix of needed housing.** The housing needs projection documents “needed” density and mix for future housing needs based on the conclusions about housing need from the housing needs analysis.
5. **Determine residential land sufficiency.** The analysis compared the needed acres of residential land with the inventory of residential land in each Plan Designation to determine whether there is enough land within the UGB to accommodate 20-years worth of growth.
6. **Policies and implementation measures to facilitate development of needed housing.** The types of policy measures considered as part of this project relate to affordable housing and ways to use the city’s residential land to meet housing needs of Newport residents. The analysis included a review of policies in the Newport Comprehensive Plan and Zoning Ordinance, as well as programs and partnerships.

## Organization of the Housing section

The remainder of the Housing section is organized as follows:

- **Residential Buildable Lands Inventory** presents the results of an inventory of lands designated for residential uses in the Newport Urban Growth Boundary
- **Housing Development Trends** describes the mix and density of dwelling units developed during the 2000-2010 period.
- **Housing Needs Analysis** presents the results of the analysis of housing needs in Newport for the 2011 to 2031 period.
- **Housing Goals, Policies, and Implementation Measures** summarizes actions the City is committed to take to address identified housing needs.

## RESIDENTIAL BUILDABLE LANDS INVENTORY

The residential lands inventory is intended to identify lands that are available for development within the UGB. The inventory is sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the density of development.

This section presents the *residential* buildable lands inventory for the City of Newport. The results are based on analysis of Geographic Information System data provided by City of Newport staff and Lincoln County Tax Assessment data. The analysis also used aerial orthophotographs for verification.

The general structure of the buildable land (supply) analysis is based on the DLCDC workbook “*Planning for Residential Growth – A Workbook for Oregon’s Urban Areas*,” which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-008 and OAR 660-024. The steps in the supply inventory were:

1. **Generate residential “land base.”** The land base includes tax lots or portions of tax lots that are within residential plan designations (LDR or HDR) in the Newport UGB.
2. **Classify lands.** Each tax lot was classified into one of the following categories:
  - Vacant land
  - Partially vacant land
  - Undevelopable land
  - Developed land
  - Public land
  - Right-of-way
  - Destination resort
  - Privately dedicated open space or common areas
3. **Identify development constraints.** The City identifies areas in floodways, wetlands identified in the Local Wetlands Inventory (LWI), landslide and shoreline erosion hazards, and land identified for future public facilities as constrained or committed lands. These areas were deducted from lands that were identified as vacant or partially vacant.
4. **Tabulation and mapping.** The results are presented in tabular and map format with accompanying narrative.

## Definitions

The first step in the buildable inventory was to develop working definitions and assumptions. The buildable lands analysis was developed with a tax lot database provided by the City’s Community Development Department. The tax lot database was current as of December 2010. The supply analysis builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands analysis was to classify each tax lot into a set of mutually exclusive categories. Consistent with the DLCDC *Residential Lands Workbook*, as well as applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes which were considered developed).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. The inventory uses the safe harbor methodology described in OAR 660-024-0050(2):
  - (a) The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;
  - (b) Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.
- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained. The majority of undevelopable land identified in the inventory is located in the active beach zone within the UGB.
- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Public land.* Lands in public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lincoln County Assessment property tax exemption codes. This category only includes public lands that are located in residential plan designations.
- *Private open space.* Review of assessment data shows that Newport has many developments with private open space. This includes common areas around condominiums and dedicated open space owned by subdivisions. These areas were identified by reviewing maps and aerial photos. Classification was determined by ownership.
- *Destination resort.* Lands identified in the Newport Comprehensive Plan as designated for the proposed Wolf Tree destination resort.
- *Right of way.* Some tax lots in the database are dedicated to private right of way. These tax lots were identified by reviewing maps; most of them are paved streets.

## Development constraints

State guidance on buildable lands inventories (OAR 660-008-0005(2)), suggests that some lands be deducted from the inventory due to development constraints:

“Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:

- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
- (b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
- (c) Has slopes of 25 percent or greater;
- (d) Is within the 100-year flood plain; or
- (e) Cannot be provided with public facilities.<sup>2</sup>

Based on the Division 8 rule and data provided by the City of Newport, the following constraints were deducted from the residential lands inventory.

- *Land constrained by natural hazards.* The City provided three GIS datasets that map the extent of Goal 7 hazards:
  - Active hazard zone region
  - Active landslide hazards
  - Bluff erosion hazard zones
  - Dune hazard zones

The inventory classified portions of residential taxlots considered that fall within areas considered “high risk” as constrained (unbuildable).

- *Land within natural resource protection areas.* Areas within the local wetlands inventory (LWI), Ocean Shorelands Overlay were deducted from the buildable lands inventory.

## SUMMARY OF RESIDENTIAL LAND SUPPLY

Table 1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

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<sup>2</sup> OAR 660-008-0005(2)

Table 1. Acres in Newport UGB and City Limit, 2011

Area	Tax Lots	Total Acres
City Limits	7,066	7,151
Urban Growth Area	602	1,028
<b>Total</b>	<b>7,668</b>	<b>8,179</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Table includes all areas within the UGB, including non-residential areas  
 Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 1 summarizes all land in the Newport UGB. The next step was to identify the residential land base (e.g., lands with plan designations that allow housing or “residential lands”). The land base includes traditional residential designations—Low-Density Residential and High-Density Residential.

Table 2 shows that about 3,241 acres within the Newport UGB is included in the residential land base. Thus, about 39% of land within the Newport UGB is included in the residential land base. The land base includes all land in tax lots that have any portion that is in a residential plan designation.

**Table 2. Lands designated for residential uses, Newport UGB, 2011**

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Residential Land	
Tax Lots in Residential Designations	5,114
Acres in Land Base in Residential Designations	3,241

Source: City of Newport GIS data; analysis by ECONorthwest

Table 3 shows all residential land in the Newport UGB by classification and plan designation. The results show that of the 3,241 acres in the UGB, about 1,204 are in classifications with no development capacity, and the remaining 2,035 have development capacity.

Further analysis by plan designation shows that about 55% (1,772 acres) of the residential land in the Newport UGB is designated low-density residential, and the remaining 45% (1,469 acres) high-density residential. About 38% of lands in low-density designations are classified as committed or unbuildable, while about 36% in high-density designations are in similar classifications. Note that this does not include deductions for physical constraints to development (e.g., areas of geologic hazard, wetlands, etc.)



**Table 3. Residential acres by classification and plan designation, Newport UGB, 2011**

Classification	Plan Designation					
	Low Density Res		High Density Res		Total	
	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
<b>Land with no development capacity</b>						
Developed	2,011	545	1,759	333	3,770	878
Public	59	36	68	97	127	133
Unbuildable	79	87	31	74	110	161
Right of Way	6	4	14	9	20	13
Private Open Space	0	0	20	19	20	19
<b>Subtotal</b>	<b>2,155</b>	<b>672</b>	<b>1,892</b>	<b>532</b>	<b>4,047</b>	<b>1,204</b>
<b>Land with development capacity</b>						
Vacant	544	878	339	225	883	1,103
Partially Vacant	129	222	24	43	153	265
Destination Resort	0	0	31	668	31	668
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>394</b>	<b>936</b>	<b>1,067</b>	<b>2,036</b>
<b>Total</b>	<b>2,828</b>	<b>1,772</b>	<b>2,286</b>	<b>1,469</b>	<b>5,114</b>	<b>3,241</b>

Source: City of Newport data; analysis by ECONorthwest

Table 4 shows residential acres by classification and constraint status for the Newport UGB in 2011. Analysis by constraint status (the table columns) shows that about 935 acres are classified as built or committed (e.g., unavailable for development), 541 acres were classified as constrained, and 1,764 were classified as vacant buildable. Of the 1,764 acres, 575 are within the Wolf Tree Destination Resort area, 202 are partially vacant, and 988 are vacant. Note that Table 4 does not make any adjustments for slope constraints.

**Table 4. Residential acres by classification, Newport UGB, 2011**

Classification	Tax Lots	Total Ac	Land not available for housing		Land available for housing
			Developed Ac	Constrained Ac	Buildable Ac
<b>Land with no development capacity</b>					
Developed	3,770	878	780	97	0
Public	127	133	78	54	0
Unbuildable	110	161	13	148	0
Right of Way	20	13	12	2	0
Private Open Space	20	19	16	3	0
<b>Subtotal</b>	<b>4,027</b>	<b>1,185</b>	<b>899</b>	<b>305</b>	<b>0</b>
<b>Land with development capacity</b>					
Vacant	883	1,103	0	116	988
Partially Vacant	153	265	36	28	202
Destination Resort	31	668	0	93	575
<b>Subtotal</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>
<b>Total</b>	<b>5,094</b>	<b>3,222</b>	<b>935</b>	<b>541</b>	<b>1,764</b>

Source: City of Newport data; analysis by ECONorthwest  
 Note: Constraints do not include any deductions related to slope.

Table 5 shows land with development capacity by constraint status. The data show that about 36 acres within tax lots with development capacity are developed. An additional 237 acres have development constraints that are unbuildable, leaving about 1,764 buildable residential acres within the UGB.

**Table 5. Residential land with development capacity by constraint status, Newport UGB, 2011**

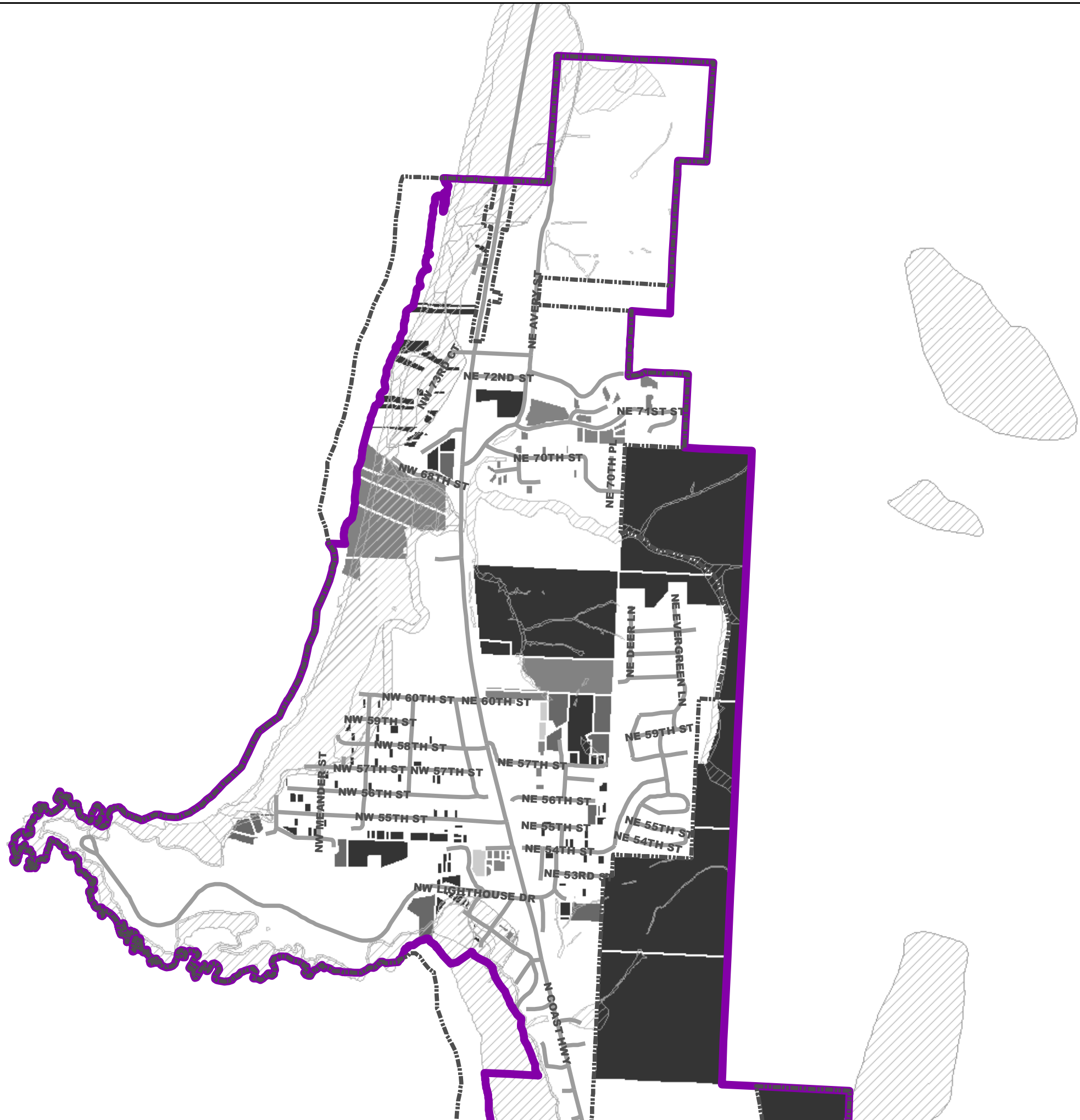
Plan Designation	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Buildable Acres
<b>Low Density Residential</b>					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>
<b>High Density Residential</b>					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

# Tile 1

## Vacant & Partially Vacant Land by Plan Designation and Constraints

### City of Newport



City Limits

Urban Growth Boundary

**Vacant and Partially Vacant Land in Study**

**Class, CompDes**

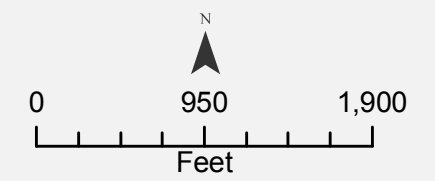
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- Vacant, High Density Residential
- Partially Vacant, Low Density Residential
- Vacant, Low Density Residential

**Constraints**

All Constraints

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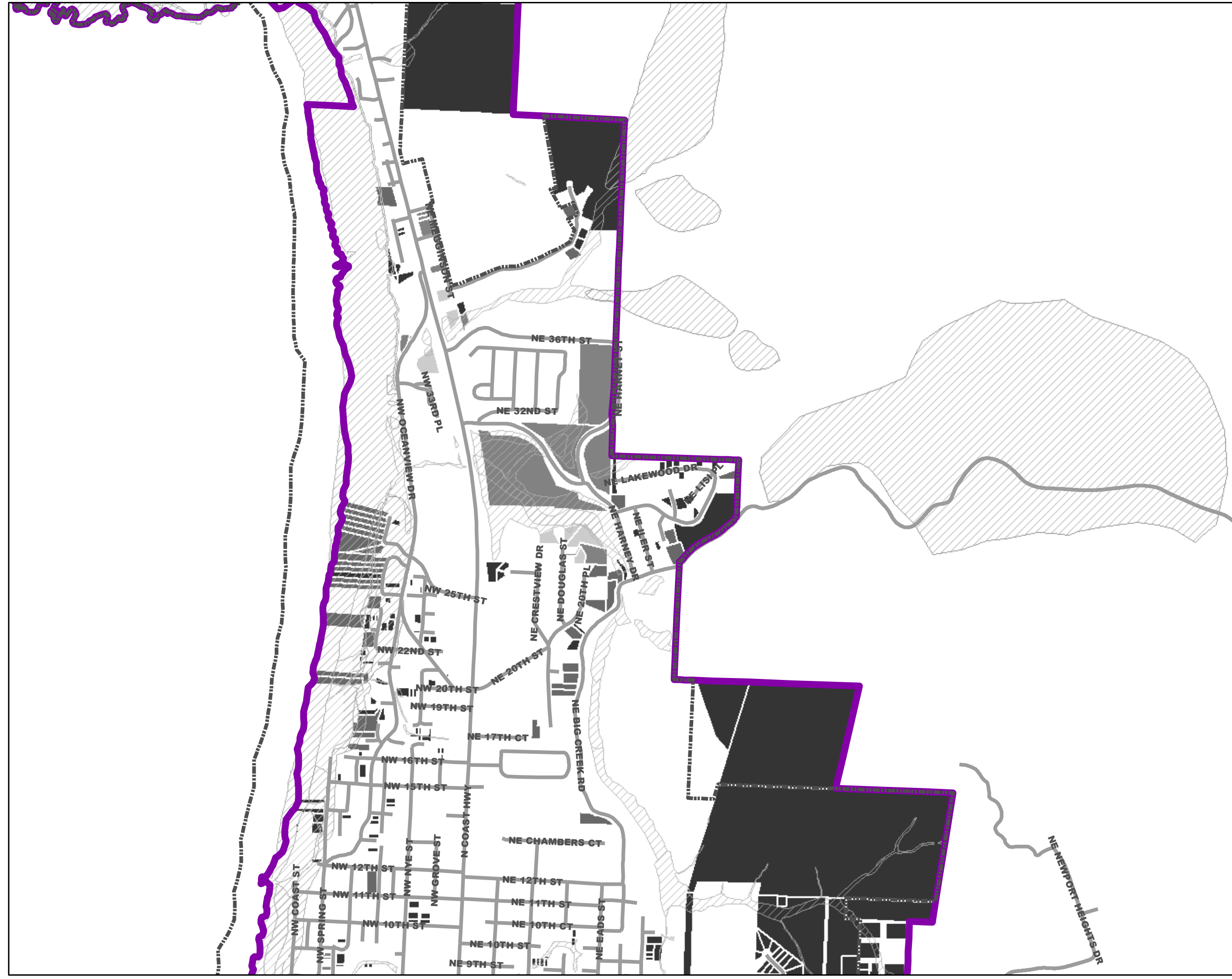
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- High Hazard Dune Zone
- High Hazard Bluff Zone
- Active Hazard Zone
- FEMA Floodway
- LWI Wetlands
- Other Landslide Areas



# Tile 2

## Vacant & Partially Vacant Land by Plan Designation and Constraints

### City of Newport



City Limits

Urban Growth Boundary

**Vacant and Partially Vacant Land in Study**

**Class, CompDes**

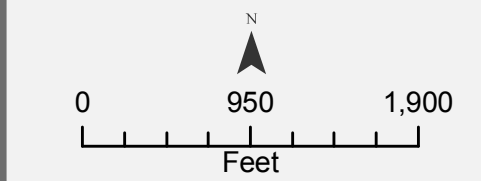
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- Partially Vacant, Low Density Residential
- Vacant, Low Density Residential

**Constraints**







All Constraints


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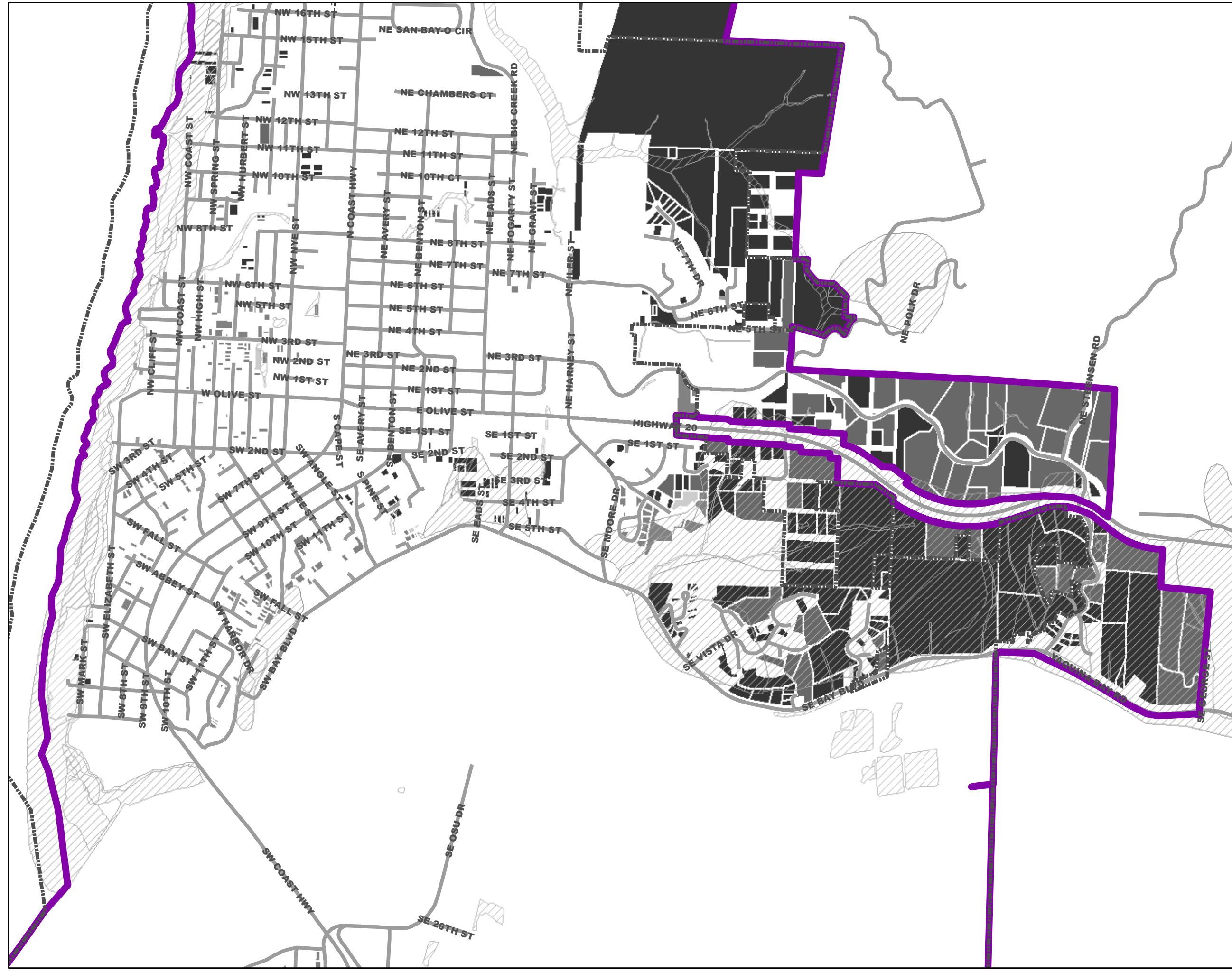
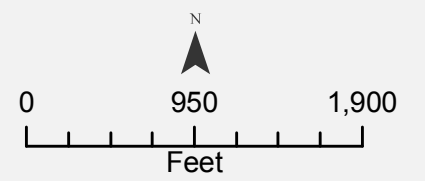
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- High Hazard Dune Zone
- High Hazard Bluff Zone
- Active Hazard Zone
- FEMA Floodway
- LWI Wetlands
- Other Landslide Areas



# Tile 3 Vacant & Partially Vacant Land by Plan Designation and Constraints City of Newport

-  City Limits
-  Urban Growth Boundary
- Vacant and Partially Vacant Land in Study**
- Class, CompDes**
-  Partially Vacant, High Density Residential
-  Vacant, High Density Residential
-  Partially Vacant, Low Density Residential
-  Vacant, Low Density Residential

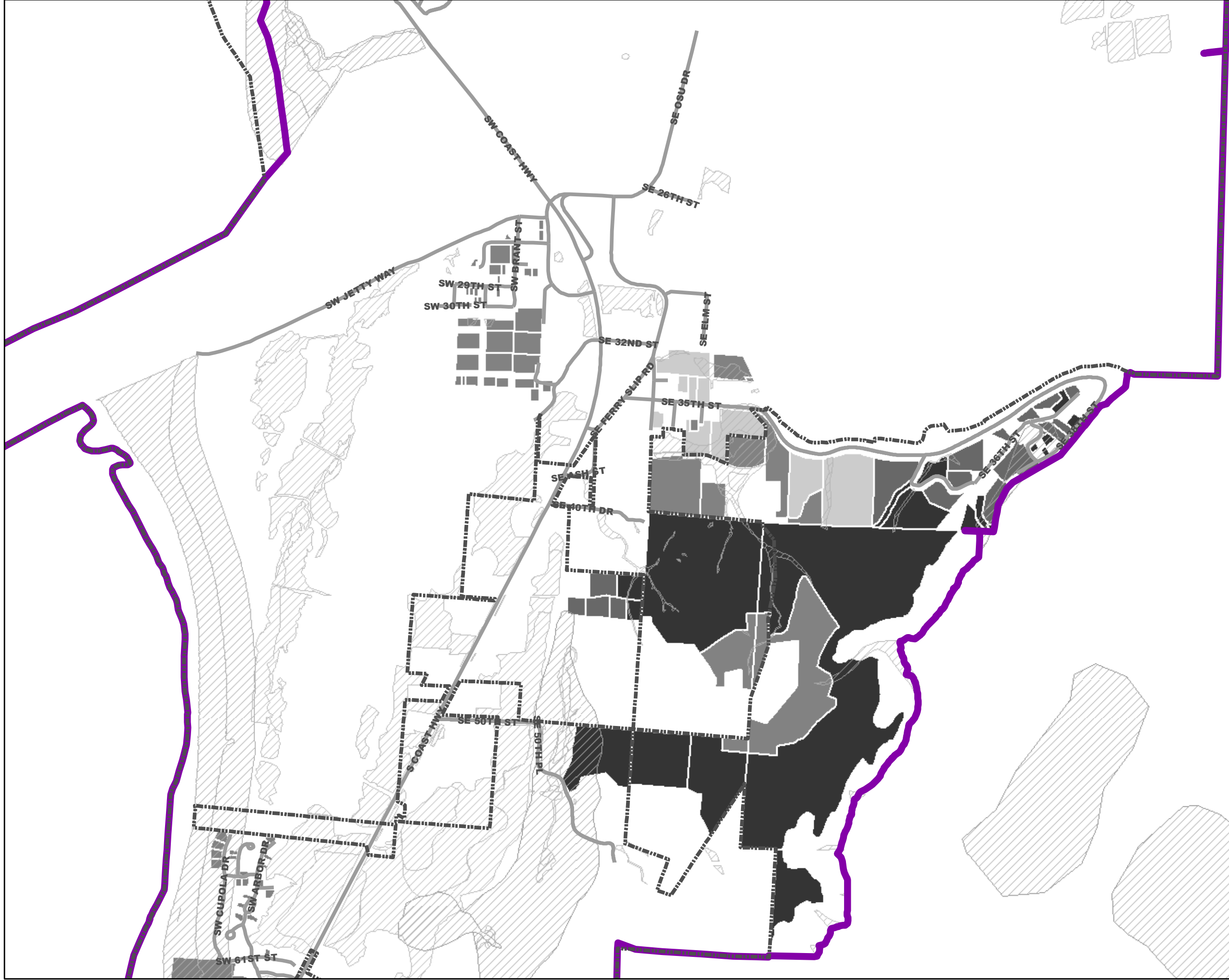
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-  All Constraints
- Constraints include:**
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- High Hazard Bluff Zone
- Active Hazard Zone
- FEMA Floodway
- LWI Wetlands
- Other Landslide Areas



# Tile 4

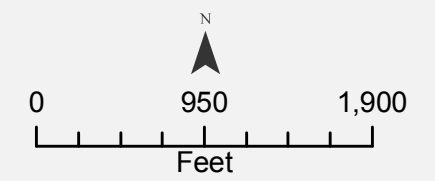
## Vacant & Partially Vacant Land by Plan Designation and Constraints

### City of Newport



- City Limits
- Urban Growth Boundary
- Vacant and Partially Vacant Land in Study**
- Class, CompDes**
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- Vacant, High Density Residential
- Partially Vacant, Low Density Residential
- Vacant, Low Density Residential

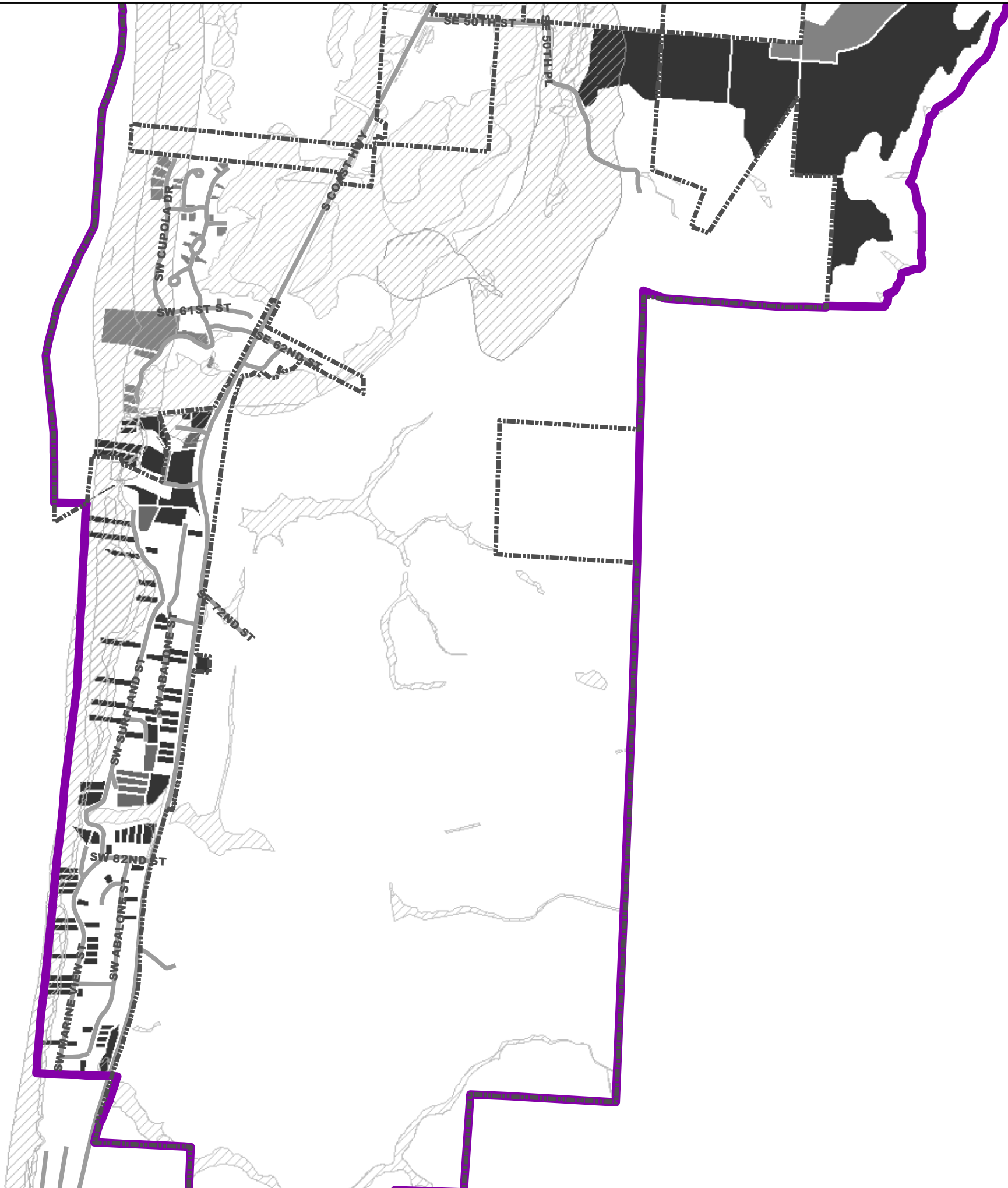
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- High Hazard Bluff Zone
- Active Hazard Zone
- FEMA Floodway
- LWI Wetlands
- Other Landslide Areas









# Tile 5

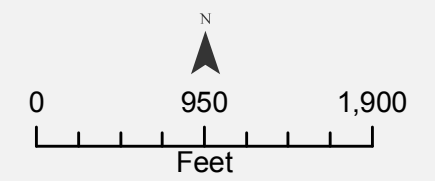
## Vacant & Partially Vacant Land by Plan Designation and Constraints

### City of Newport



 City Limits  
 Urban Growth Boundary  
**Vacant and Partially Vacant Land in Study**  
**Class, CompDes**  
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 Vacant, High Density Residential  
 Partially Vacant, Low Density Residential  
 Vacant, Low Density Residential

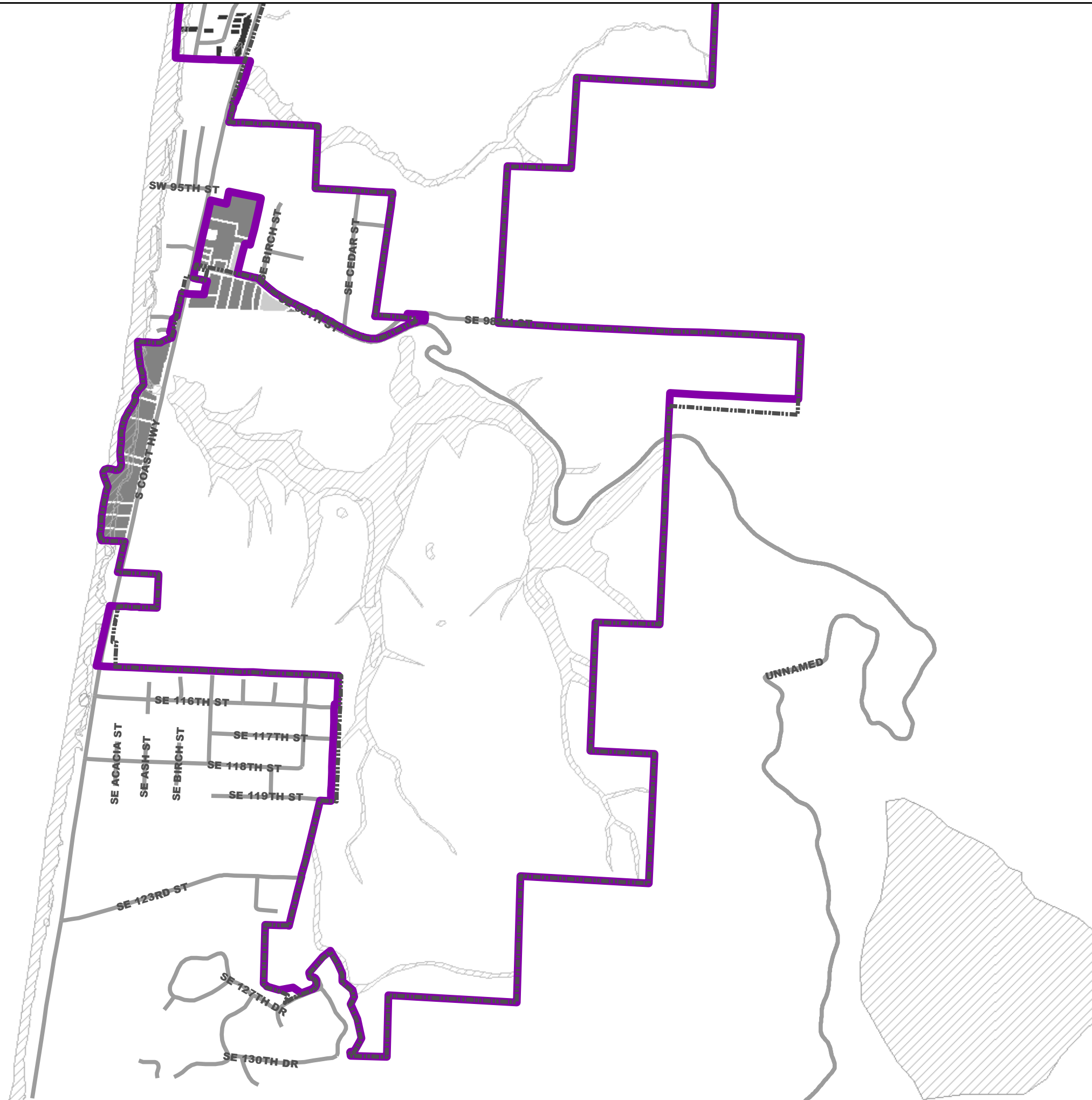
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 All Constraints  
**Constraints include:**  
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 High Hazard Dune Zone  
 High Hazard Bluff Zone  
 Active Hazard Zone  
 FEMA Floodway  
 LWI Wetlands  
 Other Landslide Areas



# Tile 6

## Vacant & Partially Vacant Land by Plan Designation and Constraints

### City of Newport



City Limits

Urban Growth Boundary

**Vacant and Partially Vacant Land in Study**

**Class, CompDes**

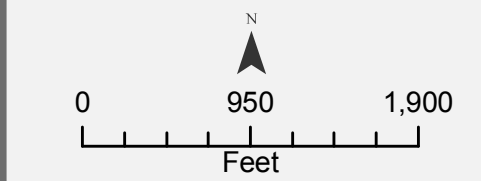
- Partially Vacant, High Density Residential
- Vacant, High Density Residential
- Partially Vacant, Low Density Residential
- Vacant, Low Density Residential

**Constraints**

All Constraints

**Constraints include:**

- Active Landslide Zone
- High Hazard Dune Zone
- High Hazard Bluff Zone
- Active Hazard Zone
- FEMA Floodway
- LWI Wetlands
- Other Landslide Areas





## HOUSING DEVELOPMENT TRENDS

Analysis of historical development trends in Newport provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing—particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described below:

1. Determine the time period for which the data must be gathered
2. Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303)
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types

The analysis of housing mix and density in Newport is based on building permits issued between 2000 and 2010. Analysis of building permit activity over the prior decade provides sufficient information to describe recent residential development trends and includes both times of high housing production and times of low housing production.

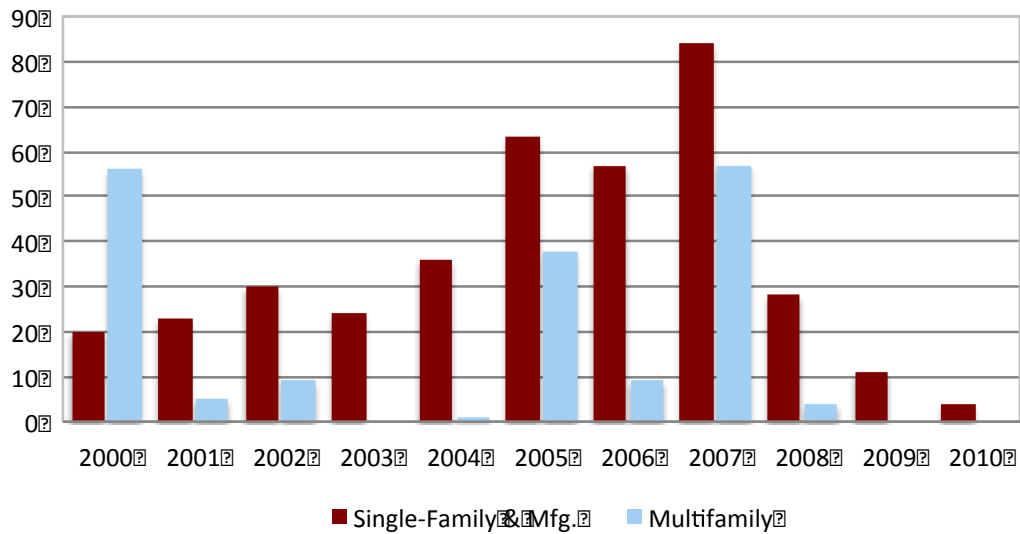
The housing needs analysis presents information about residential development by housing types. For the purposes of this study, housing types are grouped based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

- **Single-family detached** includes single-family detached units, single-family attached units, and manufactured homes on lots and in mobile home parks.
- **Multifamily** is all attached structures, ranging from duplexes to structures with more than five units.

## RESIDENTIAL DEVELOPMENT TRENDS

Figure 1 shows residential building permits issued in Newport between January 1, 2000 and December 31, 2010. During this period, a total of 412 building permits were issued for new residential construction that allowed 572 dwelling units. Figure 1 shows that the number of dwelling units approved varies from year to year and peaked at about 150 units in 2007 and decreased to four units in 2010.

**Figure 1. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**



Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
 Analysis by ECONorthwest

Note: Figure 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

## TRENDS IN HOUSING MIX

Housing mix is the share or distribution of housing (structure) by type (e.g., single-family detached or apartments) within a city. The housing mix by type (i.e., percentage of single family or multi-family units) is an important variable in any housing needs assessment. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Several ways exist to look at change in housing mix over time, each of which shows a slightly different mix of housing.

- **Building permit data.** Table 6 shows the mix of building permits issued in the Newport UGB between 2000 and 2010.
- **Census data.** Table 7 shows changes in the mix of housing stock in Newport over the 1990 to 2009 period, based on Census data.

The information about housing mix for building permits issued and for dwelling units built over the last few years (Tables 6) provides useful information about recent trends in housing mix, which may be useful in forecasting changes in housing mix. Longer term information about the mix of the entire housing stock in Newport (Table 7) also provides useful information for forecasting changes in housing mix over the 20-year planning period.

Table 6 shows permits issued for new residential construction between January 2000 and December 2010 in Newport. Table 6 shows that 559 dwelling units were permitted, at an

average of 51 dwellings permitted annually.<sup>3</sup> Sixty-eight percent of permitted units were single-family housing types (including single-family detached, single-family attached, and manufactured) and 32% were multifamily.

**Table 6. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**

Year	Single-Family & Mfg.	Multifamily	Total
2000	20	56	76
2001	23	5	28
2002	30	9	39
2003	24	0	24
2004	36	1	37
2005	63	38	101
2006	57	9	66
2007	84	57	141
2008	28	4	32
2009	11	0	11
2010	4	0	4
<b>Total</b>	<b>380</b>	<b>179</b>	<b>559</b>
<b>Percent of total</b>	<b>68%</b>	<b>32%</b>	
<b>Annual average</b>	<b>35</b>	<b>16</b>	<b>51</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
Analysis by ECONorthwest

Note: Table 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

Table 7 shows changes in Newport's housing mix from 1990 to 2009, based on U.S. Census data. Between 1990 and 2009<sup>4</sup>, Newport increased its housing stock by 35%, adding 1,423 dwelling units. The mix of housing did not change substantially between 1990 and the 2005-2009 period. The share of single-family detached units (e.g., single-family houses and manufactured homes) remained nearly 70% over the 17-year period, with more than 800 single-family units built.

About 30% of new dwellings built in Newport over the 1990 to 2005-2009 period were multi-family housing types (e.g., structures with two or more units), accounting for 419 new units built. The share of attached structures did not change substantially, accounting for 5% of new dwellings built in Newport over the 1990 to 2005-2009 period.

<sup>3</sup> This number is slightly lower than the 572 permits reported in the previous section. The analysis eliminated 13 permits that were issued in 2007 that did not result in new dwellings.

<sup>4</sup> Census Data used for this analysis include 1990 and 2000 decennial census results and the 5-year American Community Survey (ACS) estimates for 2005-2009. The 2005-2009 ACS employs a continuous measurement methodology that uses a monthly sample of the U.S. population. By pooling several years of survey responses, the ACS can generate detailed statistical portraits of small geographies, such as Newport. The 2005-2009 ACS provides estimates of information, based on responses to the ACS from households in Newport over the 2005 to 2009 period. The results of the 2005-2009 ACS are not results for one year but an estimate for the five year period.

**Table 7. Dwelling units by type, Newport city limits, 1990, 2000, and 2005-2009**

	1990		2000		2005-2009		Change 1990 to 2005-2009		
	Units	Percent	Units	Percent	Units	Percent	Units	% of total	% increase
Single-family detached	2,864	70%	3,226	64%	3,803	69%	939	66%	53%
Single-family attached	149	4%	188	4%	214	4%	65	5%	44%
Two to four units	589	14%	795	16%	612	11%	23	2%	4%
Five or more units	503	12%	810	16%	899	16%	396	28%	79%
<b>Total</b>	<b>4,105</b>	<b>100%</b>	<b>5,019</b>	<b>100%</b>	<b>5,528</b>	<b>100%</b>	<b>1,423</b>	<b>100%</b>	<b>35%</b>

Source: U.S. Census 1990 SF3 H020, U.S. Census 2000, SF3 H30, American Community Survey 2005-2009 B25024

Note: Single-family detached housing includes manufactured homes. The Census does not distinguish between manufactured homes in parks or on single lots.

Note: The number of dwelling units in Newport shown in Tables 3-2, 3-3 and 3-4 differ because the tables show different information and are based on different data sources. Table 3-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

This analysis shows that the mix of housing types over the 1990 to 2009 period was similar to the mix of housing permitted over the 2000 to 2010 period. Seventy-three percent of Newport’s housing stock was single-family housing types (single-family detached, single-family attached, and manufactured homes) during the 2005 to 2009 period. During the 2000 to 2010 period, a smaller share of permits issued by Newport (68%) were single-family housing types.

## TRENDS IN TENURE

Table 8 shows changes in Newport’s tenure (e.g., whether the home is owner or renter occupied) for occupied units from for 1990 and the 2005-2009 period. Newport’s tenure shifted over the period, with a 9% increase in homeownership. About 58% of occupied housing in Newport was owner-occupied in 2005-2009, up from 54% in 1990. In comparison, Lincoln County’s homeownership rate was 67% and the State average of 64% in the 2005-2009 period. Table 8 does not include the more than 1,000 dwelling units that were vacant, the majority of which were vacant for recreational or seasonal use.

**Table 8. Change in tenure, occupied units, Newport, 1990 and 2005-2009**

	1990		2005-2009		Change 1990 to 2005-2009	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	1,905	54%	2,579	58%	674	35%
Renter Occupied	1,640	46%	1,874	42%	234	14%
<b>Total</b>	<b>3,545</b>	<b>100%</b>	<b>4,453</b>	<b>100%</b>	<b>908</b>	<b>26%</b>

Source: U.S. Census 1990 SF3 H008, American Community Survey 2005-2009 B25003

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 9 shows type of dwelling by tenure (owner or renter-occupied) in Newport over the 2005-2009 period. The results show that single-family detached housing types have a higher ownership rate than other housing types—about 92% of owner-occupied units were single-family detached. By contrast, 17% of renter-occupied housing was single-family detached units. Renter-occupied units were generally two to four unit structured (31%) or structures with five or more units (47%).

**Table 9. Housing units by type and tenure, occupied dwelling units, Newport, 2005-2009**

Housing type	Owner Occupied		Renter Occupied	
	Number	Percent	Number	Percent
Single-family detached	2,295	92%	208	17%
Single-family attached	83	3%	72	6%
Two to four units	36	1%	380	31%
Five or more units	82	3%	576	47%
<b>Total</b>	<b>2,496</b>	<b>100%</b>	<b>1,236</b>	<b>100%</b>

Source: American Community Survey 2005-2009 B25032

Note: Single-family detached includes manufactured homes.

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 10 shows that vacancy rates in Newport and reasons for vacancy for 1990, 2000, and the 2005-2009 period. Vacancy rates ranged from about 14% in 1990 to 18% in 2000, and 19% in the 2005-2009 period. Table 10 shows that the main reason for vacancy was seasonal (or recreational) use. Houses vacant for seasonal uses increased from 260 units in 1990 to 885 units in the 2005-2009 period. The increase in vacancy rates in Newport is the result, in large part, of increases in the number of seasonal units.

**Table 10. Vacancy Status for Newport, 1990, 2000, 2005-2009**

	1990		2000		2005-2009	
	Units	Percent	Units	Percent	Units	Percent
Occupied	3,545	86%	4,112	82%	4,453	81%
Vacant	560	14%	922	18%	1,075	19%
For Sale	31	1%	108	2%	28	1%
For Rent	96	2%	277	6%	71	1%
Rented or Sold	35	1%	30	1%	50	1%
Seasonal	260	6%	437	9%	885	16%
Other	138	3%	70	1%	41	1%

Source: U.S. Census 1990 SF3 H003 and H005, 2000 SF 3 H3 and H5, and American Community Survey 2005-2009 B25002 and B25004

Preliminary results of the 2010 Census estimated overall vacancy rates in Newport at 21%. This equates to 1,186 of the 5,540 dwelling units the Census reported existed within the Newport city limits. This figure is slightly higher than the figure presented in Table 10.

The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner's ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained. The Urban Land Institute forecasts that homeownership will decline to the low 60 percent range by 2015.<sup>5</sup>

The Joint Center for Housing Studies at Harvard University indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. The

<sup>5</sup>John McIlwain, "Housing in America: The Next Decade," Urban Land Institute

location of these homes may be different than recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential are “global gateway, 24-hour markets,” which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, or San Francisco). Development in these areas may be nearer city centers, with denser infill types of development.<sup>6</sup>

## RESIDENTIAL DEVELOPMENT DENSITY

Table 11 shows residential density achieved in Newport over the 2000 to 2010 period. Some of the dwellings permitted during the 10-year period were located on lots with existing dwelling units. This is most frequently the case for manufactured dwellings (often in manufactured home parks) or apartments. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Table 11 shows that Newport’s average residential density achieved over the 10-year period was 8.8 dwelling units (DU) per net acre. Single-family housing types averaged 7.0 du per net acre and multifamily housing types averaged 18.7 du per net acre.

**Table 11. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre, Newport UGB, January 1, 2000 and December 31, 2010**

	DU Permitted 2000 to 2010	Total DU, Lots with a Permit Issued 2000 to 2010	Acres of Land	Density (DU/Acre)
<b>Single-family types</b>				
Single-Family	343	344	52	6.6
Manufactured	50	121	14	8.7
<b>Single-family subtotal</b>	<b>393</b>	<b>465</b>	<b>66</b>	<b>7.0</b>
<b>Multifamily</b>				
Duplex, Triplex, and Quad	9	10	0	21.7
Condo	157	157	8	19.3
Apartment	13	59	3	17.0
<b>Multifamily subtotal</b>	<b>179</b>	<b>226</b>	<b>12</b>	<b>18.7</b>
<b>Total</b>	<b>572</b>	<b>691</b>	<b>78</b>	<b>8.8</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor’s Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: “Total DU, Lots with a Permit Issued 2000 to 2010” shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

Table 12 shows residential density achieved in Newport over the 2000 to 2010 period by housing type and plan designation. Table 12 shows:

- The average density of residential permits in Low Density Residential (LDR) was 5.3 du per net acre.

<sup>6</sup> Urban Land Institute, “2011 Emerging Trends in Real Estate”

- The average density of residential permits in High Density Residential (HDR) was 9.9 du per net acre.
- Nearly half of development was single-family (detached and attached), with the majority in HDR (210 du) at an average of 8.2 du per net acre and most of the remaining single-family development in LDR (128 du) at 4.8 du per net acre.
- Most high density multifamily development was in HDR or Commercial Plan Designations
  - In HDR condos and apartments averaged 14.2 and 16.4 du per net acre respectively
  - In Commercial Plan Designations condos average 32.6 du per net acre

**Table 12. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre by Comprehensive Plan Designation, Newport UGB, January 1, 2000 and December 31, 2010**

	Total DU, Lots with a Permit Issued 2000 to 2010	Percent of DU	Acres of Land	Density (DU/Acre)
<b>Low Density Residential</b>				
Single-Family	128	19%	26.5	4.8
Manufactured	34	5%	4.2	8.2
Dup/TrSF/Quad	2	0%	0.2	12.5
Condo	2	0%	0.2	8.7
<b>LDR Subtotal</b>	<b>166</b>	<b>24%</b>	<b>31</b>	<b>5.3</b>
<b>High Density Residential</b>				
		0%		
Single-Family	210	30%	25.5	8.2
Manufactured	86	12%	9.6	9.0
Dup/TrSF/Quad	4	1%	0.2	25.0
Condo	81	12%	5.6	14.4
Apartment	56	8%	3.4	16.4
<b>HDR Subtotal</b>	<b>437</b>	<b>63%</b>	<b>44</b>	<b>9.9</b>
<b>Commercial Plan Designation</b>				
		0%		
Single-Family	6	1%	0.4	14.0
Manufactured	1	0%	0.1	9.1
Dup/TrSF/Quad	4	1%	0.1	28.6
Condo	74	11%	2.3	32.6
Apartment	3	0%	0.1	42.9
<b>Commercial Subtotal</b>	<b>88</b>	<b>13%</b>	<b>3</b>	<b>29.1</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: "Total DU, Lots with a Permit Issued 2000 to 2010" shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

The Joint Center for Housing Studies indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

## HOUSING NEEDS ANALYSIS

This section presents an evaluation of housing needs for the City of Newport for the 2011-2031 period. Much of the analysis is based on the OAR 660-024 “safe harbor” assumptions. The housing needs analysis makes a determination of the sufficiency of vacant residential land with the Newport UGB to accommodate expected residential growth over the 2011 to 2031 period.

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Table 13 shows that Newport’s population is forecast to grow by about 1,600 people over the 20-year period.

**Table 13. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
<b>Change 2011 to 2031</b>		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
Note: AAGR is average annual growth rate

Table 15 shows an estimate of needed housing in the Newport UGB during the 2011 to 2031 period, based on recent data. The projection is based on the following assumptions about the Newport UGB:

- Population will increase by 1,603 people from 2011 to 2031 in the Newport UGB.<sup>7</sup>
- About 2.9% percent of the new population in the Newport UGB, or 47 people, will locate in group quarters. This assumption is based on the share of population in group quarters from the 2000 Census.
- The average household size within the UGB will be 2.19 people per household, based on information from the 2005-2009 Census, a “safe harbor” assumption established in OAR 660-024-0040(7)(a).
- Vacancy rates for all housing types within the UGB will be 19% based on recent vacancy rates in Newport.
- The assumed mix of housing for the UGB is 60% single-family detached housing (including manufactured housing) and 40% multi-family housing types (including

<sup>7</sup> Note that this figure is slightly higher than the increase of 1,466 persons reported in the Population section. The difference exists because the housing analysis was done before the 2010 Census count for Newport was issued. The Population section uses the new Census data. The difference of 137 persons over the 2011-2031 period does not affect any of the major conclusions of the housing needs analysis.



single-family attached). This mix is roughly equivalent to the mix of housing stock in Newport in 2000 and assumes that a smaller share of new housing will be single-family detached housing.

Based on the assumptions shown in Table 13, the Newport UGB will need 846 new dwelling units to accommodate population growth between 2011 and 2031, not including new group quarters. The results indicate that Newport will need to issue permits for an average annual total of 42 new dwelling units during the planning period. This figure represents a decrease over the average of 51 permits issued annually over the 2000 to 2010 period.

**Table 13. Forecast of demand for new housing units, Newport, 2011-2031**

Variable	Estimate of Housing Units (2011-2031)
Change in persons	1,603
<i>minus</i> Change in persons in group quarters	47
<i>equals</i> Persons in households	1,556
Average household size	2.19
New occupied DU	711
<i>times</i> Aggregate vacancy rate	19.0%
<i>equals</i> Vacant dwelling units	135
<b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	60%
<i>equals</i> <b>Total new single-family detached DU</b>	<b>508</b>
Single-family attached	
Percent single-family attached DU	4%
<i>equals</i> <b>Total new single-family attached DU</b>	<b>33</b>
Multifamily	
Percent multifamily detached DU	36%
<b>Total new multifamily DU</b>	<b>305</b>
<i>equals</i> <b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units needed annually	42

Source: Calculations by ECONorthwest

## Summary of demographic and economic trends

Demographic and housing trends are important to a thorough understanding of the dynamics of the Newport housing market. Newport exists in a regional economy; trends in the region impact the local housing market. Following is a discussion of demographic and housing trends relevant to Newport and the mid-Oregon Coast region.

### Homeownership rates increased in Newport

- Owner-occupied units in Newport increased from 54% of the housing stock in 1990 to over 63% in the 2005-2009 average. This increase was consistent with State and National trends in ownership.
- Single-family housing types had a higher ownership rate (92%) than multi-family (11%).

### **The average vacancy rate for Newport was higher than the State average**

- Newport's vacancy rate in 2005-2009 (19%) was higher than the State average (9%). The 2010 Census reported a 21% vacancy rate in Newport.
- The most common cause for vacancy in Newport was seasonal or recreational use at 16% in 2005-2009, compared to the State average of 3%.

### **Commuting is common for workers in Newport**

- Commuting is typical throughout the region: Newport's workforce lives in Lincoln County, but two-thirds do not reside in the City of Newport.

### **The population in Newport and Lincoln County was older than the State average.**

- Forty-five percent of Newport's households were 50 years or older during the 2005-2009 period, compared with 33% of the State's population.
- Households residing in Newport were less likely to have children (19%) than the average State household (28%).
- The OEA forecasts that 37% of Lincoln County's population will be 60 years or older by 2030, compared with the State average of 25%.

### **Newport's households were generally smaller than the State average.**

- Newport had fewer people per household in the 2005-2009 period, with an average household size of 2.19 people, compared to the County average of 2.27 and State average of 2.49 people per household.

### **Newport had a larger share of non-family households and smaller share of households with children than Lincoln County or the State.**

- Newport had a larger share of non-family households (44%) than the Lincoln County average (29%) or State average (36%).
- Newport had a smaller share of households with married couples (43%) than the State (50%) or County (47%).
- Newport had a slightly larger share of households with children (19%) compared to Lincoln County (18%), but a smaller share than the State as a whole (28%).

### **Homeownership and household size are related with age in Newport, which is consistent with State and national trends.**

- More than half of householders aged 35 and older were homeowners (61%). Homeownership increases with age until it starts to decrease at age 75.
- Householders younger than 44 years were more likely to be renters in households with two or more persons.

### **Newport became more ethnically diverse.**

- Hispanic and Latino population accounted for 8% of Newport's population during the 2005-2009 period, up from 2% of the population in 1990. In comparison, Hispanic and Latino population accounted for 7% of Lincoln County's population and 11% of Oregon's population during the 2005-2009 period.

- Newport's Hispanic/Latino population grew by 385% (650 people) between 1990 and the 2005-2009 period.

### **Newport's housing affordability decreased**

- In 2010, a household must earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- Average annual household expenditures for necessities (e.g., food, transportation, clothing, utilities, health care, other necessities) in Newport are similar to larger cities in the Willamette Valley (e.g., Eugene or Salem) and are higher than smaller cities in the Willamette Valley (e.g., Cottage Grove or Lebanon). The types of expenses that are most frequently higher in Newport than in the smaller cities in the Willamette Valley are transportation (including gasoline), food, utilities, and health care. The higher cost of living in Newport (relative to small Willamette Valley cities) magnifies the problem of decreased housing affordability.

### **Newport's housing costs increased substantially**

- Newport's median housing value doubled between 2000 and the 2005-2009 period. Lincoln County's housing prices increased by 71% over the same period.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.

### **Housing costs are increasing much faster than rents and incomes.**

- Since 2000, median owner value increased 77%, compared to a 31% increase in median household income, and a 14% increase in median rents.
- The ratio of housing value to household income increased from 2.8 in 1989 to 6.3 during the 2005-2009 period. Across the state, the ratio increased from 2.5 to 5.0.

### **Trends affecting housing mix**

The previous section described the three household characteristics that are most closely correlated with household choice. This section describes the demographic and socioeconomic trends in Newport and Lincoln County related to these characteristics by describing the characteristics of households currently in Newport. The majority of Newport's

population growth, however, is expected to be the result of in-migration.<sup>8</sup> It is difficult (if not impossible) to accurately project the characteristics of households that may move to Newport over the next 20 years, beyond the projections for changes in population by age group. To some degree, projecting future housing preference relies on estimating the ways that the characteristics of new households in Newport will be different and make different housing choices than existing households.

The national demographic trends that will affect housing demand across the U.S., as well as Oregon and Newport are:

- **Aging of the baby boomers.** By 2029, the youngest baby boomers will be 65 years old. By 2030, people 65 years and older are projected to account for about 20% of the U.S. population, up from about 12% of the population in 2000. The State forecast that people over 60 years will grow from 25% of Lincoln County's population in 2000 to 37% in 2030, an addition of 8,500 people over age 60.
- **Growth in echo boomers.** Echo boomers are a large group of people born from the late-1970's to early 2000's, with the largest concentration born between 1982 and 1995. By 2030, echo boomers will all be older than 25 years old, with the majority between the ages of 35 to 48 years old. The echo boomers will form households and enter their prime earnings years during the 20 year planning period.
- **Growth of immigrants.** One of the fastest growing groups in the U.S. will be immigrants, with Hispanics the fastest growing groups. By 2030, Hispanics are projected account for about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000.
- **Increase in diversity.** One of the fastest growing ethnic groups in the U.S. are Hispanics and Latinos. By 2030, Hispanics and Latinos are projected account for about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000. Growth in Hispanics and Latinos will be the result of natural increase (more births than deaths) and immigration from other countries.
- **Change in household composition.** The composition of households is changing, in part as a result of the aging of the population, growth of immigrants, and increase in diversity. Traditional household composition (e.g., households with children and married couples) are becoming less common and non-traditional household composition (e.g., single-family households and non-family households) are becoming more common.

## Land needed for housing: 2011-2031

This section summarizes the forecast of new housing units in Newport for the period 2011 to 2031. The forecast of needed housing units (Table 14) uses the following assumptions, based on recent data:

- **Housing mix** will be 60% single-family detached units and 40% multifamily units (including single-family attached).

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<sup>8</sup> The Portland State University Population Research Center's annual estimate of population shows that all of Lincoln County's population growth between 1990 and 2009 is the result of in-migration. We assume that in-migration will continue to account for the majority of growth in Lincoln County over the planning period.

- **Residential density** will be the same as achieved densities over the 2000 to 2010 period: 7.0 dwelling per net acre for single-family detached and 18.7 dwelling units per net acre for multifamily.<sup>9</sup> The average density is 9.3 dwelling units per net acre, which is consistent with the OAR 660-024 housing density safe harbor.<sup>10</sup>
- **The net to gross factor**, which converts from net acres to gross acres, will be 20% for single-family housing types and 15% for multifamily types. These net-to-gross assumptions are consistent with previous empirical analysis of net-to-gross conversions in other cities.

Table 14 shows the results. The forecast assumes an average density of 9.3 dwelling units per net acre (about 7.6 dwelling units per gross acre). Based on the mix and density assumptions, Newport will need about 112 gross residential acres to accommodate new housing between 2011 and 2031.

**Table 14. Forecast of new housing by type and density, Newport, 2011-2031**

Housing Type	New Dwelling Units (DU)	Percent	Net Acres		Net to Gross Factor	Gross Acres	
			Density (DU/net ac)	Net Res. Acres		Gross Res. Acres	Density (DU/gross res ac)
Single-Family	508	60%	7.0	73	20%	91	5.6
Multi-family	338	40%	18.7	18	15%	21	16.1
<b>Total</b>	<b>846</b>	<b>100%</b>	<b>9.3</b>	<b>91</b>		<b>112</b>	<b>7.6</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table 15 allocates needed new housing units to Newport’s residential and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table 15 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period. The acreages are based on the gross density assumptions shown in Table 14. The residential land needs presented in Table 15 may change based on adjustments to the assumptions or based on policy decisions. Based on the housing needs analysis, dwellings were allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).

<sup>9</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

<sup>10</sup> OAR 660-024, Table 1, establishes housing density safe harbors for cities forecast to be between 10,001 and 25,000 during the planning period. The density safe harbors are: required overall minimum of 5 dwelling units per net buildable acre, assume for UGB analysis 7 dwelling units per net buildable acre, and zone to allow 9 dwelling units per net buildable acre. Newport’s housing needs analysis meets these standards.

- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.
- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

**Table 15. Allocation of new housing units by plan designation, Newport, 2011-2031**

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
<b>Total</b>	<b>356</b>	<b>71</b>	<b>398</b>	<b>35</b>	<b>93</b>	<b>6</b>	<b>847</b>	<b>112</b>
<b>Percent of Acres and Units</b>								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
<b>Total</b>	<b>42%</b>	<b>64%</b>	<b>47%</b>	<b>31%</b>	<b>11%</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

The final step of the housing needs analysis is an evaluation of the sufficiency of vacant residential land with the Newport UGB to accommodate expected residential growth over the 2011 to 2031 period. This section includes an estimate of Newport’s residential land sufficiency, based on the analysis in the housing needs analysis.

Table 16 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table 16 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land.
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land.
- **Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

**Table 16. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031**

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
<b>Total</b>	<b>1,763</b>	<b>106</b>	<b>1,657</b>

Source: ECONorthwest

## Key housing issues

Following are several key issues identified in the housing needs analysis:

- **Newport has experienced limited multifamily apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.
- **Land designated for higher-density housing is located in areas that are less desirable for high density housing types.** Desirable locations for multifamily housing are places with services and retail close by and with easy transportation linkages. While Newport has a large inventory of land designated for higher density housing, very little is in locations that are ideal for workers. This issue is not new—it was identified in the 1989 Housing element of the Comprehensive Plan.
- **Aging housing stock.** Nearly 20% of the city’s housing stock was built before 1950. Data collected as part of the housing needs analysis suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters’ willingness to rent in Newport.
- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010—particularly to working households:
  - In 2010, a household needed to earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
  - More than one-third of Newport households could not afford a two-bedroom apartment at HUD’s fair market rent level of \$759 in the 2005-2009 period.
  - Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
  - About 39% of Newport’s households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
  - The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
  - Condominium sale prices increased 71% between 2000 and 2010.

- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that housing costs are forcing some households to live in nearby communities. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville.



## HOUSING GOALS, POLICIES, AND IMPLEMENTATION MEASURES

### Goals:

**Goal 1: To provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.**

**Goal 2: To provide adequate housing that is affordable to Newport workers at all wage levels.**

Policy 1: The City of Newport shall assess the housing needs and desires of Newport residents to formulate or refine specific action programs to meet those needs.

Implementation Measure 1.1: The City of Newport shall establish a set of verifiable and empirically measurable metrics to track trends in housing development and affordability. The metrics should be based on readily available data sets that are available on an annual basis and should include income and housing cost trends, housing sales, building permits by type and value, as well as others.

Implementation Measure 1.2: The Community Development Department shall prepare annual housing activity reports that include data on residential building permits issued, residential land consumption, and other indicators relevant to housing activity.

Implementation Measure 1.3: The Community Development Department shall conduct an assessment of the housing needs of Newport residents and workforce every five years. This assessment shall focus on the implementation measures and related housing programs as described in the Housing section of the Newport Comprehensive Plan.

Implementation Measure 1.4: The City of Newport shall assess the use of creative funding and land use tools to facilitate the development of government-assisted housing and workforce housing. Tools to be evaluated include urban renewal, lodging tax revenues, system development charge structures, in lieu fees, and others.

Policy 2: The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Implementation Measure 2.1: The City shall establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

Policy 3: The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.

Implementation Measure 3.1: The City shall review the potential for establishing policies and locations for transitional housing in ORS 446.265.

Implementation Measure 3.2: The City shall review options for allowing innovative housing design including pre-approved housing plans. The review shall consider impacts on government assisted or workforce housing on innovative design and should include consideration of innovative options that would result in an increase of workforce or government-assisted housing.

Implementation Measure 3.3: The City shall evaluate how the zoning code can be modified to create more flexibility for innovative housing design, such as form-based code options, or modifications to the conditional use process.

Policy 4: The City of Newport shall designate and zone land for different housing types in appropriate locations. Higher density housing types shall be located in areas that are close to major transportation corridors and services.

Implementation Measure 4.1: The City of Newport shall review the comprehensive plan and zoning maps to ensure that low- and high-density residential lands are located in areas that are appropriate to associated housing types.

Implementation Measure 4.2: The City of Newport shall review the Newport Zoning Code to identify potential amendments related to facilitating the development of needed housing types. The review shall, at a minimum, include the following elements: (1) reduced minimum lot size in the R-1 and R-2 zones; (2) allowing small homes under certain circumstances; (3) adoption of an accessory dwelling unit ordinance; and (4) street width standards. Any proposals to reduce minimum lot sizes shall consider building mass and the potential need to reduce lot coverage allowances.

Policy 5: The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

Implementation Measure 5.1: The Community Development Department shall review functional plans (e.g., water, wastewater, transportation, etc.) to identify areas that have service constraints or will be more expensive to service. This review shall occur in conjunction with the five-year housing needs evaluation described in Implementation Measure 1.3.

Policy 6: The City of Newport shall discourage, and in some cases, prohibit the development of residences in known environmentally hazardous or sensitive areas where legal and appropriately engineered modifications cannot be successfully made. In support of this policy, the city shall inventory, and to the greatest extent possible, specifically designate areas that are not buildable or require special building techniques.

Policy 7: As much as possible, the City of Newport shall protect residential development from impacts that arise from incompatible commercial and industrial uses; however, the city also recognizes that some land use conflicts are inevitable and cannot be eliminated. Where such conflicts occur, the uses shall be buffered, where possible, to eliminate or reduce adverse affects. Residences that develop next to objectionable uses are assumed to be cognizant of their actions, so no special effort by the adjacent use is required. The residential development will, therefore, be responsible for the amelioration of harmful affects.

Implementation Measure 7.1: The City of Newport shall investigate and evaluate housing programs that may reduce the costs on renters and home buyers.

Implementation Measure 7.2: The City of Newport shall eliminate any unnecessary review processes.

Policy 8: The City of Newport recognizes that mobile homes and manufactured dwellings provide an affordable alternative to the housing needs of the citizens of Newport. The city shall provide for those types of housing units through appropriate zoning provisions.

Implementation Measure 8.1: The City of Newport shall review the mobile home park inventory maintained by the Oregon Department of Housing and Community Services to identify parks that may be at risk of transition to commercial uses. Mobile home parks represent a low-cost housing alternative for lower income households. The City should consider strategies to mitigate the conversion of mobile home parks into other uses including working with park owners or managers.

Implementation Measure 8.2: The City of Newport shall review the zoning code to allow and encourage “park model” RVs as a viable housing type. This review should include establishing appropriate definitions for Park Model RVs, establishing appropriate development standards, reviewing minimum lot sizes, and establishing a set of pre-approved Park Model plans.

Policy 9: Consistent with the November 2014 study titled “Newport Student Housing – Expansion of the Hatfield Marine Science Center in Newport” by ECONorthwest (Appendix “D”), the City of Newport will encourage development of multifamily housing, including student housing, throughout the City in areas that allow multifamily development. Increasing the supply of multifamily housing is crucial to meeting the needs of Newport’s workforce and lower-income households, as well as to supporting student growth at the Hatfield Marine Science Center. The City will identify and implement appropriate tools to support multifamily and student housing development.

Implementation Measure 9.1: The City of Newport will endeavor to work with Lincoln County to evaluate the use of the multiple unit tax exemption to support multifamily development. If the City and County choose to offer the multiple unit tax exemption, they will work together to identify the area(s) to apply the tax

exemption, develop criteria for offering the tax exemption, and set criteria for using the program (such as a programmatic cap).

Implementation Measure 9.2: The City of Newport will endeavor to work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing.

Implementation Measure 9.3: The City of Newport will endeavor to work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport will adjust the zoning in this area to allow for development of student housing and other multifamily housing.

# **ECONOMY**

## **BACKGROUND**

The Economic section presents the results an economic opportunities analysis for the City of Newport.<sup>1</sup> Consistent with statewide planning Goal 9 and OAR 660-009, the primary goals of the economic opportunities analysis are to (1) determining whether Newport has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Newport. These documents: (1) are informed by recent data, (2) consider the viewpoints of various stakeholder groups in the community, (3) express an economic development vision for Newport, and (4) clearly articulate the city's role in implementing the strategy.

## **Purpose**

The purpose of the Economy section of the Newport Comprehensive Plan is to meet the requirements of Statewide Planning Goal 9 and its Administrative Rule (OAR 660-009). State policy requires the Economy section to identify economic opportunities for Newport. The goals of the Economy section are to:

- (1) Inventory industrial and other employment land,
- (2) Identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand Newport,
- (3) Describe the City's strategy for economic development, and
- (4) Provide guidance for making decisions about use of employment lands.

This section evaluates the existing employment land supply within the Newport Urban Growth Boundary to determine if it is adequate to meet present and future employment needs.

## **Framework for economic development planning in Oregon**

The Economic section is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in January 2007.<sup>2</sup> The analysis in this Element is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major

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<sup>1</sup> *Newport Economic Opportunities Analysis*, prepared by ECONorthwest, July 2012

<sup>2</sup> The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at <http://www.oregon.gov/LCD/econdev.shtml>.

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; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

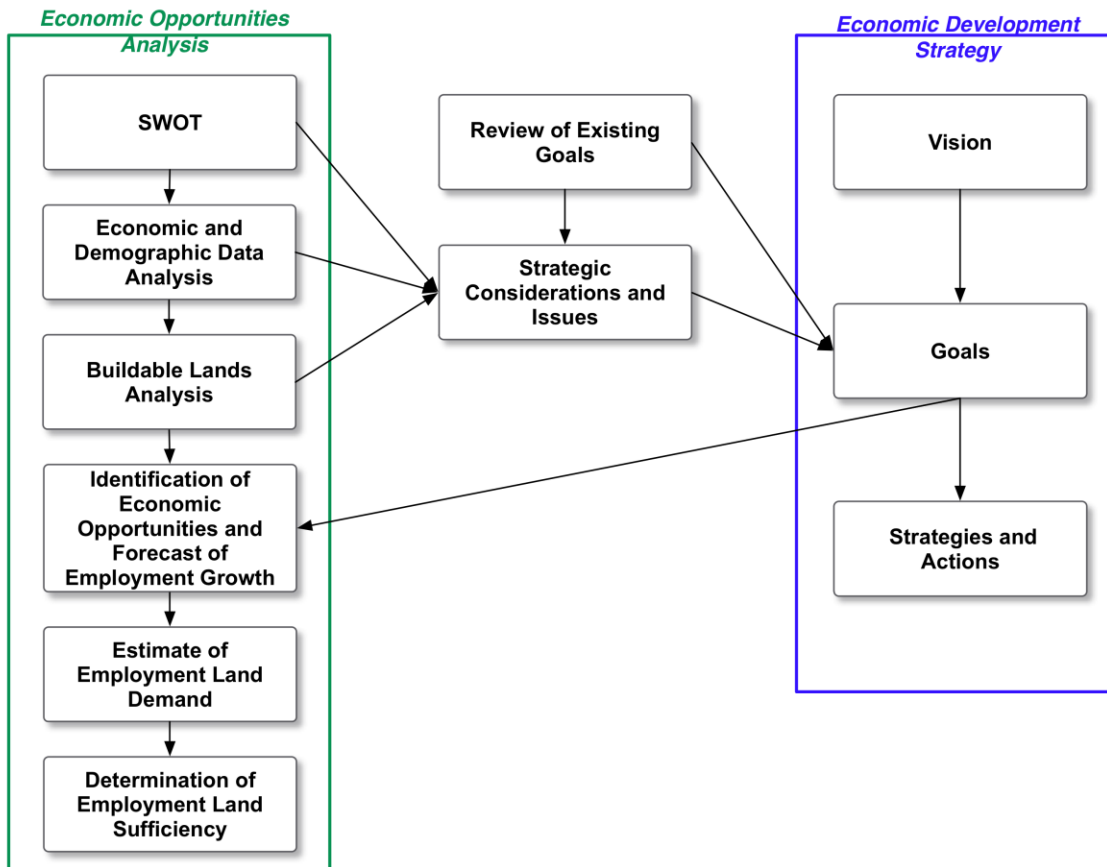
2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025)*. Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

This Element presents an Economic Opportunities Analysis and the economic development strategy and action plan for Newport. Figure 1 shows the relationship between the EOA and the economic development strategy for Newport. The purpose of each product is:

- **Economic Opportunities Analysis.** The EOA is intended to determine whether Newport has enough employment land. The EOA requires inventorying existing employment lands and identifying economic opportunities, an analysis that is guided by Goal 9.
- **Economic Development Strategy and Action Plan.** This document articulates a community economic development vision and includes specific actions for how to achieve that vision. The economic development vision and goals are intended to: (1) provide direction about economic development policy for the City, especially policy relating to land use and (2) coordinate economic development

efforts among the organizations in Newport that work on economic development issues.

**Figure 1. Newport process for economic development analysis**



Source: ECONorthwest

## Organization of the Economic section

The remainder of this section is organized as follows:

- **Land Available for Industrial and Other Employment Uses** presents a regional inventory of industrial and other employment lands.
- **Land Demand and Site Needs in Newport** presents the employment forecast for Newport and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Newport.
- **Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.
- **Economic Vision, Goals, Policies, and Actions** presents a high-level summary of Newport's economic development strategy.

## LAND AVAILABLE FOR INDUSTRIAL AND OTHER EMPLOYMENT USES

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Newport UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This section presents the *residential* buildable lands inventory for the City of Newport. The results are based on analysis of Geographic Information System data provided by City of Newport staff and Lincoln County Tax Assessment data. The analysis also used aerial orthophotographs for verification. This section includes tabular summaries and narrative descriptions. The results also include several series of maps that are available from the City’s Community Development Department. The methods used to conduct the inventory are summarized in the full Economic Opportunities Analysis Report.

### Land base

Table 1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

**Table 1. Acres in Newport UGB and City Limit, 2012**

Area	Tax Lots	Total Acres	Acres in Tax Lots
City Limits	7,066	7,151	8,060
Urban Growth Area	602	1,028	3,808
<b>Total</b>	<b>7,668</b>	<b>8,179</b>	<b>11,868</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Table includes all areas within the UGB, including non-residential areas  
 Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 1 summarizes all land in the Newport UGB. The next step was to identify the employment land base (e.g., lands with plan designations that allow employment). The land base includes traditional employment designations—Commercial, Industrial, and Shoreland—as well as public lands (including the Newport Airport which is presented as a separate category). Most lands in the Public plan designation are considered committed, however, a review of lands designated Public with City Staff identified some lands with development capacity.

Table 2 shows that about 3,437 acres within the Newport UGB is included in the employment land base (including lands in Airport and Public designations). Thus, about 42% of land within the Newport UGB is included in the employment land base. The land



base includes all land in tax lots that have any portion that is in an employment or public plan designation.

**Table 2. Lands designated for employment uses, Newport UGB, 2012**

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Employment Land	
Tax Lots in Employment Designations (Comm/Ind/Shoreland)	1,919
Acres in Land Base in Employment Designations	1,570
Newport Airport Land	
Tax Lots in Airport	3
Acres in Airport	541
Newport Public Land	
Tax Lots in Public	207
Acres in Public	1,326

Source: City of Newport GIS data; analysis by ECONorthwest

The third step in the inventory was to classify lands into mutually-exclusive categories that relate to their development status. The categories include:

- Vacant land
- Partially vacant land
- Undevelopable land
- Developed land
- Public land
- Semi-public land
- Destination resort land

See Economic Opportunities Analysis Report for detailed definitions of these categories, which were used to perform a preliminary classification. The next step was to show the results in map form overlaid on a 2009 aerial photo to validate the classifications. After validating the classifications, City staff reviewed and commented on the draft maps.

Table 3 shows all employment land in the Newport UGB by classification and plan designation. The results show that of the 3,437 acres in the UGB, about 2,509 acres are in classifications with no development capacity, and the remaining 928 acres have development capacity.

Analysis by plan designation shows that about 11% (404 acres) of the employment land in the Newport UGB is designated Commercial, 17% (573 acres) is designated

Industrial, and 29% (594 acres) are in Shoreland. A total of 1,867 acres (nearly 50%) are in Public plan designations (note that the Airport is in the Public plan designation). The majority of land in the Public plan designation is committed, but a few sites owned by the city and port were considered available for development during the planning period. These lands are both in the Public plan designation and public ownership. These lands were classified as Vacant (approximately 206 acres).

**Table 3. Employment acres by classification and plan designation, Newport UGB, 2012**

Classification	Plan Designation												Total	
	Commercial		Industrial		Shoreland		Airport		Public					
	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
Developed	907	263	102	82	549	62	2	537	44	250	1,604	1,194		
Semi-Public	21	9	5	12	4	61	0	0	12	4	42	87		
Public	47	12	1	0	37	317	1	4	116	859	202	1,192		
Unbuildable	32	7	1	0	12	22	0	0	15	7	60	37		
Vacant	107	55	71	441	6	1	0	0	20	206	204	703		
Partially Vacant	4	7	7	38	4	130	0	0	0	0	15	174		
Destination Resort	2	51	0	0	0	0	0	0	0	0	2	51		
<b>Total</b>	<b>1,120</b>	<b>404</b>	<b>187</b>	<b>573</b>	<b>612</b>	<b>594</b>	<b>3</b>	<b>541</b>	<b>207</b>	<b>1,326</b>	<b>2,129</b>	<b>3,437</b>		
<b>Total</b>	<b>53%</b>	<b>12%</b>	<b>9%</b>	<b>17%</b>	<b>29%</b>	<b>17%</b>	<b>0%</b>	<b>16%</b>	<b>10%</b>	<b>39%</b>	<b>100%</b>	<b>100%</b>		

Source: City of Newport data; analysis by ECONorthwest

Note: Areas in shown as Airport are in the Public plan designation. They are shown separately here because of economic activities at the airport.

Table 4 shows employment acres by classification and constraint status for the Newport UGB in 2012. Analysis by constraint status (the table columns) shows that about 1,674 acres are classified as built or committed (e.g., unavailable for development), 1,355 acres were classified as constrained, and 408 were classified as vacant and suitable for employment uses.

**Table 4. Employment acres by classification, Newport UGB, 2012**

Classification	Tax Lots	Total Ac	Land not suitable for new Employment		Land suitable for Employment	
			Developed Ac	Constrained Ac	Suitable Ac	
<b>Land with no development capacity</b>						
Developed		1,604	1,194	814	381	0
Semi-Public		42	87	74	12	0
Public		202	1,192	679	513	0
Unbuildable		60	37	26	11	0
<b>Subtotal</b>		<b>1,908</b>	<b>2,509</b>	<b>1,592</b>	<b>917</b>	<b>0</b>
<b>Land with development capacity</b>						
Vacant		204	703	0	372	331
Partially Vacant		15	174	81	40	53
Destination Resort		2	51	0	27	24
<b>Subtotal</b>		<b>221</b>	<b>928</b>	<b>81</b>	<b>439</b>	<b>408</b>
<b>Total</b>		<b>2,129</b>	<b>3,437</b>	<b>1,674</b>	<b>1,355</b>	<b>408</b>

Source: City of Newport data; analysis by ECONorthwest

## Vacant buildable land

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with physical constraints (in this instance areas with shoreline buffers, wetlands, geologic buffers, or floodways), or (3) lands that are already committed to a use (public/quasi-public or private open space).

Table 5 shows land with development capacity (e.g., lands classified as vacant, partially vacation, or destination resort) by constraint status. The data show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that are unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

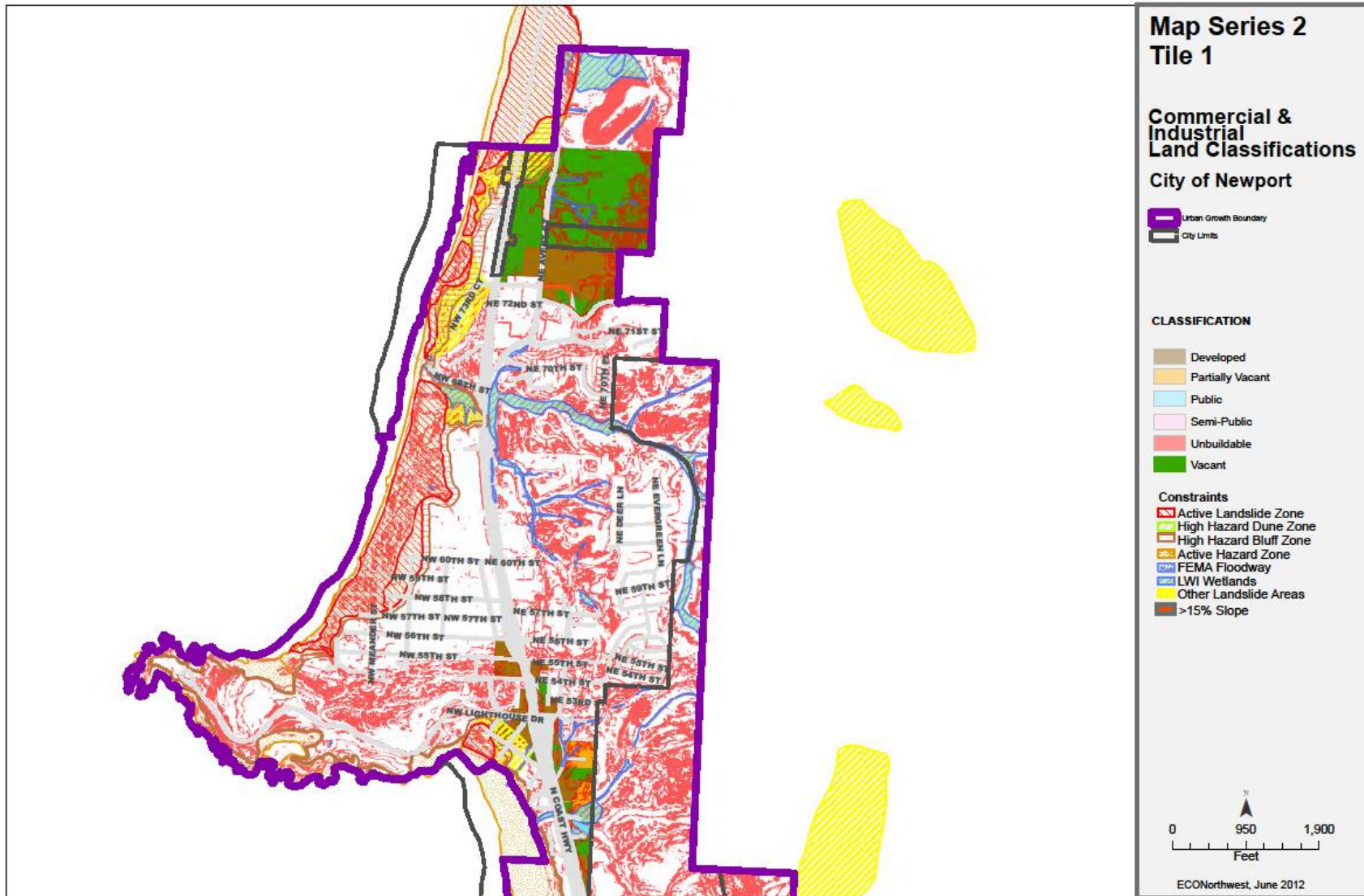
**Table 5. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012**

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
<b>Commercial</b>					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
<b>Subtotal</b>	<b>113</b>	<b>113</b>	<b>2</b>	<b>49</b>	<b>62</b>
<b>Industrial</b>					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
<b>Subtotal</b>	<b>78</b>	<b>479</b>	<b>9</b>	<b>270</b>	<b>199</b>
<b>Shoreland</b>					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
<b>Subtotal</b>	<b>10</b>	<b>131</b>	<b>71</b>	<b>18</b>	<b>42</b>
<b>Public</b>					
Vacant	20	206	0	102	104
<b>Subtotal</b>	<b>20</b>	<b>206</b>	<b>0</b>	<b>102</b>	<b>104</b>
<b>TOTAL</b>	<b>221</b>	<b>928</b>	<b>81</b>	<b>439</b>	<b>408</b>

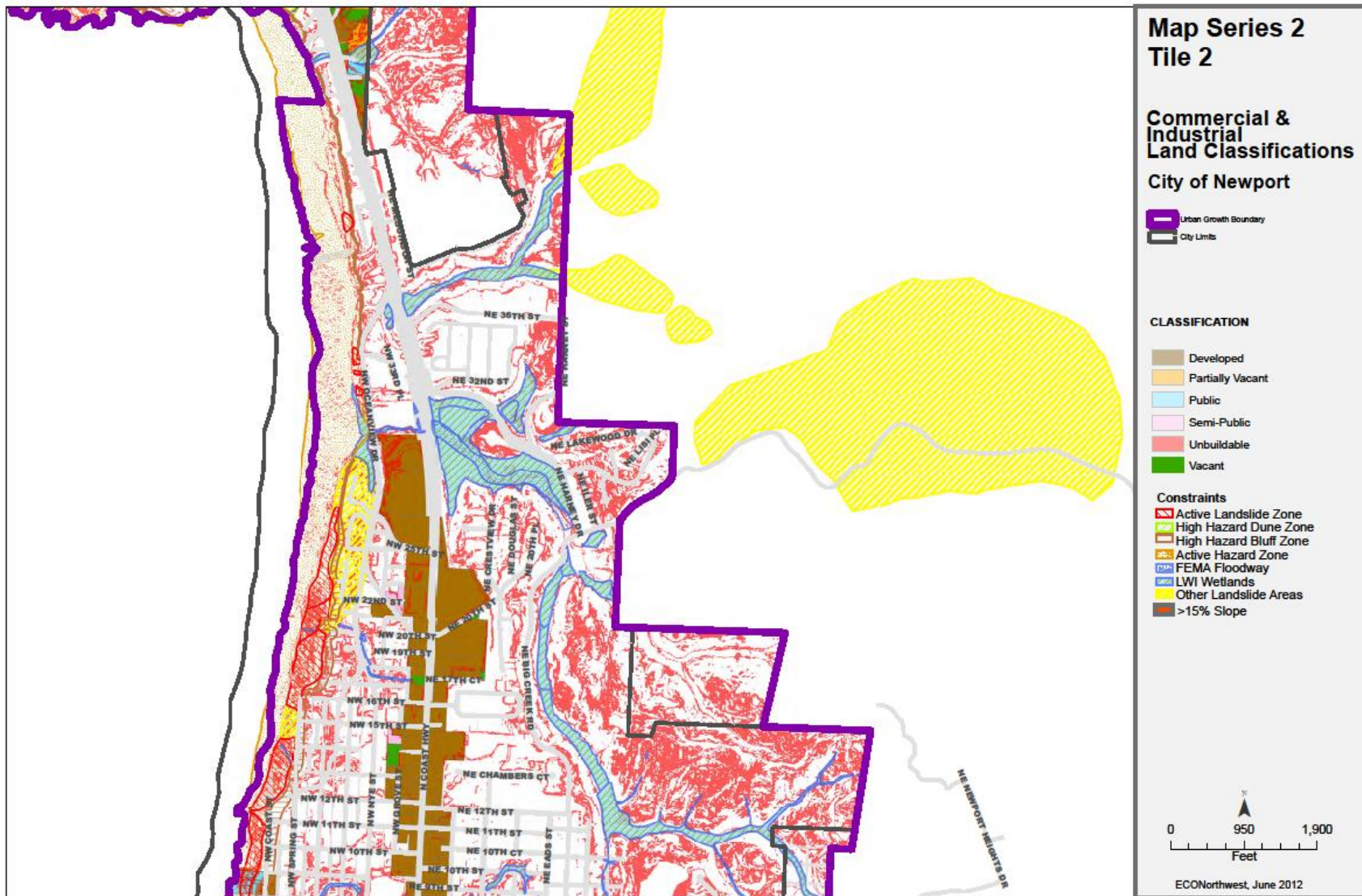
Source: City of Newport GIS data; analysis by ECONorthwest

Maps 1 through 6 show commercial and industrial land in Newport by development status with development constraints. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

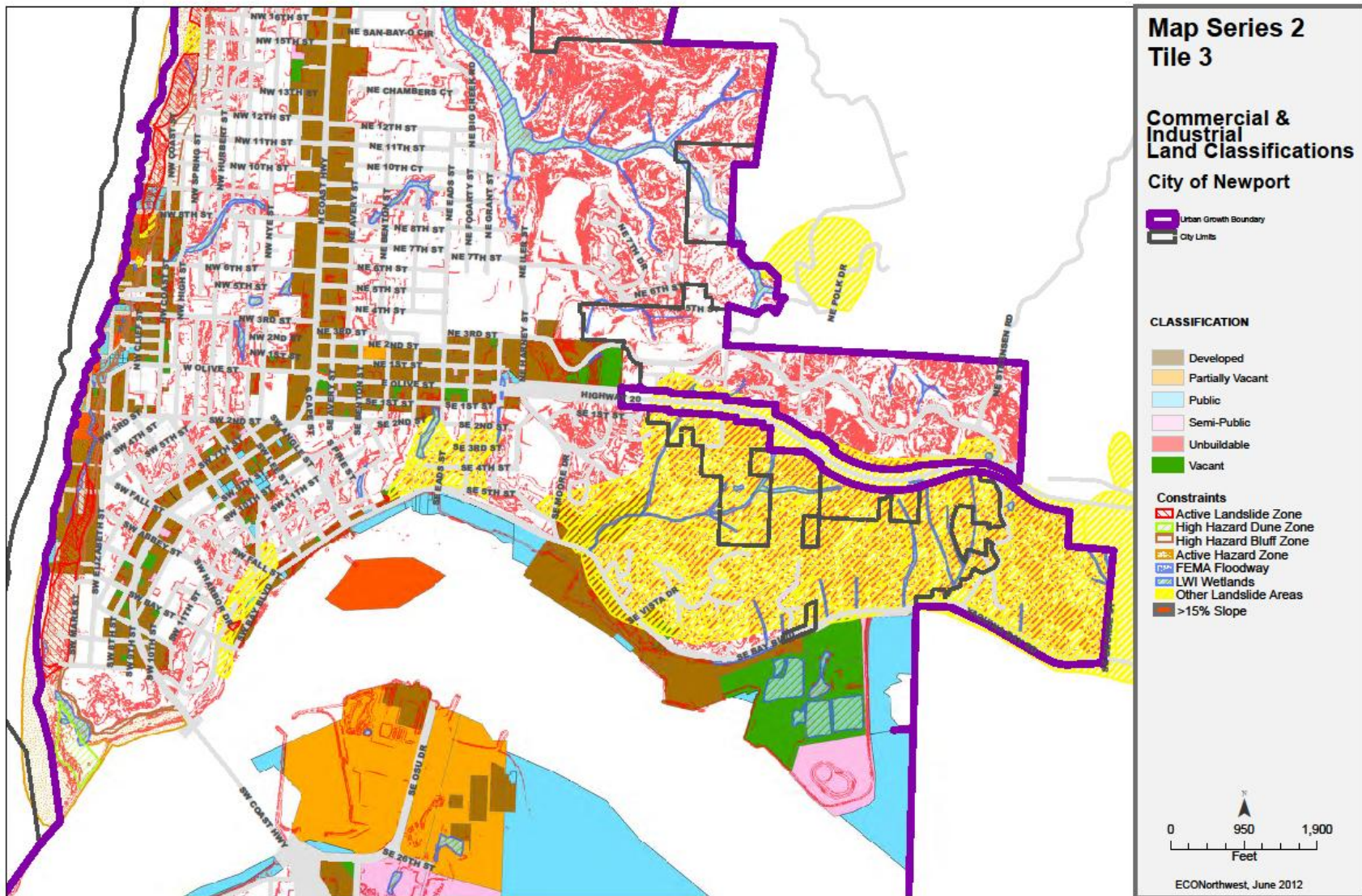
Map 1. Employment land by classification with development constraints, Tile 1, Newport UGB, 2012



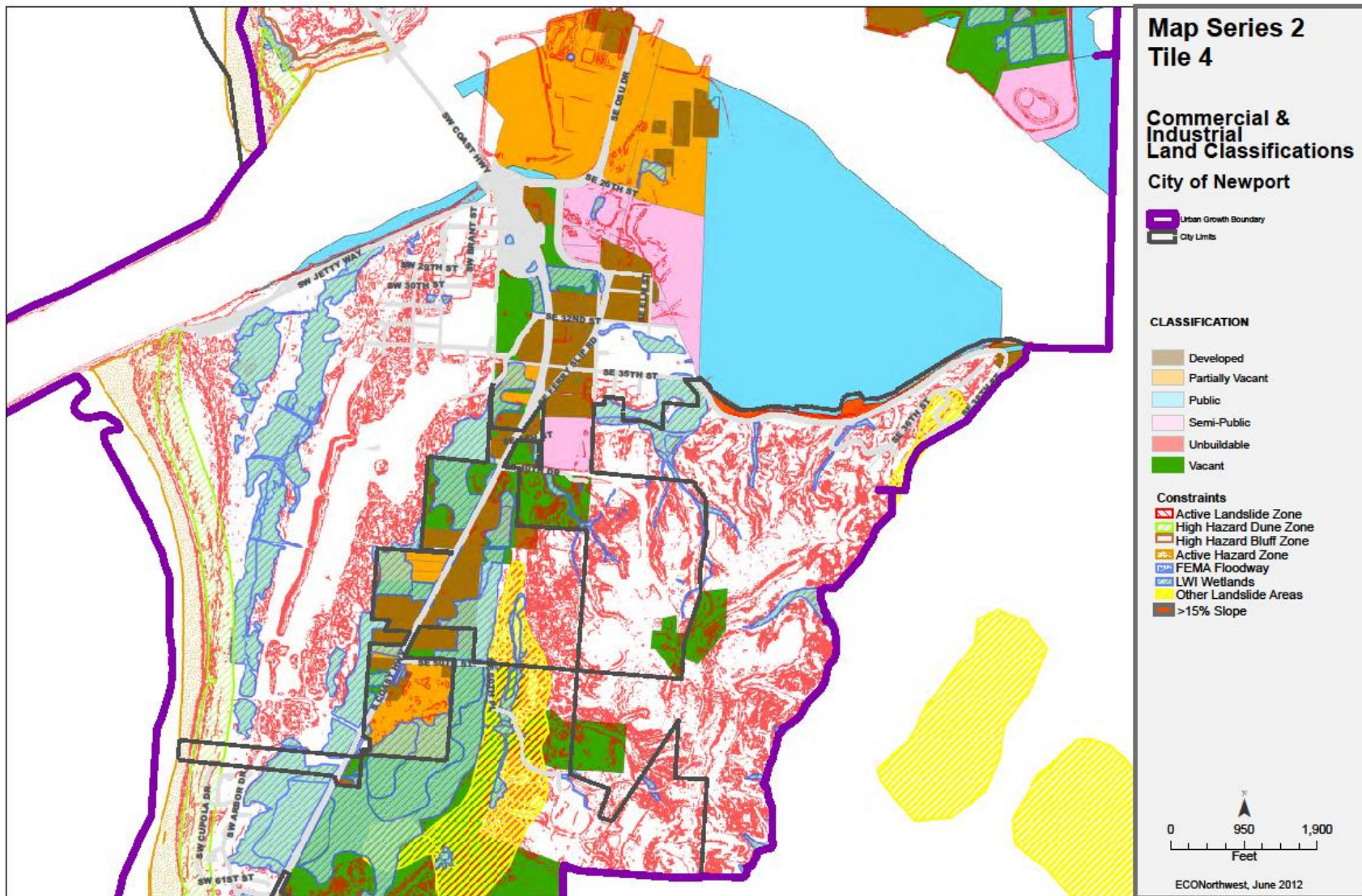
Map 2. Employment land by classification with development constraints, Tile 2, Newport UGB, 2012



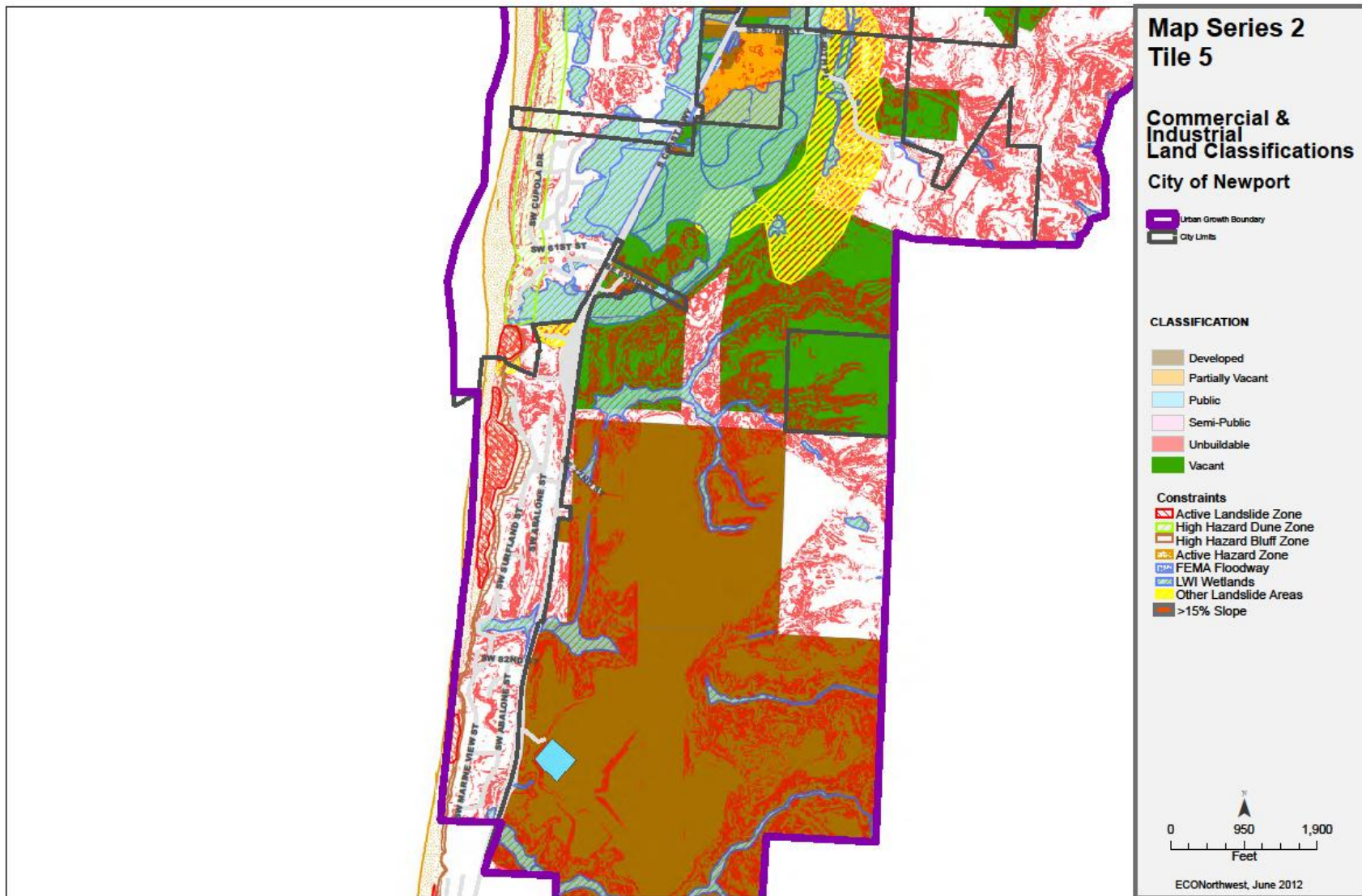
Map 3. Employment land by classification with development constraints, Tile 3, Newport UGB, 2012



Map 4. Employment land by classification with development constraints, Tile 4, Newport UGB, 2012



Map 5. Employment land by classification with development constraints, Tile 5, Newport UGB, 2012





Map 6. Employment land by classification with development constraints, Tile 6, Newport UGB, 2012

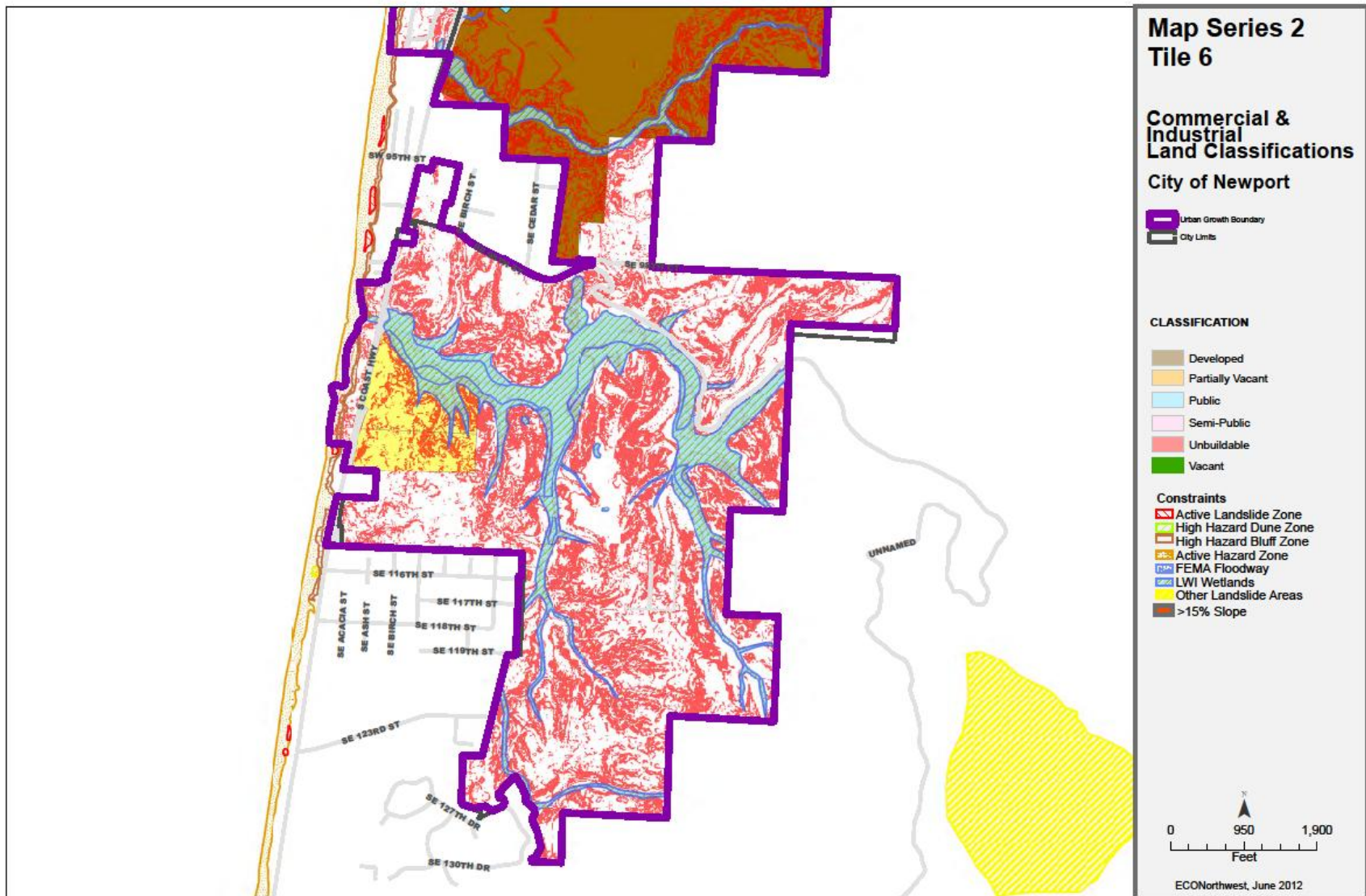


Table 6 shows the size of lots by plan designations for suitable employment land. Newport has nearly 195 lots that are smaller than 2 acres (with 106 acres of land). Newport has 16 lots between 2 and 10 acres (80 acres of land), four lots between 10 and 20 acres in size (51 acres of land), and six lots 20 acres and larger (171 acres of land).

**Table 6. Lot size by plan designation, suitable acres, Newport UGB, 2012**

Plan Designation	Suitable Acres in Tax Lot								Total
	<0.25	>=0.25 and <0.50	>=0.50 and <1.00	>=1.00 and <2.00	>=2.00 and <5.00	>=5.00 and <10.00	>=10.00 and <20.00	>=20.00 and <50.00	
<b>Acres</b>									
Commercial	7	4	5	2	3	16	24	0	62
Industrial	13	3	17	9	19	34	12	94	199
Public	1	2	1	0	8	0	15	78	104
Shoreland	42	0	1	0	0	0	0	0	42
<b>Subtotal</b>	<b>62</b>	<b>9</b>	<b>23</b>	<b>12</b>	<b>30</b>	<b>50</b>	<b>51</b>	<b>171</b>	<b>408</b>
<b>Tax Lots</b>									
Commercial	88	11	7	2	1	2	2	0	112
Industrial	27	9	21	7	5	5	1	3	78
Public	9	3	1	0	3	0	1	3	20
Shoreland	9	0	1	0	0	0	0	0	10
<b>Subtotal</b>	<b>133</b>	<b>23</b>	<b>30</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>220</b>

Source: City of Newport GIS data; analysis by ECONorthwest

The data in Table 6 suggest that Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

## Redevelopment potential

Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. Different studies have used different improvement to land value ratio thresholds to identify redevelopment potential.

One of the key issues in preparing an accurate inventory of employment lands in Newport is how to identify and inventory under-utilized or redevelopable lands. This study does not make a distinction between under-utilized and redevelopable sites. The inventory consistently uses the term "redevelopable" since it is consistent with the terminology of the statewide land use program.<sup>3</sup> For the purpose of this study,

<sup>3</sup> In this instance, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose

however, the definition of “redevelopable” land is considered synonymous with “under-utilized” properties.

In the context of the Newport commercial and industrial buildable lands inventory, redevelopment potential addresses land that was initially classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used in some studies is an improvement to land value ratio of 1:1. Not all, or even a majority of parcels that meet this criterion for redevelopment potential will be assumed to redevelop during the planning period.

The factors that affect redevelopability are many, but the economics are pretty straightforward. Redevelopment occurs when achievable rents exceed the current return on investment of the land and improvements. The reality, of course, is much more complicated. One way to think about the market for land is “highest and best use” which is a function of:

1. Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
2. Entitlements – What do local regulations allow to be built?
3. Development Cost – What is the cost to build the range of product types allowed (entitled) at that location?
4. Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

Conversations with commercial realtors and developers confirm the conclusion that it is difficult to develop reliable models of redevelopment potential. The factors are complicated and are location and time specific. Moreover, public policy can play a significant role in facilitating redevelopment.

One approach to estimating redevelopment would be using supply side approaches using GIS datasets. The problem with supply side approaches is that the base data available to conduct empirical analyses is quite coarse and as a result, the analyses are limited and the results have varying levels of inaccuracy. The improvement to land value approach has some problems; for example, it does not make distinctions for land intensive employment uses that require minimal built structure investments. Despite this limitation, it has utility in identifying districts that may be worth focusing resources on.

More robust approaches can consider employment densities, floor area ratios, and other factors. Often, however, the quality of the data is a limiting factor and the cost of generating new or cleaning existing data sets is prohibitive. For this study, we attempted to use employment density combined with improvement to land value ratios. Our assessment was the results were unreliable and unsuitable as a valid indicator of redevelopment potential.

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of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

Thus, this study uses a demand-based approach to estimating how much land will be redeveloped over the 20-year planning period. The study makes demand-side deductions from total employment growth to account for new employment that will not need any new land. This approach, however, will not meet key city objectives in developing economic development strategies.

One foundational element of the city’s strategy is to identify districts that are “ripe” for redevelopment and then to focus efforts on those districts. To identify potential districts, we analyzed the improvement to land value ratio of all commercial properties within the UGB. That analysis was followed by field assessment and discussions with city staff and other experts.

Table 7 shows improvement to land ratios for developed land in Newport. About one-quarter of Newport’s developed sites (319 acres of land) have an improvement to land value ratio of less than 0.25, suggesting that these sites have high redevelopment potential. Another 8% of Newport’s developed land has an improvement to land ratio of between 0.25 and 1.0 and 11% of Newport’s land has a ratio of between 1.0 and 2.0, suggesting redevelopment potential. Higher improvement to land value ratios suggest decreasing probability of redevelopment potential.

**Table 7. Improvement to land value ratio, land classified as “developed,” Newport UGB, 2012**

Plan Designation	Improvement to Land Value Ratio						No Data	Total	
	>0.00 - <0.25	>=0.25 - 0.50	>=0.50 - <0.75	>=0.75 - <1.00	>=1.00 and <2.00	>=2.00 - <3.00			>=3.00
<b>Acres</b>									
Airport	167	-	-	-	-	-	-	370	537
Commercial	15	20	35	19	82	20	28	42	263
Industrial	5	11	11	6	14	9	14	11	82
Public	131	2	-	0	1	2	71	43	250
Shoreland	1	3	1	1	48	1	42	95	192
<b>Total</b>									
<b>Acres</b>	<b>319</b>	<b>36</b>	<b>47</b>	<b>27</b>	<b>147</b>	<b>33</b>	<b>155</b>	<b>561</b>	<b>1,324</b>
<b>Percent of Acres</b>	<b>24%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>11%</b>	<b>2%</b>	<b>12%</b>	<b>42%</b>	<b>100%</b>
<b>Tax Lots</b>									
Airport	1	-	-	-	-	-	-	1	2
Commercial	54	74	100	87	188	51	71	282	907
Industrial	6	17	11	11	16	10	7	24	102
Public	6	4	-	5	5	5	15	4	44
Shoreland	5	11	7	9	21	3	17	480	553
<b>Total</b>									
<b>Tax Lots</b>	<b>72</b>	<b>106</b>	<b>118</b>	<b>112</b>	<b>230</b>	<b>69</b>	<b>110</b>	<b>791</b>	<b>1,608</b>
<b>Percent of Acres</b>	<b>4%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>14%</b>	<b>4%</b>	<b>7%</b>	<b>49%</b>	<b>100%</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Of particular interest for the purpose of this study is low-improvement value commercial land. The improvement to land value ratio analysis in Table 8 shows 89 acres of commercial land with an improvement to land value ratio of less than 1.0:1.0; 35 of those acres have an improvement to land value ratio of less than 0.5:1.0. Rows with darker shading have more redevelopment potential.

**Table 8: Developed commercial land by improvement-to-land value ratio, Newport UGB, 2012**

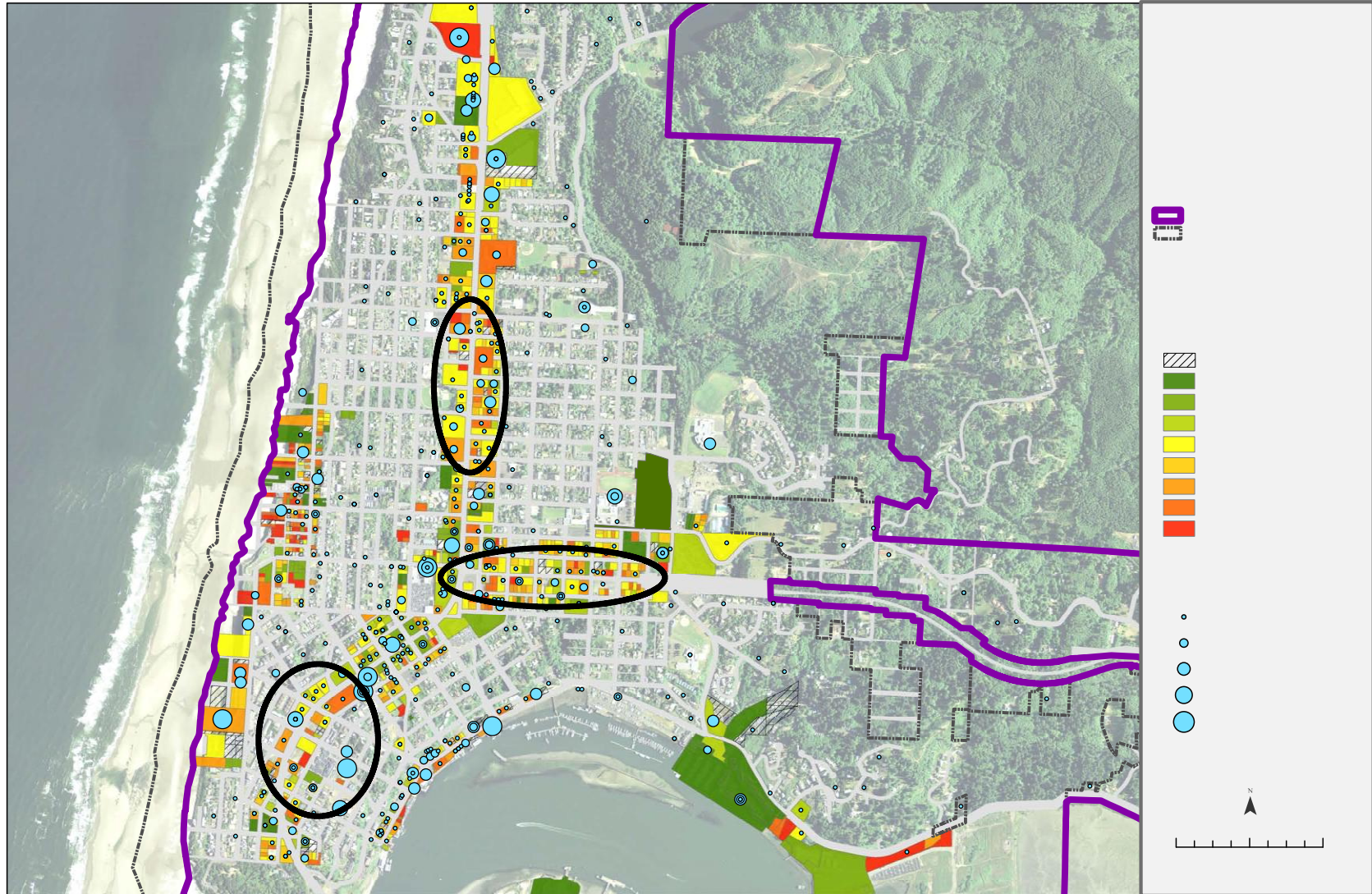
Improvement to Land Value Ratio	Tax Lots		Acres	
	Number	Percent	Number	Percent
>0.00 - <0.25	54	6%	15	6%
>=0.25 - 0.50	74	8%	20	8%
>=0.50 - <0.75	100	11%	35	13%
>=0.75 - <1.00	87	10%	19	7%
>=1.00 and <2.00	188	21%	82	31%
>=2.00 - <3.00	51	6%	20	8%
>=3.00	71	8%	28	11%
No Data	282	31%	42	16%
<b>Total</b>	<b>907</b>	<b>100%</b>	<b>263</b>	<b>100%</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Map 7 shows the location of potential commercial redevelopment districts, based on direction from the Technical Advisory Committee and city staff to focus commercial redevelopment strategies on the Highway 101 and Highway 20 corridors north of Yaquina Bay.



### Map 7. Potential commercial redevelopment districts



Source: City of Newport GIS data; analysis by ECONorthwest

## EMPLOYMENT LAND DEMAND IN NEWPORT

OAR 660-009 requires cities to maintain a 20-year inventory of sites designated for employment. To provide for at least a 20-year supply of commercial and industrial sites consistent with local community development objectives, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by development in the target industry clusters, the expansion and relocation of existing businesses, and new businesses locating in Newport. The level of this business expansion activity can be measured by employment growth in Newport.

This section summarizes key findings from in the Economic Opportunities Analysis report from: (1) Appendix A: National, State, County, and Local Economic Trends, (2) Appendix B: Factors Affecting Future Economic Growth in Newport, and (3) Appendix C: Employment Forecast and Site Needs for Industrial and other Employment Uses. This section focuses on the issues related to growth of industries with the most potential growth industries for Newport.

### Newport's competitive and comparative advantages

Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions. Economic conditions in Newport relative to these conditions in other coastal communities form Newport's competitive and comparative advantages for economic development. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport's primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal communities and a regional center for retail trade, services, and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport),



rail (in Toledo via the Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or access to markets in the Willamette Valley.

- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
  - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
  - **Marine industries.** Newport has a wide-ranging of existing marine industries: the NOAA fleet, research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of a marine research and ocean observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.
  - **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport, NOAA, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, energy production, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.
  - **Existing marine infrastructure.** Newport's existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.
- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in \$116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately \$2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

Newport's tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport's tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport's households, residents of nearby communities, and visitors provide a market for goods and services. Newport's role as a regional center for retail and services is a competitive advantage for attracting retail and other services.
- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of available workers.

Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.

- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

## Potential growth industries

An analysis of growth industries in Newport should address two main questions: (1) Which industries are most likely to be attracted to Newport? and (2) Which industries best meet Newport's vision for economic development? The types of industries that Newport wants to attract have the following attributes: high-wage, stable jobs with benefits; jobs requiring skilled and unskilled labor; employers in a range of industries that will contribute to a diverse economy; and industries that are compatible with Newport's community values. The industries presented in the following section are consistent with the City's vision and goals for economic development, presented at the end of the Housing section.

The industries that fit with the Community's aspirations for growth, Newport's economic conditions, regional and national growth potential, and that fit with Newport's comparative advantages are:

- **Marine and ocean observing research and education.** Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)'s Pacific Marine Operations Center.

Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document "Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework." This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor "cabled" observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

Key economic development opportunities in the ocean-observing industry cluster include:

- *Operations and maintenance of marine research vessels.* With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.

- *Development of facilities to support marine research operations and maintenance.* These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- *Development of facilities and programs to support marine education.* These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- *Instrument design, manufacturing, deployment, sales, and service.* With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- *Expanded marine research.* As federal and state investments in marine research and education increase, so will Newport's role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.
- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and Port infrastructure required repairs. The Port is in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

Once renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The Port is considering export opportunities for the International Terminal, such as exporting logs, which would result in about four to six ships carrying cargo from Newport per year. Over the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

- **Fishing and seafood processing.** Newport is one of Oregon's largest commercial fishing ports accounting for about one-third of the State's commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels,

including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of \$32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about \$123 million, accounting for about 30% of statewide economic contribution from fishing.<sup>4</sup>

- **Tourism.** Tourism plays an important role in Newport's economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport's tourism cluster include:
  - Destinations such as the Oregon Coast Aquarium
  - Recreational amenities, such as sightseeing tours or fishing charters
  - Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
  - A wide range of restaurants, including fine dining
  - Arts and cultural opportunities, such as art dealers, museums, or performance arts

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<sup>4</sup> The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

## Employment and employment forecasts

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. The Economic Opportunities Analysis report presents the forecast for employment growth in Newport in detail. This section summarizes the results of the forecast for employment growth and land needs

Table 9 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032. Table 9 shows Newport's employment base in 2012, with about 10,060 *total* employees,<sup>5</sup> and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

Table 9 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport's employment:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land, such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.
- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 70% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport's growing population.

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<sup>5</sup> The forecast of employment in Newport is based on an estimate of *covered* employment in 2010. Covered employment does not include all workers in an economy, most notably excluding sole proprietors. Appendix C in the Economic Opportunities Analysis report describes the approach to converting from covered employment to total employment.

**Table 9. Forecast of employment growth in by building type, Newport UGB, 2012–2032**

Land Use Type	2012		2032		Change 2012 to 2033
	Employment	% of Total	Employment	% of Total	
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
<b>Total</b>	<b>10,060</b>	<b>100%</b>	<b>12,276</b>	<b>100%</b>	<b>2,216</b>

Source: ECONorthwest

Note: Green shading denotes an assumption by ECONorthwest

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table 9 shows employment growth on underutilized lands and on vacant lands. Table 10 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- Some employment growth will occur on sites with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). This forecast assumes that 10% of commercial employment can be accommodated this way and that 50% of government employment can be accommodated in existing built space.
- Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. This forecast assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

**Table 10. New employment locating on underutilized land or vacant land, Newport, 2032**

Land Use Type	New Employment	Employment on Underutilized Land			Emp. on Vacant Land
		Existing Built Space	Land with Additional Capacity		
Industrial	733	0	0	733	
Commercial	1,324	132	199	993	
Government	158	79	0	79	
<b>Total</b>	<b>2,216</b>	<b>211</b>	<b>199</b>	<b>1,805</b>	

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table 11 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table 11 are:

- **Employment density.** Table 11 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-to-gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.<sup>6</sup> A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, this forecast uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres

<sup>6</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.



of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.

**Table 11 . Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032**

<b>Land Use Type</b>	<b>Emp. on Vacant Land</b>	<b>EPA (Net Acres)</b>	<b>Land Demand (Net Acres)</b>	<b>Land Demand (Gross Acres)</b>
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
<b>Total</b>	<b>1,805</b>		<b>127</b>	<b>154</b>

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.



## IMPLICATIONS FOR INDUSTRIAL AND OTHER EMPLOYMENT LAND NEED

This section provides a brief summary of the implications of the economic opportunities needs analysis for Newport. It includes a general comparison of land supply and demand and description of the characteristics of needed sites. The buildable lands analysis is followed by a discussion of the key implications of the analysis for Newport.

### Comparison of land capacity and demand

Table 12 shows the inventory of suitable employment land by plan designation. Table 3 presented an estimate of demand for vacant (including partially vacant) land needed to accommodate employment growth over the planning period. Table 12 compares the supply of buildable land with the demand for employment land:

- **Industrial.** Newport has a supply of nearly 200 acres of buildable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the 20-year period, with a surplus of 113 gross acres of industrial land.**
- **Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City's zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

**Table 12. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032**

Land Use Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

The employment forecast identified demand for five acres of land to accommodate government uses. These uses can be accommodated in a number of ways: (1) on land designated for Public uses, (2) on land designated for Commercial use, or (3) through redevelopment of land with underutilized buildings.

Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows

commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

## **Characteristics of needed sites**

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. The Administrative Rule defines site characteristics as follows in OAR 660-009-0005(11):

(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.

Friends of Yamhill County v. City of Newberg, 62 Or LUBA 5 (2010), established a two-prong test for establishing relevant "site characteristics" as follows: (1) that the attribute be "typical of the industrial or employment use" and (2) that it have "some meaningful connection with the operation of the industrial or employment use." The first of those prongs, that the attributes be "typical," appears expressly in OAR 660-009-0015(2), which refers to "site characteristics typical of expected uses." In upholding LUBA's two prong test, the Court of Appeals agreed, "[t]hat '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, 240 Or App 738, 747 (2011).

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land and 63 gross acres of commercial land. The following discussion summarizes the site characteristics and provides an overview of the two-prong test established for site characteristics under Friends of Yamhill County v. City of Newberg.

### **MARINE AND OCEAN OBSERVING RESEARCH AND EDUCATION**

- **Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic.

Organizations involved in research and education typically need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.

Businesses involved with maintenance and manufacturing typically need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Some marine and ocean observing businesses require access to the waterfront to do business, for docking ships or to be located near their customers. Some marine and ocean observing businesses need more access to the highway for automotive or freight transportation or the airport.

- **Size of sites.** Marine and ocean observing research and education firms will require a variety of site sizes.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites “a minimum acreage” as a site characteristic. The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make use of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee and customer parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** Development constraints include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as

constrained or committed lands. Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or with slopes of 15% or more may make it more difficult for developers to obtain financing or obtain insurance. Office and other types of commercial development requires level floorplates to reduce costs and offer maximum flexibility, as well as level areas to provide for freight access and pedestrian walkways that meet ADA standards.

- **Transportation access.** Transportation access may include automotive, shipping access, or access to the airport.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic. All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses that need highway access need it to minimize the amount of freight traffic on local streets, helping to improve mobility, minimize commercial traffic in

residential neighborhoods, minimize adverse effects on urban land use and travel patterns. Businesses that require boat and shipping access need it for boats and ships belonging to the business or their customers.

## **INTERNATIONAL COMMERCE**

- **Location within the City.** Businesses involved in international commerce will prefer to locate near the Port of Newport's facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic.

Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport's facilities. The Port, however, has some vacant land near the terminal that could be made available for related uses. The City and Port should identify opportunity sites in these areas for use by businesses in this cluster.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Businesses in international commerce require access to the waterfront, especially land near the Port, to do business, for docking ships or gaining access to Port facilities.

- **Size of sites.** The size of sites required by businesses in this cluster will vary.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites "a minimum acreage" as a site characteristic. The size of the site will depend on the type of business. Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or sites within constrained areas or with slopes of 5% or more will be unsuitable for warehousing and shipping.

- **Transportation access.** Transportation access includes include automotive and shipping access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic. All businesses will need automotive access. Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses will require boat and shipping access need it for boats and ships belonging to the business or their customers.



## FISHING AND SEAFOOD PROCESSING

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic. Newport has a limited supply of land with direct or nearby access to the Bay .

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Fishing businesses require direct access to the Bay and waterfront for docking ships. Seafood processors need to be located near the fisherman for easy access to the seafood being processed.

- **Size of sites.** The size of sites required by businesses in this cluster will vary.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites “a minimum acreage” as a site characteristic. The size of the site will depend on the type of business. Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites “site configuration including

shape and topography” as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or sites within constrained areas or with slopes of 5% or more will be unsuitable for fishing or seafood processing.

- **Transportation access.** Transportation access includes include automotive and shipping access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic. All businesses will need automotive access. Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses will require boat and shipping access need it for boats and ships belonging to the business or their customers.

## TOURISM

- **Location within the City.** Businesses involved in tourism are likely to locate in areas that visitors frequent.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic.

Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Tourism businesses must locate in areas frequented by visitors.

- **Size of sites.** Businesses providing services to visitors will require a variety of site sizes.
  - Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites "a minimum acreage" as a site characteristic. Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.
  - Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee and customer parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster can locate on sites with somewhat steeper slopes.
  - Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Businesses providing tourism services require sites where constraints do not prohibit building. Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) will be unsuitable for businesses in this cluster. Some businesses in this cluster can locate on sites with slopes of up to 25%, consistent with slopes considered buildable for residential uses.

- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic. All businesses will need automotive access. Some will require access to Highway 101 or Highway 20 and some may prefer to locate in an area with access to local streets.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Access to public streets with capacity to accommodate traffic volumes is necessary to accommodate necessary freight movement to support commercial development, as well as to provide safe and convenient access for customers and employees.

- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "visibility" as a site characteristic.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Many of the desired commercial businesses require from exposure to traffic and storefront view to the road to attract passing motorists and other customers.

## Implications

The conclusion of the economic opportunities analysis is that Newport has enough land to accommodate the forecast for employment growth over the next 20-years. The City's challenge is managing the existing land base and infrastructure to retain existing businesses and attract new businesses. The actions proposed in the Economic Development Strategy focus on these issues, emphasizing the City's role in managing these issues.

- **Identify and manage opportunity sites for the target industries.** The community's aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

Businesses in all of these clusters compete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years. Having a well-defined annexation strategy is important to the City because it can ensure efficient provision of municipal services and adequate sites for businesses.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 7 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway

101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

The Economic Development Strategy includes an action to evaluate creating an urban renewal district (URD) north of Yaquina Bay. The purpose of the District is to address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, with the purpose of spurring new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

The URD would provide a source of financing for upgrades and improvements to public infrastructure. Improvements in areas the City targets for redevelopment along Highway 101 can catalyze redevelopment of key commercial areas. Without a source of financing for the improvements, encouraging redevelopment in key areas of Highway 101 will be more difficult for the City.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

The Strategy also includes actions for maintaining and improving infrastructure: to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.

## **ECONOMIC VISION, GOALS, POLICIES, AND ACTIONS**

This part of the Economic section presents Newport's vision for economic development and the goals, policies, and actions to implement the vision. The memorandum "Newport Economic Development Strategy" dated July 30, 2012 presents the full action plan for implementing the economic development strategy.

### **City of Newport's Role in Economic Development**

A number of organizations are working on economic, business, and workforce development in the region. Many of these have representation on the technical advisory committee (TAC) for this project. These organizations include:

- City of Newport
- Lincoln County
- Economic Development Alliance of Lincoln County
- Greater Newport Chamber of Commerce
- Oregon Coast Community College, Small Business Development Center
- Port of Newport
- Yaquina Bay Economic Foundation
- Yaquina Bay Ocean Observing Initiative

With so many organizations having an interest in economic development, it is critical that roles be clearly defined. Moreover, coordination amongst the organizations will be important as the community moves into implementation of the strategy.

The focus of this section is primarily on the City's role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City's role:

- The City plays a support role in economic and business development
- The City is one of several organizations that provide and maintain infrastructure
- The City has some limited staff and financial resources that can be invested in appropriate economic development activities
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City is not the appropriate organization to coordinate business recruitment and retention activities or to house staff that are coordinating business recruitment and retention activities

The economic development vision, strategies and actions that follow primarily focus on those activities that the City would lead on, or that relate directly to an activity the City would lead on. This approach is consistent with the intent of this project: to articulate the City's role in economic development. It does not, however, provide details on the

activities of partner organizations, nor does it commit partner organizations to any specific activity.

## **Vision for Economic Development**

**The City of Newport embraces change and works collaboratively to create a dynamic, entrepreneurial, and forward looking community.**

Newport's dynamic and collaborative waterfront community represents its diverse economy – an innovative and technologically advanced fishing and seafood industry; a rapidly growing marine research enterprise; and a resourceful coastal tourism and recreation industry. Newport's citizens place a high value on education, invest in lifelong learning, and upgrade skills for tomorrow's economy. People and families are attracted to the region for its diverse job opportunities and entrepreneurial environment. Residents invest in a quality of life reflected in numerous recreational opportunities, substantial infrastructure and support services, a vibrant arts community, and a beautiful and sustainable natural environment.

## **Goals, Policies, and Actions for Economic Development**

The goals, policies and actions build from the vision for economic development as well as Newport's key competitive advantage for economic development: (1) the City's proximity and access to the ocean, (2) the City's attraction of visitors, (3) the City's role as a regional employment center, (4) existing urban infrastructure (i.e., road system or wastewater system), and (5) existing workforce and relationships among businesses, nonprofits, and agencies.

Each topic below includes a broad goal statement and description of strategic considerations and issues related to the goal that must primarily be addressed through strategies and actions on the part of the City.

### **JOB GROWTH**

**Goal: Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs**

Newport wants to promote economic conditions and a positive business climate that encourages growth of jobs through growth of existing businesses and attraction of new businesses. Newport wants to strike a balance between economic development strategies to help existing businesses grow (i.e., economic gardening) and to attract new businesses. The City wants to focus on growth of jobs in the following employment clusters, as targeted industries: marine and ocean observing research and education, tourism, fisheries, and international commerce.

### **Strategic considerations**

The City and its community partners have limited resources to invest in developing infrastructure and promoting economic development. Which industries offer the most opportunity for growth of jobs, of the type that the community wants to invest resources



in growing? What are the high priority growth industries that the community should make investments in?

The information below describes the targeted industries and presents issues that can be addressed through actions by the City or its community partners.

- The employment cluster identified by the Technical Advisory Committee (TAC) as being most important to grow is marine and ocean observing research and education. The TAC prioritized taking actions to grow the other three other clusters as approximately equal.
- Newport has had some success at developing employment in marine and ocean observing research and education. The three categories of businesses in this cluster are: (1) research or education organizations, (2) maintenance of equipment, and (3) manufacturers of equipment, such as that used in research and education or energy production. Stakeholders in Newport who want to grow employment in the marine and ocean observing cluster will need to take actions to facilitate that growth.
- Tourism is one of Newport's existing employment clusters, with about 1,500 jobs in and direct travel spending of \$122.7 million annually from tourism-related industries in 2010.<sup>7</sup> Tourism is seasonal, with the majority of tourism spending in summer and the lowest tourism spending in winter. If growing employment in tourism is a high priority, actions will be required to capture a larger share of regional tourism spending, and reduce the volatility of tourism's seasonality.
- Newport has one of three deep draft ports on the Oregon Coast, which creates opportunities for international commerce. With completion of the renovation of the Port of Newport's International Terminal, the Port will be able to accommodate deep draft cargo vessels for shipping. The types of goods likely to be shipped from the International Terminal include logs, other wood products, value-added wood products (e.g., dimensional lumber), or other agricultural products. The primary product that the Port expects to ship is logs. The Port and its partners may need to take actions to diversify the types of products shipped from the Port and developing other opportunities for economic development related to the Port.
- Fishing and seafood processing continue to be important industries in Newport. Newport is one of Oregon's largest commercial fishing ports, accounting for about one-third of the State's commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of \$32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about \$123 million, accounting for

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<sup>7</sup> Dean Runyan Associates, *Newport Travel Impacts, 1991-2010p*, May 2011

about 30% of statewide economic contribution from fishing.<sup>8</sup> Changes in fishing permits and quotas as well as retention of the fishing fleet are key issues for Newport.

- Newport is a regional center of activity on the Central Oregon Coast, with regional retailers, a government center, and the location of regional educational and research agencies. Newport's retailers serve the Central Coast region. Newport can take actions to capitalize on that role as a regional center to re-capture retail leakage, capture a larger share of spending from visitors, and increase the share of retail spending in Newport region.
- Newport has an aging population. According to Census data, the average age of Newport's residents has increased from 40.9 years old in 2000 to 43.1 years old in 2010. This trend is consistent with national trends. Newport has an older population on average than the State (38.4 years old) and younger than the County (49.6 years old). The aging of the population is a combination of the aging of long-term residents of Newport and in-migration of older workers or retirees. These demographic trends create some economic opportunities, such as attracting older entrepreneurs (and their business opportunities) and providing services to the aging population (e.g., recreational services or medical services).
- Newport's economic and business climate may be perceived as challenging to some businesses that consider moving to Newport. Some potential issues include: (1) a lack of attractive land in good locations ready for development, (2) lack of some services (e.g., major medical facilities or cohesive business and shopping areas), (3) lack of coordination about economic development issues. The City and its partners in economic development will need to take steps to address these issues.

### **Policies and actions**

Given the strategic considerations outlined above, what actions can the City and its partners take to promote job growth in the high priority target industries? The following policies and actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development.

#### **Action: Create and staff a Business Growth and Recruitment Coordinator function**

**Description:** In the past, the area had a staff position that focused on business development and recruitment. This position was housed with the Greater Newport Chamber of Commerce. Historically, the City of Newport partially funded the position and contributed about \$40,000 annually from transient room tax revenues. This function, however, could also be contracted.

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<sup>8</sup> The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This proposal would include a staff position and would not exclusively focus on the Newport area.

The TAC was unanimous in their support for re-creating and staffing a similar position. This action is an overarching approach to provide resources for many of the development and coordination functions that are not currently met. This position would complement and help to coordinate the activities of other organizations (the City, the Port of Newport, the Economic Development Alliance of Lincoln County, YBOOI and others). The TAC was also clear that the position needed a very clear work program in order to achieve the desired outcomes.

The business growth and recruitment coordinator would have several roles: (1) to work with local businesses on expansion efforts; (2) to work on recruiting new businesses—particularly in the target industry sectors; (3) to conduct research and analysis in support of local business development; and (4) to coordinate activities among the economic development partners.

An essential first step for the community partners is to develop a work plan for the business recruitment coordinator for the first 1-2 years.

**Rationale:** The business growth and recruitment coordinator will address a critical development and coordination role that does not currently exist.

**Who does it:** Ideally, the TAC prepares work plan, position description and secures funding and determines the preferred host organization. An alternative would be to form an ad hoc committee that has representation of key organizations.

**Possible funding sources:** City of Newport, Local economic development partner organizations; other grant sources.

**When:** Initiate in year 1; continues through five-year period

**Benchmarks:** Development of a work plan; hiring of a business growth and recruitment coordinator; implementation of the work plan.

## **Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster**

### **Action 1.1. Identify a person or organization responsible for coordinating among stakeholders**

**Description:** One person should be responsible for coordinating growth of this cluster among stakeholders. This person will be responsible for coordinating with stakeholders, assisting businesses in negotiating local and state regulations, and leading efforts to grow employment in this cluster. The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This

proposal is being developed in partnership with the Economic Development Alliance of Lincoln County. This proposal would include a staff position and would not exclusively focus on the Newport area. Moreover, YBOOI is applying for nonprofit status.

This would not be a City staff position, however, the City would play a support role on this strategy. This position would coordinate activities with the Business Growth and Recruitment Coordinator. This function could be overseen by YBOOI or the Economic Development Alliance of Lincoln County with support from the business growth and recruitment coordinator. The rationale for this, in part, is that marine research and ocean observing are a significant employment cluster that is not specific to Newport.

**Rationale:** The growth of this cluster will require efforts of a range of community stakeholders. Having a coordinator will ensure that progress is being made on key initiatives.

**Who does it:** YBOOI coordinator (if funded by Oregon InC); otherwise, business growth and recruitment.

**Possible funding sources:** Oregon Innovation Council, Economic development partner organizations, other State grants, and private foundations.

**When:** Initiate work in year 1; continue through five-year period.

**Benchmarks:** Hiring of a coordinator; development of a work plan based on the business plan described in Action 1.2; implementation of the work plan.

### **Action 1.2 Update the strategic and business plan to guide growth of the marine and ocean observing cluster**

**Description:** The purpose of the strategic and business plan is to plan for development in the marine and ocean observing cluster. The plan should first define the scope of the marine research and ocean observing cluster (e.g., the types of businesses and support services needed for a healthy cluster) through market research. The plan should document the types of businesses desired in the cluster, the infrastructure needed by these businesses, and the characteristics of sites needed by these businesses (e.g., location, site size, etc.). This analysis should also explore links to the fishing and seafood processing industries.

The Port of Newport was in the process of updating its strategic plan in 2012. The Port's strategic plan should include a task to coordinate with the update the strategic and business plans for growth of the marine and ocean observing cluster.

**Rationale:** The TAC identified a need to develop a detailed understanding of this cluster and develop a strategy based on data and analysis to capitalize on marine and ocean observing.

**Who does it:** YBOOI members and staff from the Economic Development Alliance of Lincoln County will coordinate the initial strategy development as well as funding proposals. The other economic development partners, including the City, will play a support role in this effort.

**Possible funding sources:** Grants, Oregon Innovation Council

**When:** Develop strategy in year 1; implementation in Years 1 through 5

**Benchmarks:** Completion of the strategic/business plan; implementation of the strategy.

### **Action 1.3 Identify opportunity sites for growth of the marine and ocean observing cluster**

**Description:** The locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

- Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
- Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. This task will use data from the commercial and industrial buildable lands inventory.

The inventory should be comprehensive and should identify and document sites that are available for the range of related use: office, lab space, collaborative space, warehousing, dock access, maintenance yards, and manufacturing. It should also identify any dock space that could be shared or used for non-exclusive uses.

This action will require close collaboration with Oregon State University (OSU) and the Port of Newport—both of whom own and manage key properties in South Beach. OSU is in the process of identifying needs for marine research and ocean observing on their site as part of an update of the Hatfield Marine Science Center master plan. The City should work with OSU to clarify whether private businesses could be located on the campus. The Port of Newport has also indicated that portions of their South Beach site may have development potential.

This action should also consider strategic sites on the north side of Yaquina Bay, including the Port of Newport's proposed International Shipping Terminal. Sites on the north side can provide additional docking capacity. The inventory and evaluation should include other sites outside of water-dependent and water-related uses. While the emphasis is on water uses, not all businesses that are

within the marine research and ocean observing sector will require water access. Some businesses may require industrial sites, others, office space. For such sites in South Beach, the city could consider providing incentives to encourage property owners reserve the sites for businesses related to the marine and ocean observing cluster. The incentives may be in the form of extending infrastructure to southern sites that do not have infrastructure.

The identification of key sites would build on the buildable lands inventory conducted as a part of the update of the Economic Opportunities Analysis, and the strategic plan developed for the marine research and ocean observing sector.

**Rationale:** Having adequate sites in appropriate locations is a prerequisite for siting new businesses. While the buildable land inventory in the updated Economic Opportunity Analysis identifies sites with development capacity, it did not go the next step and identify which sites are appropriate for target industries. This action would make those determinations.

**Who does it:** City of Newport

**Possible funding sources:** City of Newport

**When:** Year 2, start date contingent upon completion of Action 1.2

**Benchmarks:** Identification of opportunity sites

#### **Action 1.4 Stakeholder workshops**

**Description:** These types of workshops should be held periodically to maintain momentum and foster relationships. Stakeholders would discuss their role in the cluster, opportunities for growing the cluster in Newport, and each stakeholder's capacity to contribute to growth of the cluster. These workshops provide stakeholders in Newport an opportunity to ask questions about other stakeholder's locational needs, assess opportunities to attract new agencies/businesses to Newport, and understand the needs of businesses that might consider moving to Newport. The Yaquina Bay Ocean Observing Initiative conducted a stakeholder strategy retreat in July of 2011. That retreat brought state and local stakeholders in the marine and ocean observing research and education cluster together to collaboratively identify strategies for growing the cluster and defined a set of actions for moving the initiative forward.

**Rationale:** As a member of YBOOI, the City of Newport is an important partner and should be consistently involved in this activity. The workshops would allow Newport city staff and city policy makers to network with economic development partners to better understand initiatives being undertaken in other communities and businesses and identify linkages and opportunities.

**Who does it:** Yaquina Bay Ocean Observing Initiative/Economic Development Alliance are lead in coordinating these meetings. It is essential that city of Newport staff and policy makers are consistently engaged in this process and are aware of how city resources can leverage this sector.

**Possible funding sources:** These meetings can be coordinated at minimal cost.

**When:** Year 2.

**Benchmarks:** Holding the workshops; attending workshops; information sharing; refinement of strategies identified during the workshops.

## **Policy 2. The City shall encourage growth of tourism-related employment**

### **Action 2.1. Develop tourism-related amenities and facilities.**

**Description:** Work with the private sector and non-profit organizations to encourage development of amenities and facilities that would support and increase tourism. These amenities could include a golf course, events facility, or other facilities. These projects would not be constructed or maintained by the City. The City has historically provided funding to external organizations through grants funded by transient lodging tax revenues for such amenities.

**Rationale:** Support for strategic private and non-profit investments in amenities and facilities will encourage tourism.

**Who does it:** City of Newport Administration/City Committees, Greater Newport Chamber of Commerce.

**Possible funding sources:** Transient lodging tax grants.

**When:** Years 1 through 5 based on priorities and cost.

**Benchmarks:** Completion of projects.

### **Action 2.2. Work with the Port of Newport and the Greater Newport Chamber of Commerce to study opportunities to make Newport a destination for cruise ships and other recreational activities.**

**Description:** Newport could be a destination for cruise ships, if the City had the infrastructure and facilities necessary to accommodate cruise ships. This action focuses on City coordination with the Port of Newport to ensure this action is reflected in the Port's strategic plan. The action, would largely be implemented by the Port. It would start with an evaluation of whether residents and businesses in Newport support the idea of becoming a cruise ship destination. If there is sufficient public support, conduct an evaluation of the infrastructure necessary to accommodate cruise ships and a feasibility study for becoming a cruise ship destination.

This evaluation should go beyond cruise ships. For example, the Port of Newport could create kayak launching areas. The evaluation should include analysis of recreation activities that can stand alone (such as cycling or kayaking) but would also complement cruise ship patrons. As part of this action, and to support other actions, City of Newport should participate in the Port of Newport's strategic planning process. Moreover, once the plan is complete, the city should see ways to coordinate with the Port.

**Rationale:** Cruise ships can create significant short-term economic activity, particularly in the Bay Front area. Moreover, exposure to the community may

lead to additional visits. Cruise ship patrons will desire a range of activities; this step would evaluate which activities are most desired.

**Who does it:** Newport Community Development, Port of Newport, and Greater Newport Chamber of Commerce (outreach); Destination Newport Committee (a City committee); Consultant (feasibility study).

**Possible funding sources:** Port of Newport (strategic plan); Transient lodging tax revenues.

**When:** Scope project (Year 1); implement study (Years 2-3).

**Benchmarks:** Completion of outreach and feasibility assessment.

### **Action 2.3. Maintain meaningful tourism marketing**

**Description:** Support tourism marketing by working with tourism-related stakeholders. This function has historically occurred through a city committee and has been funded by room tax revenues. This action would be a continuation of this program, with an emphasis on strategically investing in marketing activities.

This action should include evaluation of existing and potential marketing in the areas of marine education and eco-tourism, recreational tourism (watersports, hiking, etc.). While some degree of eco-tourism promotion has occurred, opportunities exist to expand marketing. Moreover, Newport has a long legacy of activities that might be considered eco-tourism—only in recent years have these activities been identified as eco-tourism. Evaluation of eco-tourism should include an assessment of related opportunities: linkages to the Hatfield Marine Science Center, the Oregon Coast Aquarium, and other tourism activities. In short, the community has an opportunity to integrate tourism and marine research.

Historically, most of the focus has been on marketing to educational institutions to bring school children to the Oregon Coast Aquarium and other attractions. . This creates an opportunity to expand marketing activities to other educational sectors—higher education, lifelong learning, etc. This could include re-establishing the Elderhostel that used to be run through Oregon Coast Community College, or other targeted marketing activities.

**Rationale:** Tourism is a significant contributor of jobs and revenues to Newport's economy. Growth in tourism jobs and payroll has been more or less flat for the past decade. The objective is to maintain current levels of jobs and payroll—and ideally increase them.

**Who does it:** Destination Newport Committee; Greater Newport Chamber of Commerce in cooperation with private businesses; Business recruitment coordinator.

**Possible funding sources:** Existing transient room tax funds.

**When:** Ongoing.

**Benchmarks:** Tangible marketing activities that are reported annually to the Newport City Council through the Destination Newport Committee. Travel and



tourism related economic impacts as reported by Dean Runyan Associates in their reports.

**Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives**

**Action 3.1. Evaluate opportunities to expand the goods shipped via the Port**

**Description:** Conduct a market analysis of potential ways to expand the goods shipped from the Port. Potential opportunities include barges of containers along the U.S. Pacific coast or shipping value-added products from the Port, where the value-added processing is done in or nearby Newport.

The City supports a meaningful industrial footprint at the Port Terminal. Development could include terminal facilities, warehouse facilities, and other facilities that support international shipping. The City will coordinate with the Port of Newport on identification and provision of infrastructure to support anticipated levels of activity.

**Rationale:** The feasibility assessment will provide the basis for identifying the type and scope of infrastructure improvements that will be needed.

**Who does it:** Port of Newport; City of Newport and the Economic Development Alliance of Lincoln County support and coordination.

**Possible funding sources:** Port of Newport; State planning grants (DLCD or Business Oregon).

**When:** As soon as possible (some work is already in progress).

**Benchmarks:** Completion of market analysis.

**Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.**

**Action 4.1. Coordinate relationships with the Port of Newport, fishing businesses and other business interests within the community**

**Description:** Encouraging growth of businesses involved with fishing and value-added seafood requires that city staff and elected officials have a working knowledge of the issues facing the industries. This is developed through regular engagement and interaction with the City, Port of Newport, fishing businesses, and other interested parties (e.g., the Destination Newport Committee).

The City is in the position to encourage growth in fishing and value-added seafood in a number of ways. City land use regulations and other requirements influence the environment within which the industry operates. In addition, the city owns and maintains critical infrastructure and facilities that businesses need in order to operate in Newport. Some ways that the City can assist the industry are: creating connections with other businesses in Newport to increase business, assisting with creative solutions to issues facing the industry, working through potential conflicts with other businesses and residences, or providing assistance

with industry needs for rights-of-way and parking.

In addition, the presence of fishing and value-added seafood production in Newport is part of Newport's attraction for tourists. The City can support growth of this industry through support of tourism marketing and advertising.

This action will result in periodic meetings between staff and officials with the City of Newport, Port of Newport, industry representatives, and other interested parties. The purpose of the meetings is to ensure that all stakeholders are working together to address issues and encourage growth in the industry. The action will also result in strategic use of room tax funds for supporting tourism marketing and advertising.

**Rationale:** Working directly with the fishing industry will allow better coordination of activities and needed improvements.

**Who does it:** Business growth and recruitment coordinator will set and facilitate meetings with City of Newport, Port of Newport, industry representatives, and other interested parties.

**Possible funding sources:** Economic improvement district and support for tourism marketing and advertising through use of room tax funds

**When:** Coordination meetings and project identification (year 2).

**Benchmarks:** Holding meetings; identification of infrastructure improvements.

## **WORKFORCE AVAILABILITY AND QUALITY**

### **Goal: Provide appropriate workforce and entrepreneurial training opportunities to meet the needs of Newport's target industries**

Newport has identified four target industries: marine and ocean observing research and education, tourism, fisheries, and international commerce. This goal insures that Newport has a workforce with the skills, training, and education to meet the needs of these target industries.

### **Strategic considerations**

The City and its community partners have limited resources to invest in developing a high-quality workforce. The role of workforce development is generally assumed by educational institutions, such as the Community College, universities, and public schools (K-12). Given the limited resources available, the City will play a limited role in workforce development and primarily work through its partners in ensuring that businesses in Newport have access to qualified workers.

The information below describes the issues related to workforce availability and quality.

- Newport has an aging population, as described in the previous section. In addition, the Office of Economic Analysis forecasts that Lincoln County's percent of people 65 years and older will increase from 20% in 2000 to 30% in 2030, compared to Oregon's increase from 13% to 19% of the population. The aging workforce has skills and experience that can benefit businesses in Newport. The loss of workers as older workers exit the workforce will need to be mitigated, to ensure that businesses have access to enough workers.
- Newport has a smaller share of younger workers. About one-third of Newport's population is between the ages of 20 to 49 years, compared to 40% of Oregon's population. What can Newport do to provide opportunities for young workers at businesses in Newport, both for people raised in Newport and to attract young workers?
- An important issue for businesses in Newport is availability of a skilled and educated workforce. What can the City and other economic development stakeholders do to support better preparing the workforce to meet the needs of existing and future businesses in Newport? What can be done to provide the existing workforce with skills needed to fill jobs in marine and ocean observing research and education?

### **Strategies and actions**

Given the strategic considerations outlined above, what actions can the City and its partners take to ensure that businesses in Newport have access to skilled workers, especially for high priority target industries? These actions should take into account the limited resources available for public investment and the role of the City and its community partners in workforce development.

## **Policy 5. The City shall support workforce development**

### **Action 5.1. Provide strategic contributions in staff or dollars to partners to support workforce development**

**Description:** Provide opportunities for communication between businesses in Newport who need employees and the Oregon Coast Community College. The City may also choose to provide support (in terms of staff or dollars) to workforce development organizations such as Oregon Coast Community College or the school district.

The TAC clearly identified the current lack of training opportunities in the area of marine research and ocean observing as a barrier. Oregon Coast Community College would be the logical organization to fill that void, however, the Community College needs funding to support more ocean-related workforce development.

**Rationale:** Newport has a need for qualified, trained workers, such as workers to service marine equipment or qualified mechanics for the Port.

**Who does it:** Newport City Council.

**Possible funding sources:** Existing transient room tax funds; grants.

**When:** Annually.

**Benchmarks:** Annual progress reports from Oregon Coast Community College staff , establishing how funding has contributed to workforce development.

## SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND

**Goal: Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period**

Newport wants to provide enough land to accommodate employment growth over the 20-year planning period. Newport will need employment sites with a range of characteristics, such as different sizes, locations, access to transportation, access to the waterfront, and zoning designations. Newport wants to ensure that the City has an adequate number of sites to allow market choice for businesses in its four targeted industries, as well as for other economic opportunities.

### Strategic considerations

Newport has more than 928 acres of land for commercial and industrial uses with development capacity, of which about 408 acres are unconstrained and suitable for employment uses. In addition, Newport has a substantial amount of underutilized<sup>9</sup> with redevelopment potential.

- Newport's commercial and industrial land base has substantial constraints, such as steep slopes, that will prohibit development. These constraints are an issue and will require careful siting of businesses. While these constraints will create additional challenges for development in many instances, they do not necessarily preclude development.
- Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.
- Newport has a limited amount of unconstrained vacant or partially commercial land with development capacity (about 62 acres). Newport has a substantial amount of underutilized commercial properties, with about 90 acres that have an improvement to land ratio less than 1.00. Much of the underutilized commercial properties are along Highway 101 or just off of the Highway. These commercial properties have redevelopment potential, although it is not clear which of these sites will redevelop over the next 20-years.

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<sup>9</sup> Broadly, underutilized land can be consider land that is not meeting its full economic potential. In short, it is land that is not in its highest and best use. In the context of the state land use system, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

- Encouraging redevelopment of the commercial properties may require investments from the City. The City does not have sufficient funding to invest in redevelopment of all the underutilized commercial properties at once. The City should select a few areas with higher redevelopment potential to focus redevelopment efforts on. This could include strategies to aggregate parcels, or strategies to reduce infrastructure costs.
- Land with development capacity in South Beach is limited. The City will need to work with businesses in the marine and ocean observing research and education cluster to identify other locations for new or expanded businesses, especially those that do not require close proximity to the waterfront (i.e., research offices or fabrication of marine research equipment and instruments). In some instances, the City may want to negotiate development agreements with property to better ensure that development is consistent with the City's economic development vision.
- There is land with development capacity near the International Terminal, along and near the Bay Front. The City should work with its partners and the land owner to determine what uses are appropriate for this area, which will be important for development of marine-related industries given the limited amount of developable land along the waterfront.
- Newport has a reasonably large supply of land around the Airport. This land presents opportunities for development, especially for employment uses related to or dependent on aviation. While the land is not currently serviced, the City has identified strategies to service the land, given a business or developer who wanted to partner with the City on developing around the Airport.

### **Strategies and actions**

Given the strategic considerations outlined above, what actions can the City and its partners take to make the best use of Newport's commercial and industrial land base? What should the City do to encourage redevelopment of commercial land, given the limited amount of vacant and partially vacant commercial? How can the City best use its existing land base to support the targeted industries, especially given the very limited land supply in South Beach? These actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development. In short, the city needs a clearly articulated strategy for the management of waterfront properties.

**Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.**

#### **Action 6.1. Evaluate creation of an urban renewal district north of Yaquina Bay**

**Description:** The URD should address the issues of underutilized commercial and industrial properties and infrastructure deficiencies. The housing needs analysis made a similar recommendation focused on reducing housing cost by addressing infrastructure deficiencies in certain areas as identified by the city. The specific purpose should be developed through a broader set of discussions.

The URD would potentially allow the city to use the additional tools offered by the URD including flexibility to resell land, land acquisition, land assembly, loans, upgrading or razing dilapidated commercial structures, facilitating the purchase or sale of land, and other tools. The URD could also address highway corridors, sign clutter, business facades, overhead lines, etc.

The City will also need to determine the extent of the URD boundary. The TAC suggested starting with properties that are adjacent to the Highway 101 and Highway 20 corridors.

**Rationale:** A URD would provide the city with additional tools for land acquisition and potentially funding for economic development and infrastructure projects through the bonding authority created by the district.

**Who does it:** City of Newport.

**Possible funding sources:** Urban Renewal District.

**When:** Evaluation of the URD should occur in Year 1; steps to establish the district, should it have council support should occur in Year 2. Implementation would occur in subsequent years.

**Benchmarks:** Evaluation of URD; establishment of URD; completion of projects.

## **Policy 7. The City shall ensure an adequate supply of commercial and industrial sites**

### **Action 7.1 Develop strategies to prioritize target industry uses on opportunity sites**

**Description:** Once opportunity sites are identified for employment and business growth of the target industries, develop land use strategies to reserve these sites for use by organizations in this cluster.

The initial emphasis in site identification should be on sites that are suitable for water-related and water-dependent uses, international shipping, fishing and seafood processing, and tourism. The implementation of this strategy would be on a voluntary basis—the City is not proposing additional land use regulations to implement this strategy. Rather, the City, working with other economic development partners, will engage with individual property owners to negotiate development agreements.

According to the Municipal Research and Services Center of Washington a development agreement:

“is a contract between a local jurisdiction and a person who has ownership or control of property within the jurisdiction. The purpose of the agreement is to specify the standards and conditions that will govern development of the property. The development agreement provides assurance to the developer that he/she may proceed to develop the project subject to the rules and regulations in effect at the time of approval - the development will not be subject to subsequent changes in regulations. Development agreements should also benefit the local

jurisdiction. The city or county may include conditions (mitigation measures) that must be met to assure that a project at a specific location does not have unacceptable impacts on neighboring properties or community infrastructure. The agreement may clarify how the project will be phased, the required timing of public improvements, the developer's contribution toward funding system-wide community improvements, and other conditions. The agreement can also facilitate enforcement of requirements, since it is a contract that details the obligations of the developer and local jurisdiction.”<sup>10</sup>

ORS 94.504 provides the legal basis for development agreements in Oregon. The statute allows a city to enter into a development agreement “with any person having a legal or equitable interest in real property for the development of that property.” The statute requires development agreements include specific information (ORS 94.504(2) through (7)). The statute also requires that the agreement is consistent with local regulations and that the local government approve the agreement after notice and hearing.

To initiate this task, the City should identify the desired outcomes of the agreements and develop a list of potential elements of the development agreements. The agreements should place limitations on the use of properties to those that are consistent with the target industries. The agreement may also spell out any improvements that the city is willing to make to support development of the cluster, and under what conditions those improvements will be made. Once the general framework is established, the city should contact select property owners in areas targeted for marine research and ocean observing. The agreements should initially be targeted to properties in the South Beach area and should consider parcel size as a factor.

**Rationale:** Current policies allow development of sites consistent with outright allowed or conditional uses as defined in the Newport Development Code. For example, some commercial uses are allowed in the I-1 zone. Rather than use regulatory approaches, this strategy will look to voluntary and incentive based strategies. Negotiating development agreements is a way to voluntarily engage property owners without land use regulation. Having resources to assist in business recruitment (the business growth and recruitment coordinator) provides incentive for property owners to work with the City on development agreements.

**Who does it:** The City Community Development Department works with economic development partners to identify key provisions of the development agreements, then contacts property owners and negotiates development agreements. The economic development partners will provide support as appropriate.

**Possible funding sources:** City of Newport; Urban renewal funds.

**When:** Develop key provisions in year two; negotiate agreements in years 3-5.

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<sup>10</sup> <http://www.mrsc.org/subjects/planning/lu/developagreements.aspx>



**Benchmarks:** Identification and adoption of development agreements.

**Action 7.2: Develop an annexation strategy for commercial and industrial properties in South Beach**

**Description:** This action would result in an annexation strategy for commercial and industrial property in South Beach. The project would work with property owners in the unincorporated areas of the UGB to determine issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years.

**Rationale:** Having a defined annexation strategy will ensure efficient provision of municipal services, as well as adequate sites for businesses. This strategy may also address the issue of limited number of larger commercial sites.

**Who does it:** City of Newport Community Development, Lincoln County Planning.

**Possible funding sources:** City funds; state planning grants.

**When:** Initiate work in year 1 or 2.

**Benchmarks:** Adoption of UGMA.

## **INFRASTRUCTURE AND PUBLIC FACILITIES**

### **Goal: Make investments in infrastructure and public facilities to support the target industries**

Newport wants to improve economic conditions and promote growth of businesses in the target industries. High quality infrastructure and public facilities are important to support economic growth. The City has limited funds to support maintenance of existing infrastructure and public facilities. The City wants to leverage the limited funds available for infrastructure and public facility maintenance and improvements through working with local partners and the State to make strategic investments.

### **Strategic considerations**

Newport provides a range of public infrastructure: municipal water system, wastewater system and treatment, local street system, stormwater system, street lighting, multi-use paths, and parks. Newport also has a range of public facilities: recreation center, performing arts center, library, Abby Street pier, a boardwalk, and public parking lots. The City has limited funds available to maintain existing infrastructure and public facilities. Recent upgrades to the City's water and wastewater systems have been made, in part, by leveraging local funds with funds from external sources.

The information below describes the issues related to Newport's infrastructure and public facilities.

- Newport's municipal water system and wastewater treatment plan have recently been (or are in the process of being) upgraded. The City has sufficient water treatment capacity and wastewater treatment facility capacity to accommodate expected growth, including growth of industries with high water or wastewater demands. The City will need to work with existing and new businesses to meet changing demands for water and wastewater usage, such as changes to regulation of wastewater effluent temperatures or new needs of marine-based industries for wastewater treatment.
- The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance.
  - The distribution system (e.g., pipes or pumps) for the water and wastewater systems are deteriorating. While the City has plans to upgrade parts of the distribution system, the needs for replacement are greater than the City's resources for maintenance. The City is heavily reliant on outside sources of revenue to maintain the systems, such as grants and loans.
  - The City has a considerable number of public facilities, some of which are important to growth of the target industries (e.g., the Abby Street pier). The City has no dedicated funds to maintain these facilities. Where appropriate, the City has used funds from the transient lodging tax revenues or business license revenues to maintain public facilities.

- The lack of funds leaves the City in a reactive position for addressing infrastructure problems. Some funds are available in the South Beach area for infrastructure maintenance and improvements through the urban renewal district. As a result, the City may be able to pro-actively support growth in South Beach and make strategic infrastructure investments.
- Much of the City's vacant land supply is on the south side of the City, south of South Beach and north of and around the Airport. In addition, Newport has some vacant buildable land at the northern side of the City. The City is extending service to some of these areas but some areas will be unserved.
  - The City is extending services on the south side of Newport to 50th Street. While the City could extend services to about 62nd Street, the vacant land south of 50th Street will remain unserved until there is developer interest in building in this area and funding to support extending services.
  - The City is extending services north of 71st Street but not beyond about 78th Street. This will leave some vacant land unserved. The slopes and land instability may make servicing some of the vacant lands in this area challenging.
- The City has a considerable supply of properties that are underutilized or redevelopable, especially along Highway 101. These sites have existing services and could support more economic activity than they currently support.
- The Yaquina Bay Bridge provides advantages to Newport, both as a connector between north and south Newport and as a historic resource. The Bridge, however, is a constraint to shipping because of low clearance and is a constraint on automotive and freight capacity on Highway 101. In addition, the Bridge is an impediment to pedestrian and bicycle traffic between South Beach and the northern part of Newport. As of now, ODOT has no plans to upgrade or replace the bridge and has not identified a future funding source to do so.

### **Strategies and actions**

Given the strategic considerations outlined above, what actions can the City and its partners take to leverage existing funds for maintenance and upgrades to Newport's infrastructure and public facilities? These actions should take into account the limited resources available for public investment, both at the local and State level.

### **Policy 8. The City shall ensure adequate infrastructure is available.**

#### **Action 8.1 Identify and make infrastructure investments on the opportunity sites**

**Description:** Once opportunity sites are identified for employment and business growth of the marine and ocean observing cluster, identify the municipal and other infrastructure deficiencies on each site (if any). Work with partners and involved stakeholders to secure funds for making necessary infrastructure upgrades. This action should engage other service providers such as the natural

gas, communications and other service providers. The Port of Newport should also be involved.

**Rationale:** Sites must have sufficient infrastructure capacity to be viable opportunity sites.

**Who does it:** The business recruitment coordinator would organize the meetings and document the results. Other economic development partners would participate and provide information. City staff would work with elected officials to prioritize the investments.

**Possible funding sources:** City; state and federal grants.

**When:** Identify infrastructure needs (After completion of the initial phases of Task 7.1; years 3-5).

**Benchmarks:** Identification of needs; inclusion of projects in the city's capital improvement plan; completion of projects.

### **Action 8.2. Coordinate provision of infrastructure to the International Terminal**

**Description:** Trucks bringing goods to the International Terminal typically use Moore Drive to access the port from Highway 20. Depending on the results of the Port's economic and feasibility assessments, these transportation connections to the Port may need to be upgraded for additional capacity.

**Rationale:** Infrastructure capacity must be available for international shipping to be viable.

**Who does it:** Port of Newport lead; City of Newport support.

**Possible funding sources:** City of Newport; Port of Newport; state and federal transportation funding programs; Oregon Infrastructure Finance Authority

**When:** As soon as the Port identifies needs the City should work to conduct preliminary project evaluations and get them into the capital improvement program. This action links to Action 3.1 and is contingent upon substantial progress towards that Action.

**Benchmarks:** Completion of feasibility assessment (Port); identification of projects; projects included in the CIP.

### **Action 8.3. Develop and maintain infrastructure used by visitors**

**Description:** Where legally allowed or permissible, use lodging and local gas tax revenues to support or maintain infrastructure used by visitors, such as local roads and sidewalks in areas frequented by visitors. Use lodging and local gas tax revenues for street-scaping and improving the appearance of Highway 101.

This action would include development of specific policy language related to use of transient room tax revenues for development of infrastructure, including as match to other state and federal grants.

**Rationale:** Strategic investments in visitor infrastructure will encourage tourism.

**Who does it:** City Public Works Department; input from the Greater Newport Chamber of Commerce.

**Possible funding sources:** Transient lodging and local gas tax revenues.

**When:** Years 1 through 5.

**Benchmarks:** Completion of projects.

#### **Action 8.4. Develop infrastructure needed to support fishing and seafood processing**

**Description:** Changes in permitting and fishing quotas have impacted the industry in significant ways. This action would identify specific things Newport or its partners could do to maintain the commercial finishing industry. This could include issues such as ensuring that permits stay in Newport if operators retire or move, providing support for additional infrastructure such as ice making, and other actions.

Coordinate with fishery businesses to understand their future business plans and infrastructure needs. Work with stakeholders to develop or maintain infrastructure needed to maintain businesses in fishing, ensuring that fishing rights stay in Newport. This action should include a regular forum for the City, the Port and other organizations to meet with representatives of the fishing industry.

This action will include an assessment of the condition of in-water structures – docks and other facilities. These facilities are owned by the City, the Port of Newport and private entities. Ideally, this assessment would be coordinated and completed by all relevant entities at the same time.

**Rationale:** Working directly with the fishing industry will allow better coordination of activities and needed improvements. Commercial fishing and seafood processing are one of Newport's core industries. It is important that Newport maintain this industry.

**Who does it:** Local operators, OSU Sea Grant, and the OSU Extension Agent; City of Newport and Port of Newport are in supporting roles.

**Possible funding sources:** Economic Development Improvement District; City, state or federal transportation funds, Connect Oregon; Oregon Infrastructure Finance Authority.

**When:** As appropriate.

**Benchmarks:** Holding meetings; identification of infrastructure improvements; completion of projects.

#### **Action 8.5: Work with ODOT to upgrade or replace the Yaquina Bay Bridge**

**Description:** The Yaquina Bay Bridge is the primary connection between the northern and southern portions of Newport. It is also a historic resource that is part of the cultural and economic fabric of the community and state, and is a tourist attraction. The bridge is near the end of its engineered life and has both capacity and safety issues. Ultimately, the Oregon Department of Transportation

will determine if and when to upgrade or replace the bridge. Because of the nature of this critical transportation lifeline and cultural and economic resource, the City will continue to work with ODOT and other partners to encourage ODOT to initiate planning studies on the span that will ultimately result in inclusion in the Statewide Transportation Improvement Program.

**Rationale:** Having a safe and efficient transportation connection between the two areas of Newport is critical to future economic development, as is the cultural and economic impact that such a significant historic structure as the Yaquina Bay Bridge has on the community and state.

**Who does it:** City, Port of Newport, Greater Newport Chamber of Commerce, Economic Development Alliance of Lincoln County.

**Possible funding sources:** This primarily requires staff effort.

**When:** Ongoing.

**Benchmarks:** Obtaining a firm commitment from the State of Oregon to initiate planning efforts to replace the span.

# Implementation

Figure 1 shows the proposed implementation schedule for the Newport Economic Development Strategy.

**Figure 1. Proposed implementation schedule**

Goal/Action	2012				2013				2014				2015				2017				2018		
	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr			
<b>JOB GROWTH</b>																							
<b>Goal: Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs</b>																							
<i>Action: Create and staff a Business Growth and Recruitment Coordinator function</i>																							
<b>Strategy 1. Facilitate growth of employment in the marine and ocean observing research and education cluster</b>																							
<i>Action 1.1. Identify a person or organization responsible for coordinating among stakeholders</i>																							
<i>Action 1.2. Develop a strategic and business plan to guide growth of the marine and ocean observing cluster</i>																							
<i>Action 1.3. Identify opportunity sites for growth of the marine and ocean observing cluster</i>																							
<i>Action 1.4. Stakeholder workshops</i>																							
<b>Strategy 2. Encourage growth of tourism-related employment</b>																							
<i>Action 2.1. Develop tourism-related amenities and facilities.</i>																							
<i>Action 2.2. Work with the Port of Newport to study opportunities to make Newport a destination for cruise ships and other recreational activities.</i>																							
<i>Action 2.3. Maintain meaningful tourism marketing</i>																							
<b>Strategy 3. Coordinate with the Port of Newport on shared economic development objectives</b>																							
<i>Action 3.1. Evaluate opportunities to expand the goods shipped via the Port</i>																							
Some work in progress; schedule TBD																							
<b>Strategy 4. Encourage growth of businesses involved with fishing and value-added seafood.</b>																							
<i>Action 4.1. Coordinate relationships with the Port of Newport, fishing businesses and other business interests within the community</i>																							
<b>WORKFORCE AVAILABILITY &amp; QUALITY</b>																							
<b>Goal: Provide appropriate workforce training opportunities to meet the needs of Newport's target industries</b>																							
<b>Strategy 5. Support workforce development</b>																							
<i>Action 5.1 – Provide strategic contributions in staff or dollars to partners to support workforce development</i>																							
<b>SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND</b>																							
<b>Goal: Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period</b>																							
<b>Strategy 6. Encourage better use of underutilized commercial sites.</b>																							
<i>Action 6.1. Evaluate creation of an urban renewal district north of Yaquina Bay</i>																							
<b>Strategy 7. Ensure an adequate supply of commercial and industrial sites</b>																							
<i>Action 7.1. Develop policies to prioritize target industry uses on opportunity sites</i>																							
<i>Action 7.2. Develop an annexation strategy for commercial and industrial properties in South Beach</i>																							
<b>INFRASTRUCTURE AND PUBLIC FACILITIES</b>																							
<b>Goal: Make investments in infrastructure and public facilities to support the target industries</b>																							
<b>Strategy 8. Ensure adequate infrastructure is available.</b>																							
<i>Action 8.1. Identify and make infrastructure investments on the opportunity sites</i>																							
<i>Action 8.2. Coordinate provision of infrastructure to the International Terminal</i>																							
Contingent upon completion of Action 3.1; probably years 3-5																							
<i>Action 8.3. Develop and maintain infrastructure used by visitors</i>																							
<i>Action 8.4. Develop infrastructure needed to support fishing and seafood processing</i>																							
As appropriate; coordinate with Action 4.1																							
<i>Action 8.5. Work with ODOT on upgrades to Yaquina Bay Bridge</i>																							

# **NEWPORT PENINSULA URBAN DESIGN PLAN**<sup>1</sup>

## **Findings:**

Newport's historic peninsula district is the heart of the city. The City of Newport anticipates that population, employment growth, and increased tourism on the peninsula, combined with automobile-dependent development, will negatively affect the quality of life and lifestyle, as well as the physical character of the historic core of the city. The peninsula's ability to accommodate change requires careful attention to urban design in order to preserve and strengthen the inherent qualities which have guided Newport's development to date. These summary findings are more fully developed in the Newport Peninsula Urban Design Study, which is incorporated herein as a background reference document and provides substantial evidence for these findings, policies, and implementation strategies. It is our key finding that is necessary to both stimulate and guide development in order to graciously incorporate change and preserve the peninsula as a wonderful place to live. Consequently, the following policies are adopted for the peninsula.

## **Policies:**

1. Preserve the beautiful natural setting and the orientation of development and public improvements in order to strengthen their relationship to that setting.
2. Enhance new and redeveloping architectural and landscape resources to preserve and strengthen the historic and scenic character and function of each setting.
3. Improve the vehicular and pedestrian networks in order to improve safety, efficiency, continuity, and relationships connecting the peninsula neighborhoods.
4. Coordinate with the Oregon Department of Transportation (ODOT) highway projects which are compatible with and responsive to these policy objectives and design districts implementing said policies.
5. Improve cohesion of each neighborhood subject to design district overlay by enhancing its function, character, and relationship to its natural setting and orientation.
6. Preserve and strengthen the ability of peninsula institutions to continue as centers of employment.
7. Improve the built environment in order to strengthen the visual appearance and

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<sup>1</sup> Chapter added by Ordinance No. 1677 (July 6, 1993).



attractiveness of developed areas.

8. Strengthen the peninsula's economic vitality by improving its desirability through improved appearance, function, and efficiency.
9. Preserve and enhance the existing housing supply. Encourage the increase of affordable housing in Newport.
10. Adopt up to six urban design districts on the peninsula for the purpose of implementing said policies in a manner consistent with the purpose of implementing said policies in a manner consistent with the character and function of each area as further defined herein.

### **Implementation:**

The urban design policies may be implemented by additional specific policies related to these objectives in the transportation system play, especially as these may relate to integration of pedestrian, vehicular and bicycle environments and networks, parking, and coordination with ODOT.

These policies may also be implemented by specific development/zoning code amendments requiring integration of key policy elements into development plans. Such policies may include a system of incentives to achieve density, height, pedestrian orientation, and scenic enhancement.

The key implementation for these urban design policies specifically authorized by this amendment shall be the creation of urban design districts. The purpose of each design district shall be to preserve and enhance the function and character of each district area. Design districts shall be considered as refinement plans and adopted as zoning and development code overlays. The character and function of the six urban design districts is as follows:

1.) City Center District (including U.S. Highway 101 Corridor).

A. City Center

The City Center area shall be characterized by Twentieth Century Commercial and Vernacular style structures. This area will be the most intensively developed commercial node on the peninsula. It will be enhanced as the City Center by development of a transportation network which links this area to all others on the peninsula. The building sites and public rights-of-way are to be characterized by land efficient parking and views of the Pacific Ocean and Yaquina Bay.

B. City Center North

City Center North shall be characterized by concentrating government buildings into a government center both east and west of U.S. Highway 101. It will serve as a gateway to the peninsula while linking with the Center in both function and character.

### C. City Center South

City Center South shall focus on the Pacific Communities Hospital development. Development in this area shall be pedestrian and bicycle oriented, with effective linkages to the City Center and the U.S. Highway 101 Corridor.

## 2.) Waterfront District.

Historically, this area was the original development site with the City of Newport. Marine dependent industries--timber transport, fishing, etc.--were the first source of livelihood for early settlers and inhabitants and shall continue to be referenced in the design of the area. The Waterfront District shall continue to reflect the working class character of the commercial fishing industry. Appropriately, existing commercial buildings line both sides of Bay Boulevard and are of wood frame construction, clad with stucco, masonry and tin, covered with flat and gable roofs, 1 - 3 stories in height, with zero building setbacks. Many buildings have awnings, and some are built on pilings above the water. Piers project beyond the buildings. The historic character of the area is strong due to numerous intact, original buildings which date from the 1870's through the 1940's, and preservation of these historic buildings should continue to the extent possible. (At the intersection of Hatfield Drive and Bay Boulevard, the addition of contemporary buildings and lack of intact historic buildings has changed the character of the area to the east.) The U.S. Coast Guard Station/Ocean House Hotel Site is noteworthy architecturally as a unique building of the Colonial Revival style within the City of Newport. The location of this building on a bluff above the Waterfront District is an important aspect of its significance and shall be preserved.

## 3.) Nye Beach District.

The Nye Beach District is significant for the collection of cohesive architectural resources and landscape elements which reflect a working-class neighborhood. The area consists of wood frame buildings, 1 to 2½ stories in height, covered with gable and hip roofs, and clad with clapboard, shingle and/or fire retardant siding. The landscape character of the area is defined by rock walls, terraces, sidewalks, and small front lawns. There are some small scale commercial buildings within this residential neighborhood which relate directly in building materials, scale, and massing to the character of the area. (Some changes have occurred in the neighborhood, including building alterations such as retardant siding materials and infill of non-compatible buildings on once vacant properties.) The Nye

Beach sub-area is most important as a cohesive neighborhood, defined by the character of these vernacular buildings and the building/site relationship. Every effort should be made to integrate the goals of the Nye Beach Study (*Seventh Amendment to the Newport Urban Renewal Plan*) with any new developments in this area for maximum benefit to the city and community.

4.) Upland Residential District.

Quiet area of well-maintained, modern single-family residential homes to be maintained overlooking Yaquina Bay. Sites are characterized by steep slopes and shall be sensitively developed. Existing vegetation, such as shore pines, fir, hemlock, and Monterey Cypress, is important to the character of this area, as well as the entire peninsula, and should be preserved.

5.) East Olive District.

This district consists of mixed use development and the middle school, high school, county fairgrounds, and city/ county maintenance shops. The East Olive District shall redevelop with emphasis on attractive development character and corridor improvements, including efficiently organized vehicular, pedestrian and bicycle traffic, and site planning that emphasizes pedestrian orientation and children's safety.

6.) Oceanfront Lodging/Residential District.

Multi-story buildings of varying heights, including rectangular oceanfront motels of contemporary construction. Occasional views of ocean between buildings to be encouraged. Orientation of visitors to the ocean is to be enhanced by the emphasis of native/naturalized plantings on public and private property. Multi-family residential structures to be encouraged. Single-family homes south of motel area, on bluff overlooking the beach, to be respected by adjacent developments. Parking conflicts to be improved by site planning and new buildings to reflect pedestrian orientation. Beach accesses to be maintained or enhanced. Public open spaces to be encouraged.

**Specific Peninsula Implementation Strategies:**

Development on the peninsula and in each urban design district may use these additional implementation strategies:

- 1.) Encourage development of a pedestrian-friendly environment throughout the peninsula through creation of public open spaces and pedestrian amenities within each of the peninsula's primary sub-areas. Such public places should be supportive of intensive commercial activity centers (such as the City Center), tourist areas (such as the Waterfront and Oceanfront Lodging areas), and orientation to major

natural features (such as Yaquina Bay and the Pacific Ocean).

- 2.) Work with the Oregon Department of Transportation to develop the best coast parkway design, responsive to both the City of Newport's commercial development interests and user accessibility requirements. Include U.S. Highway 20, the East Olive entrance, as a major component of the work with ODOT. Coordinate compliance with Oregon's Transportation Rule for improved traffic flow and safety for cars, pedestrians, bicycles, and--where appropriate--transit throughout the peninsula. Further:
  - (a) Develop a strong, local circulation network by forming north-south streets (7th north from Bayley to 15th; and 9th north from Bayley to 12th) parallel to U.S. Highway 101 through the central peninsula area.
  - (b) Preserve the Yaquina Bay Bridge as a beautiful piece of architecture that greatly enhances the Newport Peninsula's entrance from the South.
- 3.) Encourage developer partnerships in implementation of these urban design principles through a system of incentives (e.g., density, height, pedestrian orientation).
- 4.) Use the redesign of U.S. Highway 101 to link the existing City Center with office employment centers and to link the Waterfront with Oceanfront Lodging/Residential and Nye Beach. Strive to fully integrate U.S. Highway 101 improvements into the City of Newport.
- 5.) Establish visual continuity by seeking opportunities for relocating or undergrounding utilities and implementing a signage program and signage ordinances.
- 6.) Preserve the significant scenic qualities from the Waterfront to the top of the Upland Residential bluff and from the Embarcadero through the Yaquina Bay State Park. Foster developer partnerships in implementation of these scenic preservation principles through a system of incentives (e.g., density, height, pedestrian orientation, parking reductions).
- 7.) Preserve the natural character of the Newport peninsula--its remaining stands of significant native vegetation--by utilizing creative site planning on both public and private development projects. Carefully monitor potential impacts of new development and redevelopment efforts. (Definition of "significant" here is relative, since a single tree--a Douglas Fir or a Monterey Cypress, for example--is significant when located anywhere along the Uplands Residential bluff skyline above the Waterfront, helping form the peninsula's characteristic appearance from the South.)
- 8.) Support the scenic restoration process (a) by implementing improvements within the highway and local street rights-of-way and (b) through the development and

redevelopment processes of both commercial and residential lands. Scenic enhancement measures will be compatible with development rights.

- 9.) Resolve the traffic congestion and spatial limitations relating to use of the Lincoln County Fairgrounds, the Newport High School, and the Newport Middle School.

# **INTRODUCTION** **TO PUBLIC FACILITIES**<sup>1</sup>

The City of Newport has recognized the need for updating its public facilities data base to encourage sound planning for future development. In response to this need, the city engaged CH2M HILL, INC., to prepare a public facilities plan for the incorporated area and the revised urban growth boundary. The "Public Facilities Plan for the City of Newport, Oregon," hereafter known as the "Facilities Plan," addresses facilities development for the planning period from the present to the year 2010 and is hereby included in this document by reference. In 1999 the City adopted an updated Transportation System Plan (with additional updates to portion of the Transportation System Plan adopted in 2008). In 200-9 the City adopted an updated Water System Master Plan.

## **Public Facilities Plan Purposes and Relationships:**

This Facilities Plan has been developed to facilitate sound planning for the economic, efficient, and environmentally sensitive development of urbanizable land, and sound public fiscal management. It was prepared in accordance with Oregon Administrative Rule 660-11-000 through 660-11-050, which requires Oregon cities containing populations of over 2,500 persons to prepare such plans.

The Facilities Plan is a support document to the city's Comprehensive Plan. Portions of the Facilities Plan, however, have been adopted as part of the Comprehensive Plan and include:

- > A list of public facility project titles.
- > A map of the public facility projects' locations and service areas.
- > The urban growth management agreement designating the provider of each public facility system.

Master plans for water, wastewater, transportation, drainage, airport, and waterfront facilities have been prepared or revised for Newport. Much of the information from the master plans has been incorporated directly into this Facilities Plan. The master plans can be obtained at the Community Development Department and include the following titles:

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<sup>1</sup> The public facilities section of this document represents a summary of CH2M HILL's "Public Facilities Plan for the City of Newport, Oregon," 1989 and subsequent amended portions of the facilities plans. Tables are included here, but the CH2M HILL document or the applicable amended portion of the document must be referenced for figures and maps. See also adopted South Beach Neighborhood Plan for additional analysis and amendments regarding this Section for the South Beach Neighborhood Plan area.

- > "2008 Water System Master Plan", Civil West Engineering Services, Inc.

- > "Wastewater System Master Plan Update 1988 for the City of Newport, Oregon," CH2M HILL.
  - > "City of Newport Transportation System Plan, June 1997", Parsons Brinckerhoff Quade & Douglas, Inc. (adopted in 1999).
- Updates to the Transportation Plan include:
- >"Northside Local Street Plan", Parametrix (adopted in August 2008).
  - >"Newport Pedestrian and Bicycle Plan", Alta Planning & Design (adopted in August 2008).
- > "City of Newport Storm Sewer Facilities, February 1990," CH2M HILL.
  - > "Master Plan: Newport Municipal Airport, Newport, Oregon," August 1989, FORESITE Group, Inc., DRAFT.
  - > "Newport Urban Renewal Agency: Update of Port Development Element of Comprehensive Plan," 1989, CH2M HILL.

This Facilities Plan summarizes the master plans and provides a condensed reference for people interested in settling or developing in Newport. Each of the following sections of the Facilities Plan presents an inventory of existing facilities, statements concerning their general condition, and a discussion of the major projects recommended to improve or provide new services to Newport through the year 2010 or to a later date as identified in the adopted updated portions of the Facilities Plan. Maps identifying existing and projected facilities are provided (where applicable) at the end of each section. All tables and maps are titled by section.

### **Facilities Plan Area:**

The Facilities Plan applies to the area within the Newport urban growth boundary as shown in the City of Newport's Comprehensive Plan Map and including the Thiel Creek destination resort area. The Facilities Plan area encompasses approximately 5,600 gross acres not including lands subjected to tidal action and resulting flooding. Included in the 5,600 acres are approximately 1,000 acres of land encompassing the Thiel Creek destination resort area south and east of the city's municipal airport. A portion of the Thiel Creek area property to the east of the airport was removed from the Urban Growth Boundary as part of the adoption of the South Beach Neighborhood Plan in 2006 (acknowledged in 2007), and additional land was added to the Urban Growth Boundary to the east and northeast of Mike Miller Park.

### **Establishing The Need For Future Facilities Projects:**

The planning period established for the Facilities Plan is 20 years. The need for future projects has been identified by analyzing the following:

- ° Land use data and population projections contained in the City of Newport Comprehensive

Land Use Plan of 1980 and a document titled "Petition to Amend the Lincoln County and City of Newport Comprehensive Plans," dated March 1987.

- ° Historical uses of the facilities.
- ° Information contained in master plans.

The city estimates that Newport's population will reach about 11,500 in the year 2000. The population projection at year 2010 is 13,500. This is an average annual growth rate of 2.0%. However, since the master plans are for the entire urbanizable area, a higher potential population figure of 20,000 was used. This allows for facilities planning for the entire UGB. Updated portions of the Facility Plan may contain revised population projections and timeframes as applicable to the updated plan portion.

Historical uses of each facility are discussed at length in each of the facility master plans. Each master plan also divides the facility plan area according to the most efficient manner to manage each facility considering terrain, existing land uses, related existing facilities, projected facility needs, and buildout of the urban growth boundary.

All of the proposed facility improvement projects discussed in this Facilities Plan and amended sections are prioritized. Project priorities correspond to when the project would be needed. The type of improvement and the increase in capacity (if applicable) is indicated in each project's title. The projects outlined in this facilities plan are subject to change as various development proposals and construction projects occur, as environmental impact statements are processed, design studies are completed, master plans modified, capital improvement programs changed, facility components malfunction, site availability changes, or growth rate changes.



## **WATER SUPPLY FACILITIES**

Water supply facilities north and south of the bay to near the boundary between Sections 17 and 20 (generally referred to as the South Beach area) are provided by the City of Newport. The area lying south of the boundary between Sections 17 and 20, including the municipal airport and the proposed Thiel Creek development area, are provided water by the Seal Rock Water District.

### **Existing Water Supply Facility Components:**

The Newport Comprehensive Plan and portions of Chapters 3 and 4 of the "Water System Master Plan Update 1988 for the City of Newport, Oregon" (hereinafter referenced as the "Water System Master Plan"), provide an inventory of the components of the existing water supply system. Map W1 in the CH2M HILL update identifies the location of all existing primary water supply system components within the city and the urban growth boundary. Generally, the water supply system is in good condition. A brief summary of major components of the Newport water supply system and a general assessment of the system's components follows.

Supply: The City of Newport water service area, not including the Seal Rock Water District, consists of approximately 3,000 acres, which contains about 8,500 people. The service area is divided into three major pressure zones, or service levels, based primarily on existing terrain and existing and expected hydraulic profiles (Map W1). Big Creek provides the water supply for the city and has a water flow adequate to meet the city's need to about 1990-1992. The city has the earliest priority dates on water rights in Big Creek amounting to 6.45 million gallons per day from natural flow. Two raw water storage reservoirs with a combined storage right for 1,170 acre-feet of raw water are used to meet summer water demands. A portion of the lower reservoir has silted in, resulting in a limited loss of capacity. The city maintains an unutilized 6-cubic-foot-per-second water permit on the Siletz River.

Treatment: All of the water for the City of Newport is produced from the Newport Water Treatment Plant located on Big Creek. The recently improved plant has a 5.75 million gallon per day capacity.

Transmission, Pumping, and Storage of Treated Water: Treated water is pumped from the water treatment plant through a 16-inch pipeline. This pipeline branches near the plant into two pipelines, a 16-inch and a 12-inch. The 16-inch pipeline carries water to the southeast and to the second level reservoirs. Flow from this pipeline is also delivered to the first level distribution system. The 12-inch second level pipeline delivers

flow west to Big Creek County Road and west along 20th Street. Branching north from this primary 12-inch line, a 10 and 12-inch transmission pipeline supplies water from the treatment plant to the Agate Beach area. The South Beach area is served by a 12-inch bay undercrossing receiving water from the aforementioned 16-inch primary transmission line.

Five pump stations, not including second level pumps at the treatment plant, serve the city. The Nautilus Pump Station is subject to vandalism and will require extensive repairs to upgrade it to current standards. The four remaining pump stations meet the current demand and are in good condition.

The first level service area is served by two concrete reservoirs with a combined volume of 1.1 million gallons. These reservoirs have slow leaks and are in need of repair or replacement. The second level service area is served by two 2 million gallon steel reservoirs. A 40,000 gallon concrete reservoir at the Nautilus Pump Station serves the Agate Beach area but is in poor condition.

### **Recommended Water Supply Improvement Projects:**

The Water System Master Plan analyzed the adequacy of the existing system by using a mathematical model. The model and the results of the analysis are included on pages 4-6 through 4-9 of the Water System Master Plan. The verified water system model was used to test various flow conditions such as maximum hour demand, reservoir refill, and fire flows during maximum-day demand periods. The existing water transmission and distribution system was tested. Additional computer test runs were used to determine the future parameters for the design of pipelines, pump stations, and reservoirs for the projected growth conditions. The results of the tests and conclusions about the adequacy of the current system provided the basis for the recommended Phase I improvements. The recommendations contained in the Water System Master Plan are summarized in the following subsection.

Table 1 (page 143) lists recommended water supply system improvement projects identified in the Water System Master Plan. The type of improvement and the increase in capacity (if applicable) is indicated in each project's title. The location of the recommended improvement and the service level with which each project is associated is indicated on Map W1. The projects listed in Table 1 are recommended to upgrade the existing system to meet the city's projected water flow requirements, including increased raw water availability, emergency storage, fire flows, peak flow demands, and equalization through the year 2010. The improvements requiring the most immediate attention are the Priority A projects proposed to be constructed during the first 5-year planning period.

Table 1  
CH2M HILL, INC.  
Recommended Water System Improvements

Anticipated  
Year of Funding  
Costs<sup>a</sup> Construction<sup>b</sup> Source(s)

**PHASE I, PRIORITY A--1988-1995 COMPONENTS**

1. Silt removal, culvert and road work at Big Creek Reservoir No. 1	\$120,000	1991	GOB
2. Siletz River raw water intake	460,000	1992	GOB
3. Siletz River 16-inch water pipeline, 28,000 lf	1,765,000	1992	GOB
4. WTP expansion to 7.75 mgd	2,000,000	1992	GOB
5. South Beach 1.0 mg reservoir	380,000	1995	GOB
6. Thiel Creek 1.0 mgd reservoir	380,000	1995	GOB
7. Agate Beach 1.0 mg reservoir	380,000	1993	GOB
8. Yaquina Heights 1.0 mgd reservoir	380,000	1993	GOB
9. Altitude valves at existing 4 mg reservoirs	50,000	1992	GOB
10. Repair or replace existing City Shops reservoirs	380,000	1992	GOB
11. Modify control to N.E. 7th Street 3rd level pump station	20,000	1993	GOB
12. N.E. Nautilus Street 3rd level pump station, 350 gpm	110,000	1994	GOB
13. PRV- 1-6"; 1-8"	65,000	1993	GOB
14. Arterial and transmission pipelines	2,161,000	1995	GOB
<b>PHASE I TOTAL ESTIMATE COSTS</b>	<b>\$8,651,000</b>		

**PHASE II, PRIORITY B--1996-2000 COMPONENTS**

1. WTP expansion to 9.75 mgd	\$200,000		GOB
2. King Ridge, 1.0 mg reservoir	380,000		GOB
3. South Beach 2nd level pump station, 570 gpm	175,000		GOB
4. PRV- 1-4"; 4-8"	102,000		GOB
5. Arterial and transmission pipelines	4,027,000		GOB
<b>PHASE II TOTAL ESTIMATED COSTS</b>	<b>\$ 4,884,000</b>		

**PHASE III, PRIORITY C--2001-2010 COMPONENTS**

1. Upper Agate Beach 1.0 mg reservoir	\$380,000		GOB
2. Yaquina Heights 4th level pump station, 350 gpm	110,000		GOB
3. Thiel Creek 3rd level pump station, 300 gpm	100,000		GOB
4. PRV- 1-6"; 2-8"	92,000		GOB
5. New 12-inch bay undercrossing pipeline	550,000		GOB
6. Arterial and transmission pipelines	1,240,000		GOB
<b>PHASE III TOTAL ESTIMATED COSTS</b>	<b>\$2,472,000</b>		

Source: "Water System Master Plan Update 1988 for the City of Newport, Oregon," CH2M HILL.

Note: Reference Map W1.

a A1 August 1987 costs (ENR 4430); b The anticipated year of construction may vary depending upon the rate and direction of growth and availability of funding; mgd = million gallons per day; mg = million gallons; gpm = gallons per minute; GOB = general obligation bonds.

Supply: Two major projects during the first 5-year planning period are designed to increase raw water supply. These projects include the following:

- ° Developing the Siletz River raw water supply by constructing intake and pipeline facilities
- ° Increasing raw water storage by removing silt in the Big Creek Reservoir No. 1

Treatment: Water treatment is planned to be increased to 7.75 million gallons per day by expanding the water treatment plant. This expansion will accommodate the water received from the Siletz River raw water source.

Transmission, Pumping, and Storage: Major recommended pipeline and pumping developments are designed to maintain adequate residential, commercial, industrial, and emergency water volumes and pressure during peak demands. These developments include the following:

- > A 16-inch raw water pipeline from the Siletz River to the water treatment plant.
- > A third level pump station on Nautilus Street that, in combination with a new storage reservoir, will supply water to the Agate Beach area.
- > New arterial and/or transmission pipelines to improve or establish delivery to the Thiel Creek area, Agate Beach area, and the east central city and west central urban growth boundary area.

Water storage requirements were derived by considering the needs for equalizing pressure, fire reserve, and emergency storage. Priority A projects designed to significantly increase water storage include four 1-million gallon reservoirs. These reservoirs will serve the Agate Beach second and third service levels, the third service level area north of Highway 20 and near the urban growth boundary, the proposed Thiel Creek development area south of the airport, and the first level service area of the northern South Beach area.

During the second planning period (1995-2000), the water treatment plant capacity will be increased to 9.75 million gallons per day, and storage capacity will be increased by adding one 1-million gallon reservoir and a second level pump station, and improving arterial and transmission pipelines. The third planning period (2001-2010) will be marked by the addition of two pump stations serving the upper service levels, a 1-million gallon reservoir, and a new bay undercrossing pipeline.

It is recommended that the city provide water service to the Thiel Creek development area when facilities can be constructed. Until then, water will be provided to the development from the Seal Rock Water District. Anticipated city water system improvements to the area would include construction of a new transmission system from the existing city water system in the South Beach area south to the development. To realize

this development south, the existing city system will require modifications, including the construction of two new pressure reducing valves on the south side of the bay and new connecting pipelines to the second service level on the north side of the bay.

### **Funding:**

The cost estimates in Table 1 are based upon current costs for constructing only the major arterial and transmission pipelines, pump stations, and storage reservoirs shown on Map W1. The costs of distribution pipelines, water service connection pipelines to structures, and any special metering devices to serve all potential users have not been included. The Water System Master Plan (pp. 5-5 through 5-6) identifies material type and construction technique assumptions used in producing the cost estimates.

Water development projects in Newport generally have been financed through General Obligation Bonds issued by the city. It is expected that projected water development projects will continue to be financed through general obligation bonds issued by the city. General obligation bonds are primarily supported by the city's taxing power and credit. The bonds reduce the city's available debt level because local governments are limited in the amount of debt which can be secured overall.

# **WASTEWATER FACILITIES**

Wastewater facilities are provided by the City of Newport. The sewerage service area encompasses most of the major developed areas within the city limits north of the bay. The areas lying south of South Beach and outside the city limits but within the UGB are currently unserved by the city's wastewater facilities.

## **Existing Wastewater Facilities:**

The primary components of the wastewater system are the wastewater treatment plant, gravity sanitary sewer lines, force mains, and lift stations. These components are identified in Map WW1 (CH2M HILL update) and are discussed in greater detail in the "Wastewater System Master Plan Update 1988" (hereinafter referenced as the "Wastewater Master Plan").

No systematic and detailed evaluation has been made to determine the conditions of the components of the existing system, other than to identify the sizes and flow carrying capacities. General conditions of the existing components are inferred by recommendations in the Wastewater Master Plan that address their maintenance, upgrading, or replacement: the greater their deterioration and significance to the overall function of the wastewater system component, the higher their priority for maintenance or replacement.

Several events have occurred since 1981 that improved the condition of the wastewater facilities. These events are outlined in the following.

Treatment: The city's existing treatment plant was expanded in two major stages to provide secondary treatment for an average daily flow of 3.2 million gallons per day. This treatment capacity is adequate to serve a population of around 11,000 residents. Between 1980 and 1986, the greatest sewage flows received at the city's treatment plant were approximately 2.49 million gallons per day.

Collection: Some of the existing trunk sewers, lift stations, and force mains were modified to expand their capacities. Some new sewers were added to provide sewer service to previously unsewered areas within the city limits.

## **Recommended Wastewater System Facility Improvement Projects:**

The Wastewater Master Plan briefly describes the need for facility improvements necessary to accommodate the projected population growth in Newport, considering the following factors:

- > Existing and forecasted sewer service needs by area and type
- > Total peak flow rate of wastewater

- > Natural drainage contours, topography, site access, and sewer system construction factors
- > Oregon State Department of Environmental Quality's policies covering the design of sewer systems

The existing major facilities together with the proposed facilities shown on Map WW1 combine to make up the wastewater system facilities plan for Newport. Table 2 (page 142) lists wastewater system improvement projects identified in the Wastewater Master Plan. A brief discussion of the facility needs and means to address these needs follows.

The City of Newport and its urban growth boundary have been divided into 14 separate drainage basins that are largely based on natural gravity drainage patterns and topography, but are also functions of land use and potential for phased construction of sewer extensions. These drainage basins are indicated on Map WW1.

Treatment: A preliminary sizing of the needed wastewater treatment facilities was based on the forecasted daily base flow from the projected residential population plus an allowance for infiltration of ground water. Wastewater flow during the summer months has increased significantly since 1981. The concentrations of suspended solids and biochemical oxygen demand in the influent have continued to remain high during the summer months, indicating the increased flow during the summer is mostly domestic sewage and not an increase of ground water infiltration or stormwater inflow. It is suspected that the higher summer domestic sewage flow results from an increase in tourism, industry, and commercial activity.

By using the flow rates given for the various drainage basins shown on Map WW1, several different alternatives have been examined for transmission of wastewater to treatment facilities and disposal of treated effluent. Major development anticipated south of the bay determines many of the forecasted wastewater facility needs. The current 3.2 million gallon per day capacity of the existing treatment plant provides secondary treatment for a residential population of around 11,000 people. Assuming the population of Newport increases as projected, particularly in the South Beach area and in the Thiel Creek area, additional treatment facilities located on a separate site will be required. Either a treatment plant will need to be constructed on the south side of the bay, or additional transmission capacity will be needed to supplement the existing 8-inch force main bay undercrossing. The Wastewater Master Plan recommends that a new treatment plant, with an initial capacity of 3.5 million gallons per day, be constructed on the south side of the bay with a new ocean effluent outfall pipeline. The plant would be constructed to allow an expected inflow of 3.9 million gallons per day by the year 2010.

Collection: A combination of force mains and gravity sanitary trunk sewer lines will parallel U.S. 101, supplying effluent to the South Beach treatment plant. Generally, gravity sanitary trunk sewers will service the peripheral areas of South Beach, directing sewage to the lines paralleling the highway. Because of beneficial topography on developable properties on the north side of the bay, almost all of the proposed new sewer lines will be gravity sanitary trunk sewer lines. One exception to this pattern is an 8-inch force main serving the northeast bay area.

A detailed discussion of the proposed phased improvement plan for the wastewater system facilities is provided in the Wastewater Master Plan (pp. 3-4 through 3-11). The highest priority projects recommended for construction during the first planning period (1988-1992) include:

- Construction of new and proposed expansions to existing trunk sewers, lift stations, and force mains, totaling \$5,980,000
- Construction of three new lift stations and expansion of one existing lift station, totaling \$760,000
- Construction of new force mains, gravity trunk sewers, and gravity sewers, involving a combined total of 251,000 linear feet of new service lines, totaling \$1,405,000

During the second planning period (1993-2000), the most significant proposed addition to the wastewater system involves the construction and operation of a new South Beach Wastewater Treatment Plant to provide secondary treatment for certain drainage basins and a new effluent outfall pipeline from the facility. Much of the recommended collection system development is designed in conjunction with the proposed new South Beach treatment plant. The last planning period (through the year 2010) will be marked by the abandonment of the northside wastewater treatment plant and its replacement by an expanded South Beach Wastewater Treatment Plant, which will be capable of treating 7 million gallons per day.

### **Funding:**

The cost estimates in Table 2 are based upon current design and construction costs for the major system components, not including laterals and service connections. The Wastewater Master Plan (pp. 3-11 through 3-15) discusses further assumptions used in calculating the cost estimates.

Most of the locally financed projected wastewater development projects are expected to be financed through a combination of general obligation bonds issued by the city and funding from the urban renewal program. General obligation bonds are primarily supported by the city's taxing power and credit. The bonds reduce the city's available debt level because local governments are limited in the amount of debt which can be secured overall. The Newport Development Commission administers the city urban renewal program, which provides monies through tax increment bonds.



Table 2  
 CH2M HILL, Inc.  
 Recommended Wastewater System Improvements

**PHASE I, PRIORITY A--1988-1995 COMPONENTS**

		Costs <sup>a</sup>	Anticipated Year of Construction	Funding Sources
1.	Trunk sewers, lift stations, and force mains within several drainage basins to provide collection service within the individual drainage basins.	\$ 5,980,000	1988-95	Unknown
2.	New Thiel Creek lift station. Pumping capacity 1.30 mgd.	390,000	1993	Developer
3.	New 10-inch force main from Thiel Creek lift station to gravity sewer--7,800 lf; and new 12-inch gravity trunk sewer--1,600 lf; and 15-inch gravity trunk sewer--2,000 lf; from force main to South Beach lift station.	640,000	1993	Developer
4.	New South Beach lift Station. Pumping capacity 0.60 mgd	150,000	1993	
5.	New 6-inch force main from South Beach lift station to gravity sewer--6,000 lf; and new 8-inch gravity trunk sewer--1,800 lf; from force main to Ferry Slip lift station.	340,000	1994	Developer UR/GOB <sup>c</sup>
6.	New Ferry Slip lift station. Pumping capacity 0.60 mgd.	130,000	1990	
7.	New 6-inch force main from Ferry Slip lift station to existing gravity sewer--2,700 lf.	105,000	1990	UR/GOB UR/GOB
8.	Expand OSU Marine Science Center lift station to pumping capacity of 1.00 mgd.	90,000	1990	UR/GOB
9.	New 15-inch gravity sewer from existing bay crossing to existing bay front lift station--3,200 lf	320,000	1993	UR/GOB
	<b>TOTAL ESTIMATED COST OF PHASE I</b>	<b>\$ 8,145,000</b>		

**PHASE II, PRIORITY B--1996-2000 COMPONENTS**

		Costs <sup>a</sup>	Anticipated Year of Construction	Funding Sources
1.	Trunk sewers, lift stations, and force mains within the several drainage basins to provide collection service within the individual drainage basins.	\$ 1,410,000		Unknown
2.	Extend existing 8-inch force main to relocate outlet from gravity sewer to north end of existing 8-inch bay crossing force main--1,500 lf.	75,000		Unknown
3.	Construct new 24-inch force main from bay front lift station across Yaquina Bay to the OSU MSC lift station --4,000 lf (1,600 feet of which is the bay undercrossing).	1,000,000		GOB
4.	New OSU MSC lift station. Pumping capacity 2.00 mgd	500,000		GOB
5.	New 24-inch force main from OSU MSC lift station to gravity sewer--6,000 lf; and new 30-inch gravity trunk sewer--2,600 lf; and new 36-inch gravity trunk sewer--100 lf; from force main to new South Beach treatment plant site.	1,175,000		GOB
6.	Abandon South Beach lift station and force main and construct 27-inch gravity trunk sewer to 30-inch gravity trunk sewer 3,200 lf and connect to manhole.	300,000		Unknown
7.	Expand Ferry Slip lift station to pumping capacity of 0.72 mgd and relocate outlet of 6-inch force main to existing 24-inch force main--100 lf.	130,000		Unknown
8.	New South Beach Wastewater Treatment Plant—trickling filter process--initial treatment capacity 3.50 mgd average daily flow.	9,500,000		UR/GOB
9.	New 36-inch effluent outfall pipeline--4,000 lf from plant to beach; 2,500 lf from beach into ocean.	2,000,000		UR/GOB
	<b>TOTAL ESTIMATED COST OF PHASE II</b>	<b>\$16,090,000</b>		

PHASE III, PRIORITY C--THROUGH YEAR 2010 COMPONENTS

New lift station at site of existing Northside Wastewater Treatment Plant. Pumping capacity 5.34 mgd. Assumes using existing structure for wetwell.	\$ 1,150,000	UR
New 18-inch force main from lift station at existing Northside plant site gravity trunk sewer--1,800 lf; and new 21-inch gravity trunk sewer from force main to bay front lift station construction under Phase II--1,800 lf.	250,000	Unknown
3. Rehabilitation and expand bay front lift station to pumping capacity of 6.50 mgd.	1,640,000	Unknown
4. Expand OSU MSC lift station to pumping capacity of 8.00 mgd.	1,000,000	Unknown
5. Construct 3.50 mgd expansion of proposed South Beach Wastewater Treatment Plant to bring treatment capacity to 7.00 mgd average daily flow.	6,500,000	Unknown
Abandon existing Northside Wastewater Treatment Plant.		
<b>TOTAL ESTIMATED COST OF PHASE III</b>	<b>\$10,540,000</b>	

<sup>a</sup> At August 1987 costs (ENR 4430).

<sup>b</sup> The anticipated year of construction may vary depending upon the rate and direction of growth and availability of funding.

<sup>c</sup> UR means Urban Renewal Program Funds; GOB means General Obligation Bonds.

<sup>d</sup> Abandoning the treatment plant will involve some costs, but the amount is dependent on the City's future plans for the structures and plant site property. This estimate points out that costs for abandoning the plant are not included here at this time.

mgd = million gallons per day; lf = linear feet.

Source: "Wastewater System Master Plan Update for 1988 for the City of Newport, Oregon," CH2M HILL.

## **NEWPORT TRANSPORTATION SYSTEM PLAN\***

This Transportation System Plan (TSP) describes the individual elements that make up the transportation system for the City of Newport. Plus, the TSP represents recommended project improvements and goals and policies towards establishing a coordinated multi-modal transportation network for the City of Newport intended to comply with Statewide Planning Goal 12 and the Transportation Planning Rule.

The complete TSP describes in detail the various components of a transportation system, makes a complete analysis of those various components, and describes the process used to develop the plan. The current Transportation System Plan was completed in 1997 and adopted in 1999. Several updates to the plan were adopted, including major updates in 2008 and 2012. By this reference, the complete TSP as amended by Ordinance No. 1963 is incorporated herein. Where the text references “TSP,” the reference is to the TSP as amended unless otherwise noted.

However, the complete plan, including the updates, contains more information than most individuals want to sort through when looking for guidance on how future decisions should be made to implement the plan. This section will therefore summarize the projects contained in the TSP and the goals and policies needed to assure compliance. Persons interested in obtaining a more thorough understanding of the reasoning for the projects, goals, and policies should review the full TSP documentation referenced in Policy 1, Goal 1 of this chapter.

### **Transportation System Plans for Each Mode**

The TSP places a strong emphasis on the preservation and improved operation of the US 20 and US 101 corridors. The City of Newport views US 101 and US 20 as the most important arterials in the multi-modal transportation network and likewise recognizes the importance of these facilities as statewide facilities per the Oregon Highway Plan. In implementation of the City’s Comprehensive Plan and the associated Transportation System Plan, the City will strive to maintain the function of these facilities to meet their statewide as well as regional needs.

The Transportation System Plan comprises all the improvements in the Middle Alternative, as developed during the TSP process. The Middle Alternative has been identified as the preferred alternative, which includes transportation improvements that support the identified goals and objectives and the adopted and acknowledged Comprehensive Plan. The following describes the recommended projects for each mode contained in the preferred alternative. For further specifics on the projects, refer to the complete Transportation System Plan.

The TSP was amended in 2008 to add a North Side Local Street Plan to support commercial development and redevelopment activity within the area bounded by 12<sup>th</sup> Street on the north, John Moore/Harney Drive on the east, the Pacific Ocean on the west, and the Yaquina Bay on the south. The 2008 amendment included a more comprehensive Pedestrian and

Bicycle Plan for the entire City. In February of 2010 a refinement plan was prepared for the South Beach Peninsula to identify transportation and related improvements to SE Marine Science Drive, SE Ferry Slip Road, SE Pacific Way, SE 25<sup>th</sup> Street and SW Abalone Street, needed to support marine research and industrial development anchored by the new NOAA Pacific marine operations center. The TSP was last amended in 2012 to address needed system improvements south of the Yaquina Bay Bridge in Newport’s South Beach Area, including an infrastructure refinement plan for the Coho / Brant neighborhood situated west of Highway 101 and north of SW 35<sup>th</sup> Street.

\*Added by Ordinance No. 1802 (1-4-99); Amended by Ordinance No. 1963 (8-18-08) and Ordinance No. 2045 (11-5-12).

The City has concentrated recent efforts on addressing transportation and land use issues in the South Beach area (south of the Yaquina Bay Bridge) where a significant amount of the City's new development is anticipated. A combination of anticipated 2030 levels of land development in South Beach and increasing background traffic volumes along US 101 will result in greater congestion levels, particularly during the summertime peak. However, traffic growth is likely to be high enough that other times of the year will also experience significant congestion. The City has an adopted South Beach Urban Renewal Plan that includes street improvements which will be critical new components of the system. However, due to limited State transportation funding for bridge improvement or replacement, the capacity of the Yaquina Bay Bridge is expected to continue to be the major constraint in the operation of the transportation system south of the bridge. Because of this, the City and ODOT worked together to identify a transportation system and management strategy that will support future growth in South Beach, one that includes alternative mobility standards for US 101, strategic improvements to the state highway, and a variety of improvements to both the local roadway system and the pedestrian and bicycle system. The improvements are discussed further in the *Transportation Planning in South Beach* section. The local and state actions and improvements that are identified for South Beach constitute the reasonable limits of what can be done to improve congestion on US 101, short of building more capacity into the Yaquina Bay Bridge. The City is committed to finding long-term solutions sufficient to address the existing capacity and structural limitations of the existing structure that affect the bridge's ability to carry vehicles and pedestrians. To this end, the City will continue to engage ODOT, Lincoln County, and its other regional partners in conversations regarding future project planning and funding that would lead to improvements to, and possibly replacement of, the Yaquina Bay Bridge.

### **Roadway Improvements**

The roadway improvements include new roadway construction for extensions and improvements to existing facilities as well as the development of new facilities. The recommended roadway improvements are listed in Table 1 and are discussed in more detail in the Transportation System Plan. Table 1 identifies project location, description and priority for projects in the local roadway system. As indicated by headings in Table 1, the projects listed are identified by the 1997 TSP, as well as updates to this plan in 2008 and 2012. All project cost estimates are shown in 2012 dollars; cost estimates for projects from the 1997 TSP (and 2008 update) have been adjusted for projects that have been altered or partially implemented. Costs for projects yet to be implemented have been adjusted to account for inflation.

**Table 1: Roadway Improvement Projects**

Project Description	Functional Class	Sidewalks	Bicycle Lanes	Priority	Estimated Cost (\$2012)	Source
<b>New Roadway Projects or Extensions</b>						
NE Harney Street between NE 3 <sup>rd</sup> and Hwy 20	Minor Arterial	Yes	Yes	High	\$824,000	2012 Cost Estimate
North-South Arterial – Phase IB (between NE 7 <sup>th</sup> St and NE 32 <sup>nd</sup> St) From 1997 TSP	Minor Arterial	No	No	Medium	\$3,720,000	1997 TSP
Extend NW Nye St to Ocean View Dr From 1997 TSP	Minor Arterial	Yes	Yes	High	\$240,000	1997 TSP
Connect SE 1 <sup>st</sup> St (between SE Douglas and SE Fogarty)	Local	Yes	Yes (one side)	Low	\$250,000	1997 TSP
Extend NE Avery St (between NE 71 <sup>st</sup> St and NE 73 <sup>rd</sup> St	Local	Yes	No	Low	\$369,000	2012 Cost Estimate
Extend SW Abbey St to SW Elizabeth St	Collector	Yes	No	Medium	\$141,000	2012 Cost Estimate
Extend NE 5 <sup>th</sup> St (between NE 7 <sup>th</sup> Dr and Newport Heights Rd	Local	No	No	Low	\$1,680,000	2012 Cost Estimate
Extend NW Biggs to NW 60 <sup>th</sup> St and Extend NW 60 <sup>th</sup> St to US 101	Collector	Yes	No	Low	\$102,000	1997 TSP/1995 Cost Estimate
Extend NW Harney Dr (between US 101 and Ocean View Dr)	Collector	Yes	Yes	Medium	\$452,000	1997 TSP/1995 Cost Estimate
Extend SW Abalone from SW 29 <sup>th</sup> Street to SW 35 <sup>th</sup> Street/US 101	Collector	Yes	Yes	High	\$2,315,000	2012 Coho / Brant Plan
Ash Street at SE 40 <sup>th</sup> Street, extend to approx. 1,200 feet south	Collector	Yes	Yes	Medium	\$1,473,000	2012 SB TSP update
New SE 50 <sup>th</sup> Street segment extending from existing road to South Beach State Park entrance	Collector	Yes	Yes	Low	\$1,565,000	2012 SB TSP update

<b>Project Description</b>	<b>Functional Class</b>	<b>Sidewalks</b>	<b>Bicycle Lanes</b>	<b>Priority</b>	<b>Estimated Cost (\$2012)</b>	<b>Source</b>
New road from SE 50 <sup>th</sup> Street to SE 62 <sup>nd</sup> Street at US 101	Collector	Yes	Yes	Low	\$5,017,000	2012 SB TSP update
Extend SW 28 <sup>th</sup> Street south from SW 27 <sup>th</sup> Street to connect with SW Brant Street	Local	Yes	No	Low	\$554,000	2012 Coho / Brant Plan
Construct SW 35 <sup>th</sup> street from US 101 to SE Ferry Slip Rd	Collector	Yes	Yes	Medium	\$653,000	2012 Coho / Brant Plan
<b>Improvements to Existing Roadways</b>						
Reconstruct NE 3 <sup>rd</sup> St (between NE Eads St and NE Harney Dr)	Local	Yes	No	Medium	\$243,000	1997 TSP
Extension of 60 <sup>th</sup> east of Highway 101 to connect with Hazel Ct and the improvement of hazel down to NE 57 <sup>th</sup> Street	Collector	Yes	No	Low	\$94,000	1997 TSP
Widen US 101 to five lanes (NE NE 31 <sup>st</sup> Street to North City Limits)	Principal Arterial	Yes	Yes	Low	\$13,000,000	1997 TSP
Widen US 20 to five lanes (John Moore Rd to US 101)	Principal Arterial	Yes	Yes	Medium	\$1,730,000	1997 TSP
Add travel lanes on US 101 from Yaquina Bay Bridge to SE 32 <sup>nd</sup> Street and restrict westbound movements at Pacific Way to emergency and transit vehicles only.	Principal Arterial	Yes	Yes	Medium	\$659,000	2012 SB TSP update
Add travel lanes on US 101 from SE 40 <sup>th</sup> Street to South Beach State Park/New SW 50 <sup>th</sup> Street	Principal Arterial	Yes	Yes	Low	\$1,602,000	2012 SB TSP update
Add travel lanes on US 101 from New SE 50 <sup>th</sup> Street to SW 62 <sup>nd</sup> Street	Principal Arterial	Yes	Yes	Low	\$799,000	2012 SB TSP update
Widen and pave SE Ash Street from Ferry Slip to SE 40th	Collector	Yes	Yes	High	\$506,000	2012 SB TSP update
Add eastbound through lane to receive traffic from second southbound through lane at SE 40 <sup>th</sup> and US 101	Collector	No.	No.	Medium	\$161,000	2012 SB TSP update
Widen SE Ferry Slip to three lane section from SE Marine Science Dr to SE 29 <sup>th</sup> St	Minor Arterial	Yes	Yes	Medium	\$547,000	2010 SB Peninsula Plan

<b>Project Description</b>	<b>Functional Class</b>	<b>Sidewalks</b>	<b>Bicycle Lanes</b>	<b>Priority</b>	<b>Estimated Cost (\$2012)</b>	<b>Source</b>
Widen and pave SW 27 <sup>th</sup> St from SW Brant St to SW Abalone St	Local	Yes	No	High	\$145,000	2012 Coho / Brant Plan
Widen and pave SW 27 <sup>th</sup> St from SW Coho St to existing improvements	Local	Yes	No	Low	\$101,000	2012 Coho / Brant Plan
Widen and pave SW 28 <sup>th</sup> St from Brant to Abalone slope (with pedestrian. stairs down embankment)	Local	No	No	Low	\$303,000	2012 Coho / Brant Plan
Widen and pave SW 29 <sup>th</sup> St from SW Coho St to SW Brant St	Local	No	No	Low	\$229,000	2012 Coho / Brant Plan
Widen and pave SW 30 <sup>th</sup> from SW Brant St to SW Abalone St	Local	Yes	Yes	High	\$311,000	2012 Coho / Brant Plan
Widen and pave SW Coho St from SW 29 <sup>th</sup> St to SW 30 <sup>th</sup> St	Local	Yes	Yes	Low	\$186,000	2012 Coho / Brant Plan
Widen and pave SW Brant St from SW 27 <sup>th</sup> to SW 30 <sup>th</sup> St	Local	Yes	No	High	\$707,000	2012 Coho / Brant Plan
<b>North Side Local Street Plan Street and Roadway Projects</b>						
Improve to 2-lane NE Benton Street from NE 8th Street to NE 10th Street	Local	Yes	No	High	\$316,000	2008 North Side TSP update
SW 9th St/ NE Benton St Connectivity Enhancement; Pedestrian xing and signage improvements from Abbey to NE 11th to facilitate corridor as a local parallel route to US 101 and access between US 20 and the bay front. Consider all way stop at 9th/Hurbert.	Local			High	\$34,000	2008 North Side TSP update
Improve to 3-lane urban standard NE 1st Street from US 101 to US 20 to provide westbound-to-northbound bypass of US 101 and US 20 intersection.	Local	Yes	Yes	High	\$557,000	2008 North Side TSP update



<b>Project Description</b>	<b>Functional Class</b>	<b>Sidewalks</b>	<b>Bicycle Lanes</b>	<b>Priority</b>	<b>Estimated Cost (\$2012)</b>	<b>Source</b>
Improve to 2-lane urban standard SW Neff Street from US 101 to SW 2nd Street to add system connectivity.	Local	Yes	Yes	High	\$515,000	2008 North Side TSP update
Improve to 2-lane urban standard SW 7th Street from SW 2nd Street to SW Elizabeth Street to add system connectivity.	Collector	Yes	Yes	Low	\$19,200,000	2008 North Side TSP update
Alternative Port Access Road Improvements; Evaluate improvements to SE Benson Road and/or SE John Moore Drive to improve access to waterfront area	Collector (Benson) Arterial (John Moore)			Medium/Low	Planning study needed to determine alignment and cost	2008 North Side TSP update

## **Transportation System Management/New Traffic Signals**

Transportation System Management is a traffic control tool that attempts to maximize the efficiency of the existing transportation system without additional roadway capacity. TSM projects can be characterized as being low-capital cost alternatives that can be implemented in a relatively short time frame and that aim to make better use of existing facilities, either by operational changes or by better traffic management.

There are several TSM projects that have been recommended for implementation in Newport. These projects are listed in Table 2 below. Table 2 identifies project location, description and priority for TSM projects in the local roadway system. As indicated by headings in Table 2, the projects listed are identified by the 1997 TSP, as well as updates to this plan in 2008, 2010 and 2012. All project cost estimates are shown in 2012 dollars; cost estimates for projects from the 1997 TSP (and 2008 update) have been adjusted to account for inflation.

**Table 2: Transportation Management System (TSM) Improvement Projects**

<b>Location/ Limits</b>	<b>Project Description</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
<b>TSM Improvement Projects – City-wide</b>				
US 101 Revisions (between OR 20 and Yaquina Bay Bridge)	Removal of on-street parking, no bike lanes, left turns only at Bayley, Abbey, Hurbert, Angle, and Olive	High	\$31,000	1997 TSP
US 101/NE Avery Street	Access management modification (right-in, right-out only)	High	\$18,000	1997 TSP
John Moore Rd at SE Bay Blvd	Provide realignment and channelization	High	\$51,000	1997 TSP
US 101 to Cape	Provide island and channelization	High	\$7,500	1997 TSP
Naterlin at US 101 (Yaquina Bay Bridge)	Provide realignment and channelization	High	\$45,000	1997 TSP
NE 52 <sup>nd</sup> St Area Improvements	Improve NE Lucky Gap between NE 52 <sup>nd</sup> St and NE 54 <sup>th</sup> St; provide access from Longview Hills to NE 52 <sup>nd</sup> St	Medium	\$1,000,000	1997 TSP
NW 56 <sup>th</sup> St Improvement Area	Eliminate Old Hwy Loop between NW 55 <sup>th</sup> St and NW 58 <sup>th</sup> St; extend NW 56 <sup>th</sup> St to US 101; improve NW Gladys St between NW 56 <sup>th</sup> St and NW 60 <sup>th</sup> St as a frontage road	High	\$545,000	1997 TSP
US 101	Surface Parking Lots for 101 Business: Construct surface parking lots to supplement parking removed from 101 restriping	Medium	\$270,000	1997 TSP
Abbey St	Construct a new parking structure on Abbey St parking lot (4 levels with top level open); include bike racks; restripe Bay Blvd to accommodate parallel parking south of Fall St to Naterlin Dr	Low	\$3,975,000	1997 TSP
NE 57 <sup>th</sup> St	Eliminate US 101 access; cul-de-sac NE 57 <sup>th</sup> St on its western terminus; connect NE Hazel Ct to NE 60 <sup>th</sup> St	Medium	\$270,000	1997 TSP
SW 2 <sup>nd</sup> St between US 101 and SW Angle St	Close SW 2 <sup>nd</sup> St between US 101 and SW Angle St (to be completed as part of signalization project at US 101 and Angle St)	Low	\$45,000	1997 TSP
US 101 and Hurbert St	Signal improvements to provide for left turns	High	\$270,000	1997 TSP
US 101/OR 20	Signal revisions/improvements; realign E Olive St	High	\$1,120,000	1997 TSP

<b>Location/ Limits</b>	<b>Project Description</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
US 101 at NW 11th Street	Realign intersection to eliminate slight off-set. Consider need for additional east/west turning lanes and/or signalization improvements.	High	\$570,000 ROW needed	2008 North Side TSP update
US 101 at NW 6th Street	Realign intersection to eliminate off-set. Consider need for added east/west turning lanes and/or improved signal to address congestion problem.	High	\$730,000 ROW needed	2008 North Side TSP update
<b>North Side Local Street Plan TSM Improvement Projects</b>				
US 101, US 20 north to NW 12th Street	Evaluate opportunities for driveway and/or minor street closures or consolidation.	High	As redevelopment occurs.	2008 North Side TSP update
US 101 at US 20	Add 2nd southbound left turn lane. Widen eastbound US 20 to receive 2 lanes of traffic, transition to one lane east of US 101.	High	\$885,000 ROW needed	2008 North Side TSP update
US 20 at NE Coos Street	Add signal and improve intersection to encourage north/ south local street alternative to US 101. Signal could help relieve congestion at NE Eads.	High	\$605,000	2008 North Side TSP update
US 20 at SE John Moore Drive	Add north/south left turn lanes and adapt signal phase. Combine northbound right/through lanes.	Medium	\$220,000	2008 North Side TSP update
SW Hatfield Drive at SW Bay Boulevard	Stripe separate right and left turn lanes, add crosswalk and no parking designation on Hatfield Dr. Add curb extensions on Bay Blvd. to facilitate pedestrian crossing.	High	\$52,000	2008 North Side TSP update
SW 2nd Street, SW Coast Street to SW Lee Street	Realign intersections of SW Lee Street, SW Hurbert Street, SW High Street and SW Coast Street to eliminate off-sets.	Medium	\$805,000 ROW needed	2008 North Side TSP update
US 101 at Angle Street	Modify 1997 TSP to install traffic signal and left turn lanes on US 101. Remove on-street parking in vicinity of intersection to accommodate added lanes. Consider alternative to retain on-street parking by eliminating lefts on US 101 at Angle and evaluating local connectivity thru refinement plan after installation of signal at US 101/Abbey.	Medium	\$600,000	2008 North Side TSP update
US 101 at Hurbert Street	Modify 1997 TSP to install left turn lanes on US 101. Remove on-street parking in area of intersection for	High	\$100,000	2008 North Side TSP update

<b>Location/ Limits</b>	<b>Project Description</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
	added lanes. Consider alternative to retain on-street parking by eliminating lefts on US 101 at Hurbert and evaluating local connectivity thru refinement plan after installation of signal at US 101/Angle.			
John Moore Drive at Bay Blvd.	Stripe John Moore for separate left and right turns. Modify curb radii to enhance right turns from John Moore onto Bay. Add eastbound left turn lane and pedestrian crossing.	High	\$400,000	2008 North Side TSP update
Various Locations	Signage Improvements: <ul style="list-style-type: none"> <li>▫ Directional signs from US 20 to both John Moore and 9<sup>th</sup> for Bay Front visitors</li> <li>▫ Directional signs from Bay Front parking lots and along Bay Blvd to Naterlin for Ocean access</li> <li>▫ Improve signage to parking on Bay</li> </ul>	High	\$21,000	2008 North Side TSP update
<b>South Beach TSM Improvement Projects</b>				
US 101 at 32 <sup>nd</sup> Street	Remove traffic signal from intersection of US 101 and SE 32 <sup>nd</sup> Street. Convert intersection of US 101 and 32 <sup>nd</sup> Street right in and right out. Add one travel lane in each direction, construct multi-use path on west side with buffer and shoulder. Add shoulder/bike lane and sidewalk on east side of the highway. Acquire right-of-way as needed and institute access management.	High	\$787,000 (\$190,000 for interim improvements per 2012 Coho/Brant Refinement Plan)	2012 South Beach TSP update
US 101 at 35 <sup>th</sup> Street	Widen intersection to add channelization and install traffic signal. Add one travel lane in each direction and construct multi-use path on west side with buffer and shoulder. Add shoulder/bike lane and sidewalk on east side of US 101. Construct 35 <sup>th</sup> Street to connect with US 101 (approx. 600-700 ft.) with multi-use path on north side and sidewalk on south side. Acquire right-of-way as needed and institute access management.	High	\$1,935,000 (\$1,119,000 for interim improvements per 2012 Coho/Brant Refinement Plan)	2012 South Beach TSP update
US 101 at SW 40 <sup>th</sup> Street	Widen intersection to add channelization and install traffic signal. Add one travel lane in each	Medium	\$2,624,000	2012 South Beach TSP update

<b>Location/ Limits</b>	<b>Project Description</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
	direction and construct multi-use path on west side with buffer and shoulder. Add shoulder/bike lane and sidewalk on the east side of US 101 north of 40 <sup>th</sup> Street and shoulder to the south. Add sidewalks on north side of 40 <sup>th</sup> [cost does not include 2 <sup>nd</sup> EB through lane to receive dual SB lefts from US 101 (see Project #12)]. Acquire right-of-way as needed and institute access management.			
US 101 at South Beach State Park/New SW 50 <sup>th</sup> Street	Construct traffic signal and intersection improvements to add new east leg. Multi-use path with buffer on west side of US 101 and shoulder/bike lanes on both sides. Multi-use path on north side of 50 <sup>th</sup> and sidewalk on south side.	Low	\$1,970,000	2012 South Beach TSP update
US 101 at SW 62 <sup>nd</sup> Street	Widen intersection to add channelization. Shoulder/bike lanes on both sides of US 101. Multi-use path on west side of US 101 with buffer and north side of 62 <sup>nd</sup> . Sidewalk on south side of 62 <sup>nd</sup> .	Low	\$1,054,000	2012 South Beach TSP update
SE Ferry Slip Road	Close intersection of US 101 at SE Ferry Slip Road, and overlay and widen roadway from SE 32 <sup>nd</sup> Street to north end of SE Ash Street (~1,100 feet).	High	\$144,000	2012 South Beach TSP update
SE 40 <sup>th</sup> Steet at US 101 to approx. 500-700 feet east	Add eastbound through lane to receive traffic from second south bound through lane at intersection of 40 <sup>th</sup> Street with US 101	Medium	\$154,000	2012 South Beach TSP update

## New Traffic Signals

It has been identified that as traffic volumes increase, several intersections throughout Newport will require the installation of traffic signals. The cost for each traffic signal is estimated at \$500,000, totaling \$3.5 million for seven signals. This includes the cost for installation and signal coordination infrastructure but does not include intersection road work.

Listed below are the locations that will likely require new traffic signals or turn lanes, as traffic volumes increase. Intersection road work, such as turn lanes, also may be needed with these traffic signals. New traffic signals on state highways must be authorized by the State Traffic Engineer. These intersections should be monitored to determine the point in time at which signalization is warranted:

- US 101 at Abbey Street (High)
- US 101 at Angle Street (Low)
- US 101 at NE 36<sup>th</sup> St. (Medium)
- US 101 at NE 73<sup>rd</sup> St. (Low)
- US 101 at SE 35<sup>th</sup> Street (High)
- US 101 at SW 40th Street (High)
- US 101 at South Beach State Park/New SW 50th Street (Low)

Transportation modeling shows that traffic flow near the bridge would be improved by relocating the traffic signal at 32<sup>nd</sup> Street southward to 35<sup>th</sup> Street. When the planned 35<sup>th</sup> Street intersection widening is complete and a traffic signal is installed, the traffic signal from the intersection of US 101 and SE 32<sup>nd</sup> Street will be removed and replaced with a stop sign for motorists approaching US 101 from the side street. In addition, the 32<sup>nd</sup> Street intersection with US 101 will be limited to right in and right out traffic movements.

## Functional Classification System

Streets perform various roles in a community, ranging from carrying large volumes of through traffic to providing direct access to abutting property. These functions are often conflicting, and a hierarchical classification system is needed to determine the appropriate function and purpose of each roadway.

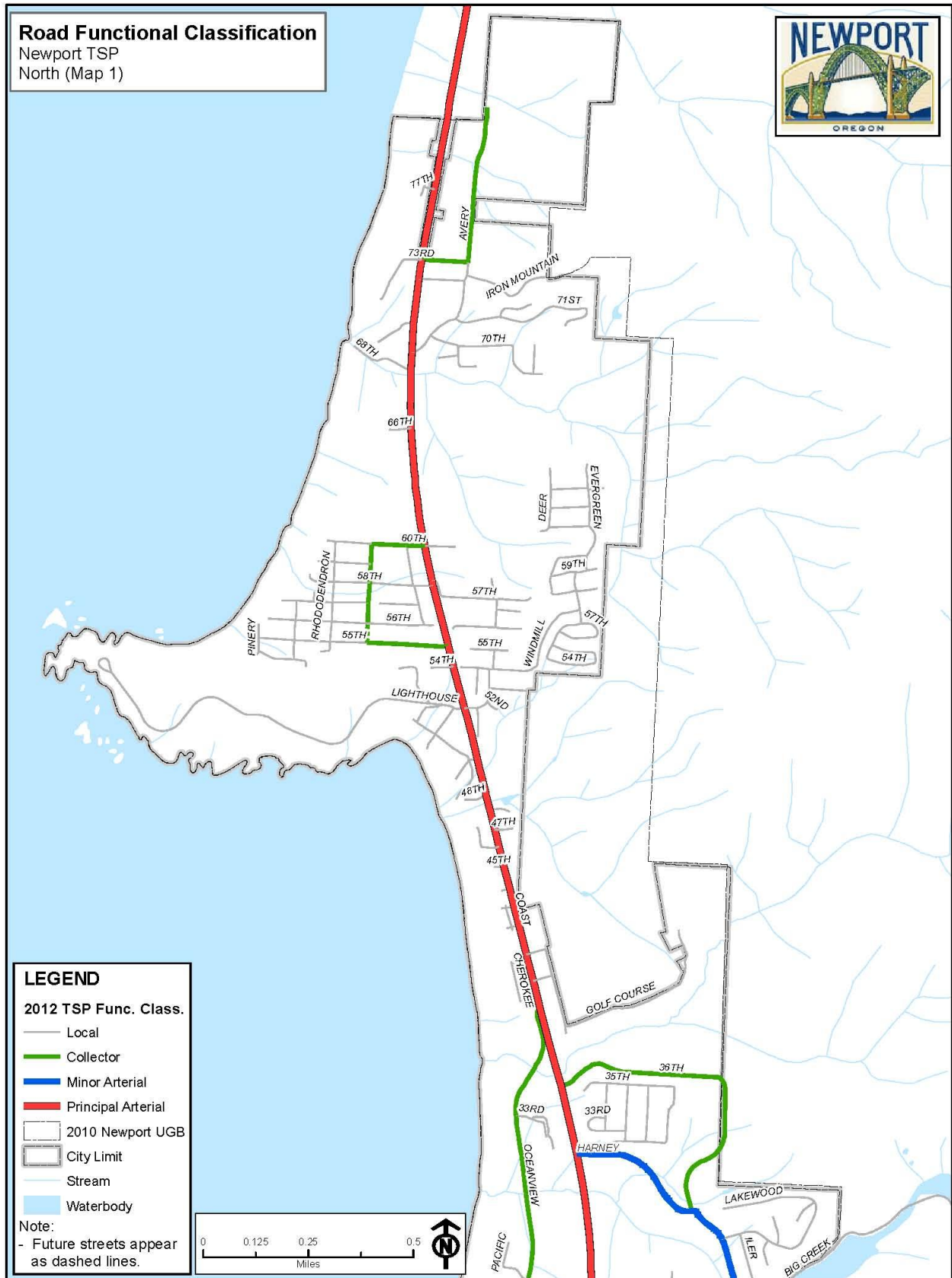
Figures 1 through 3, and Table 43 presents the recommended functional classification system plan for the City of Newport. This plan recommends four roadway classifications as follows:

- **Principal Arterials** – These facilities carry the highest volumes of through traffic and primarily function to provide mobility and not access. Principal arterials provide continuity for intercity traffic through the urban area and are usually multi-lane facilities. The only facilities identified as principal arterials are US Highways 101 and 20.
- **Minor Arterials** – These facilities interconnect and augment the principal arterial system and accommodate trips of somewhat shorter length. Such facilities interconnect residential, shopping, employment, and recreational activities within the community.
- **Collector Streets** – These streets provide both land access and movement within residential, commercial, and industrial uses. These streets gather traffic from local roadways and serve as connectors to arterials.

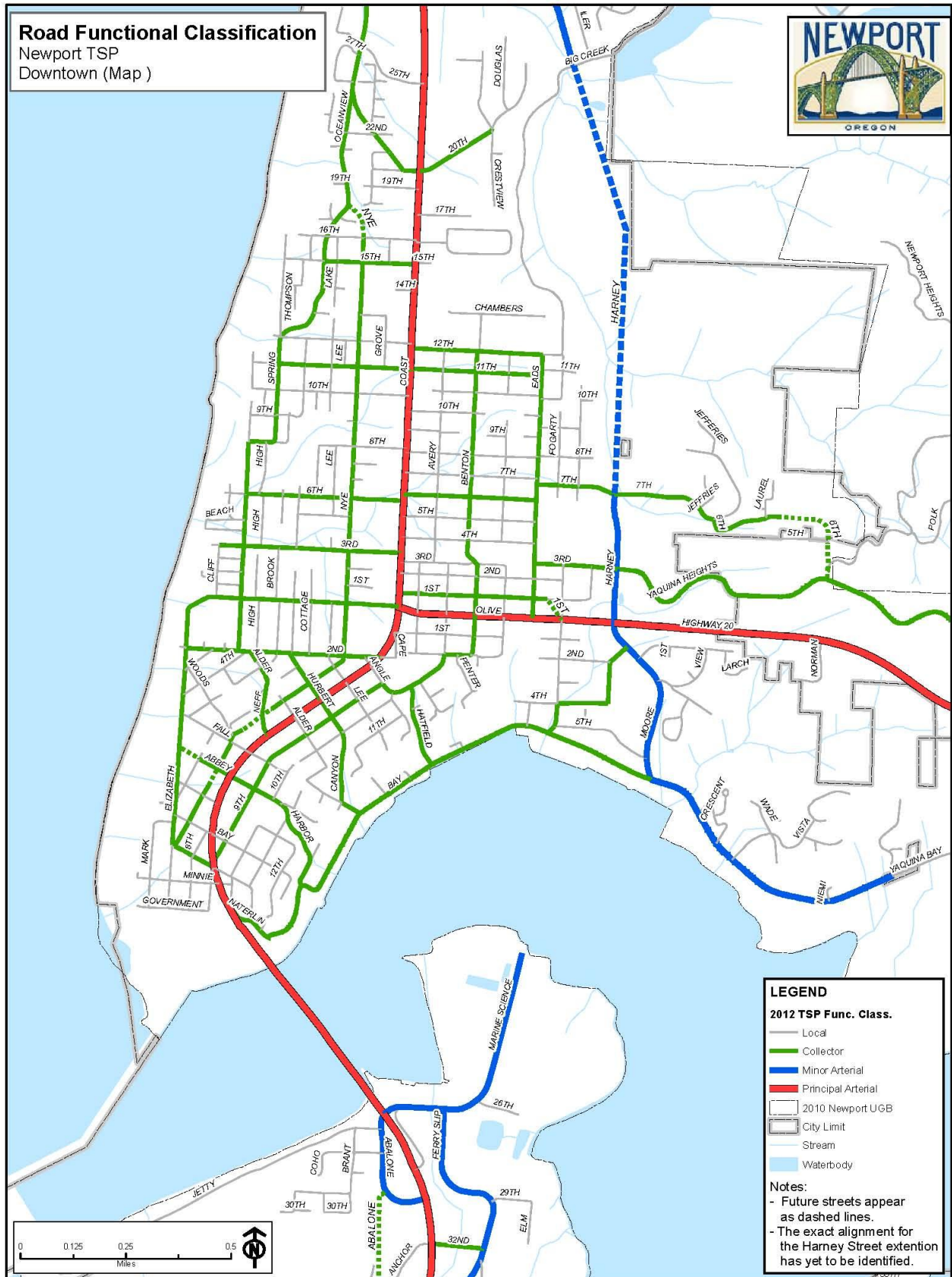
- **Local Streets** – These streets provide land access to residential and other properties within neighborhoods and generally do not intersect any arterial routes. All remaining streets not listed in Table 4 are classified as local streets.



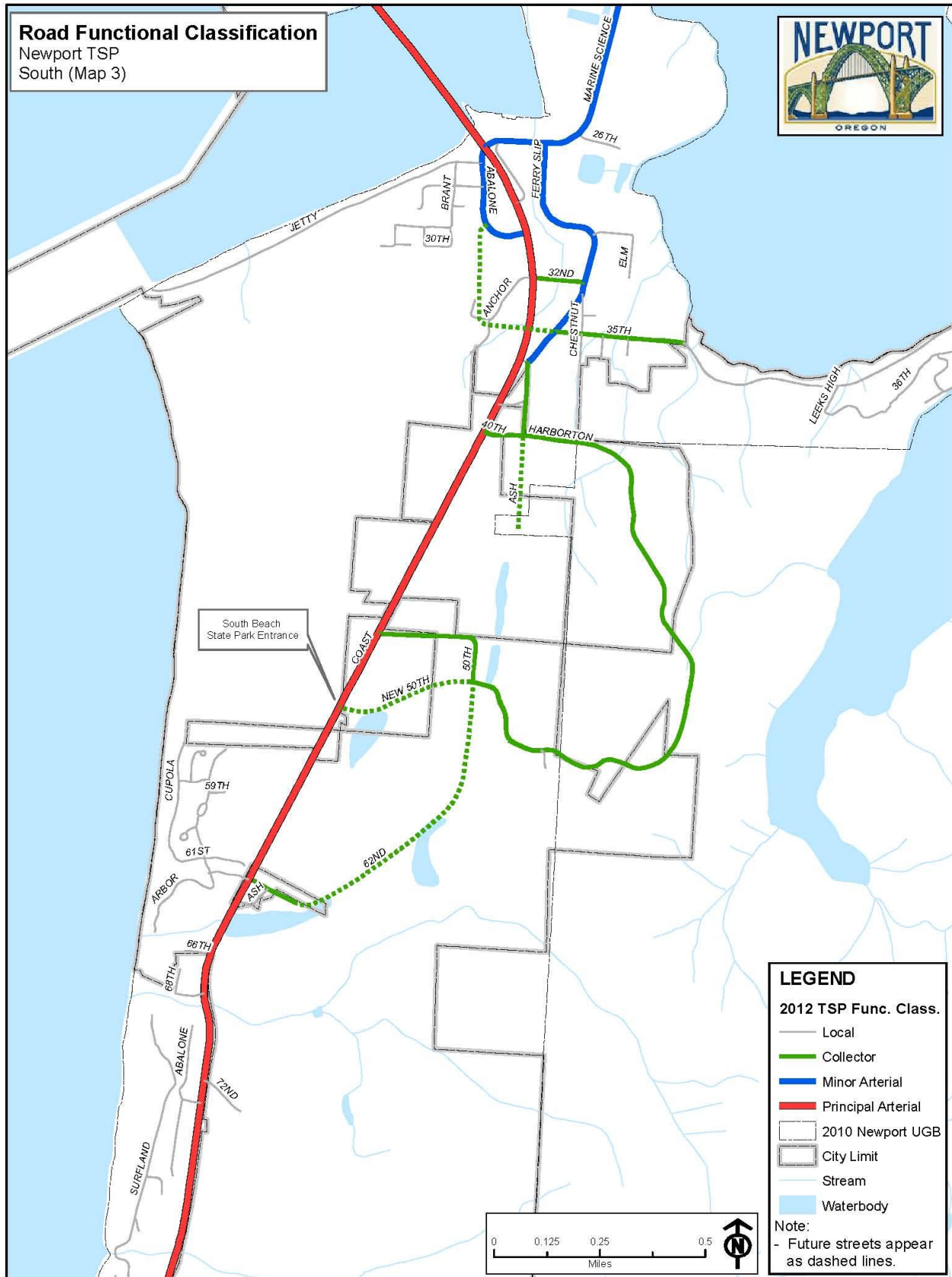
**Figure 1: Functional Classification of Roadways – Agate Beach Map**



**Figure 2: Functional Classification of Roadways – Downtown Map**



**Figure 3: Functional Classification of Roadways – South Beach Map**



**Table 4: Functional Classification of Roadways**

<b>Principal Arterials</b>	<b>Limits</b>
US Hwy 101 US Hwy 20	North UGB Limits to South UGB Limits Hwy 101 to East UGB Limits
<b>Minor Arterials</b>	<b>Limits</b>
SW Abalone St SE Bay Blvd SE Ferry Slip Rd Harney Dr John Moore Rd North-South Arterial SE Marine Science Dr	Hwy 101 to SE Marine Science Dr John Moore Rd to East UGB Limits SE Marine Science Dr to SE Ash St Hwy 101 to Hwy 20 SE Bay Blvd to Hwy 20 Harney Dr to Harney Dr SW Abalone St to end of Street
<b>Collectors</b>	<b>Limits</b>
SW Abalone St SE Abbey St SW Alder St SW Angle St SE Ash St SE Avery St NE Avery St SE Bay Blvd SW Bayley St NE Benton St SW Canyon Way NW Coast St NE Coos St NE Eads St NW Edenvue Way SW Elizabeth St SW Fall St SW Fall St SE Ferry Slip Road SE Fogarty St SW Harbor Way SE Harborton St SE Harney Dr SW Hatfield Dr SW Hurbert St SW Naterlin Dr SW Neff Way NW Nye St SW Nye St NW Ocean View Dr W Olive St NW Spring St NE Yaquina Heights Rd NE 1 <sup>st</sup> St SE 2 <sup>nd</sup> St SW 2 <sup>nd</sup> St NW 3 <sup>rd</sup> St NE 3 <sup>rd</sup> St	Stub out at cemetery to SW 35 <sup>th</sup> St Hwy 101 to SW Harbor Way SW 2 <sup>nd</sup> St to SW Neff Way SW 2 <sup>nd</sup> St to SW 9 <sup>th</sup> St SE Ferry Slip to southern terminus SE 2 <sup>nd</sup> St to East Olive (Hwy 20) NE 73 <sup>rd</sup> to North UGB Limits SE John Moore Rd to SW Naterlin Dr SW 7 <sup>th</sup> St to SW 11 <sup>th</sup> St NE 3 <sup>rd</sup> St to NE 12 <sup>th</sup> St SW Hurbert St to SW Fall St SW 2 <sup>nd</sup> St to NW 8 <sup>th</sup> St NE 3 <sup>rd</sup> St to SE 2 <sup>nd</sup> St East Olive (Hwy 20) to NE 12 <sup>th</sup> St Hwy 101 to NW Ocean View Dr SW Bayley St to W Olive St SW Canyon Way to SW Bay Blvd SW Elizabeth St to Hwy 101 SE Marine Science Dr to SE Ash St SE Bay Blvd to SE 4 <sup>th</sup> St SW Abbey St to SW 13 <sup>th</sup> St SE 40 <sup>th</sup> St to SE 50 <sup>th</sup> St SE 4 <sup>th</sup> St to SE John Moore Rd SW 9 <sup>th</sup> St to SW Bay Blvd SW 2 <sup>nd</sup> St to SW Canyon Way SW Government St to SW Bay Blvd SW Alder St to Hwy 101 West Olive St to NW Ocean View Dr SW 2 <sup>nd</sup> St to West Olive St NW 12 <sup>th</sup> St to Hwy 101 SW Elizabeth St to Hwy 101 NW 8 <sup>th</sup> St to NW 12 <sup>th</sup> St NE Harney Dr to Hwy 20 Hwy 20 to Hwy 101 SE Benton St to SE Coos St SW Elizabeth St to SW Angle St NW Coast St to Hwy 101 NW Harney St to NE Eads St

SE 4 <sup>th</sup> St	SE Fogarty St to SE Harney Dr
NW 6 <sup>th</sup> St	NW Coast St to Hwy 101
NE 6 <sup>th</sup> St	Hwy 101 to NE Eads St
NE 7 <sup>th</sup> St	NE 7 <sup>th</sup> Dr to Yaquina Heights Dr
SW 7 <sup>th</sup> St	SW 2 <sup>nd</sup> St to SW Elizabeth St
NW 8 <sup>th</sup> St	NW Coast St to NW Spring St
SW 9 <sup>th</sup> St	Hwy 101 to SE 10 <sup>th</sup> St
SE 10 <sup>th</sup> St	SE Benton St to SW 9 <sup>th</sup> St
NW 11 <sup>th</sup> St	NW Spring St to Hwy 101
NE 11 <sup>th</sup> St	Hwy 101 to NE Eads St
NE 12 <sup>th</sup> St	Hwy 101 to NE Eads St
SW 13 <sup>th</sup> St	SW Harbor Way to SW Bay St
NW 15 <sup>th</sup> St	NW Ocean View Dr to Hwy 101
NE 20 <sup>th</sup> St	Hwy 101 to NE Crestview Dr
SE 32 <sup>nd</sup> St	Hwy 101 to SE Ferry Slip Road
SE 35 <sup>th</sup> St	Hwy 101 to eastern terminus
SE 40 <sup>th</sup> St	Hwy 101 to SE Harborton St
SE 50 <sup>th</sup> St	SE Harborton St to US 101
SE 62 <sup>nd</sup> St	SE 50 <sup>th</sup> St to Hwy 101
NE 73 <sup>rd</sup> St	Hwy 101 to NE Avery St

The hierarchical functional classification system requires different design standards for each roadway classification. For instance, major thoroughfare routes require different access control standards, paving requirements, right-of-way widths, and traffic safety devices. The TSP includes graphics showing the typical design standards for each roadway under the functional classification system.

The suggested design standards are to be used as a guideline for roadway construction, including the development of new roads and the reconstruction of existing roads. The roadway design standards are established to ensure consistency throughout the City, but because the City has diverse topographic and natural constraints, they must provide flexibility for unique and special situations. The City also may permit alternate street cross-section design in response to the challenges and needs of specific areas, where these standards are supported by the recommendations of a refinement planning process. Recent examples of where a more flexible approach to roadway design was adopted include the Coho/Brant and South Beach Peninsula Transportation Refinement Plans.

### **Transportation Planning in South Beach**

#### *Overview*

Primary access to businesses and residents in South Beach principally relies on US 101. Recent analysis of the transportation system’s capability to support existing and future growth indicates that the existing Oregon Highway Plan’s (OHP) mobility standards or “targets” would not be met along US 101 for the 2030 planning horizon. This condition results from the combination of background traffic growth (e.g., through traffic) and anticipated development within the South Beach area. Substantial highway improvements in South Beach would not be sufficient to respond to the additional travel demand because the system is limited by the capacity of the Yaquina Bay Bridge, given its physical constraints as well as system infrastructure costs. To respond to this expected future condition, and to come into compliance with the State’s expectations for mobility on US 101, the TSP identifies a variety of improvements to local street, bicycle, and pedestrian systems, as well as to US 101 that will improve local circulation and

facilitate traffic movements on US 101. The identified improvements on the local roadway system, are described in Table 1<sup>1</sup>. The Oregon Transportation Commission recognizes that the mobility targets established in OHP Table 6 may not be feasible or practical in all circumstances. OHP Policy 1F states that alternate mobility targets can be developed to reflect the balance between relevant objectives related to land use, economic development, social equity, and mobility and safety for all modes of transportation. New mobility standards for US 101 have been identified and analyzed in conjunction with planned transportation system improvements in the report titled “Newport Transportation System Plan Update - Alternate Mobility Standards Final Technical Memorandum #13 Summary of Measures of Effectiveness,” dated April 2012 in order to confirm that the mobility targets can reasonably be met within the planning horizon.

The Oregon Transportation Commission has sole authority to set standards for state facilities. The City supports the application of alternative mobility standards at intersections on US 101 in order to facilitate planned growth in South Beach. This change to mobility standards on US 101 as a result of planning done in 2011-12 represents a decision to accept a higher level of congestion. In recognition of the constraint that the existing Yaquina Bay Bridge poses to access to South Beach, and the lack of funds for large capacity improvements on the highway system in the foreseeable future, the City has chosen to help implement the State’s alternate mobility standards, given that a higher level of controlled congestion on US 101 is an acceptable trade-off for accommodating economic development and reduced costs of total transportation system improvements associated with development.

An infrastructure refinement plan was prepared for the Coho/Brant neighborhood concurrent with the preparation of the TSP. That plan identifies needed improvements to local and collector streets in the neighborhood considering the transportation network identified in the TSP update for the greater South Beach area.

#### *Development of an Alternative Mobility Standard*

A substantial seasonal increase in traffic volumes occurs on US 101 during the summer months due to tourist traffic. During the peak traffic months of July and August, Newport weekday traffic is 21% higher than the annual average traffic volumes and 40% higher than traffic volumes during January. The Oregon Highway Plan (OHP)’s mobility targets apply during this peak summer traffic period.<sup>2</sup> Current traffic conditions in South Beach; however, are better than the conditions allowed by the OHP mobility targets.<sup>3</sup>

The capacity of the two-lane Yaquina Bay Bridge also affects highway operations in South Beach. The narrow travel lanes, lack of highway shoulders and the significant road grade from the middle of the bridge to its south end in South Beach affect the bridge’s capacity when compared to a typical highway. The TSP Update calculated that the two-lane bridge’s capacity is about 25% less than a typical highway. No replacement bridge can be expected in the planning horizon to provide additional capacity, so South Beach traffic movements will continue to be affected by this condition in 2030.

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<sup>1</sup> In 2012, Ordinance 2045 updated the TSP to include transportation improvements for South Beach. The technical memoranda that constitute the analysis and recommendations for the transportation system in South Beach are documented and included in Ordinance 2045. *Newport Transportation System Plan Update - Alternate Mobility Standards Final Technical Memorandum #13 Summary of Measures of Effectiveness* informs the development of alternate mobility standards for US 101 in the South Beach study area. The development of these standards is based on the findings of technical memoranda #5, #10, #11 and #12 prepared for the Newport Transportation System Plan (TSP) Update.

<sup>2</sup> OHP Policy 1F, Table 6.

<sup>3</sup> Newport TSP Technical Memorandum #5.

OHP mobility targets apply at the end of the planning horizon to evaluate the effect of future community development on highway operations, and substantial development is expected in South Beach during the planning horizon. Traffic volumes that would result from the level of development expected to occur in South Beach by 2030 were combined with ODOT's projections for background traffic growth. These future traffic volumes then were evaluated with the current local road network and current highway configuration, and with the existing road network and a five-lane highway alternative. The analysis showed that the existing network and the existing highway could not meet the OHP mobility targets anywhere in the system. Congestion would be so severe that traffic volumes would exceed the capacity of all highway intersections and the average travel speed would be 3.9 miles per hour for northbound traffic, and 2.5 miles per hour for southbound traffic on the existing highway. When the analysis included a five-lane highway, conditions north of 50<sup>th</sup> Street still could not meet the OHP targets and still exceeded capacity. South of 50<sup>th</sup> Street, most highway movements could meet the OHP targets, but none of the intersecting streets could. The average travel speed for a five-lane highway would be less than nine miles per hour for northbound traffic and less than six miles per hour for southbound traffic.<sup>4</sup>

A local road network is proposed in the South Beach Urban Renewal Plan to provide a local transportation system that is better able to support development in South Beach. The network would provide a more interconnected local street system that would allow local travel to occur on city streets rather than solely on the highway. This network was included in the Preferred System for the TSP Update because it would provide better long-term traffic conditions than the existing network and a five-lane highway.

The OHP mobility targets cannot be met on US 101 in South Beach because of high seasonal traffic and the reduced highway capacity caused by the Yaquina Bay Bridge. The OHP calls for consideration of alternative mobility standards where it is infeasible to meet the OHP mobility targets. Future traffic conditions in South Beach will be affected by high seasonal traffic and the reduced capacity of the Yaquina Bay Bridge. The alternative mobility standard incorporates a seasonal adjustment to use the annual average traffic volume; assigns new mobility targets; evaluates mobility only at existing traffic signals and at the locations where signalized intersections are proposed as part of the TSP Update; and accounts for the development of community services in South Beach, thereby minimizing future travel on US 101 to reach such services elsewhere in Newport. The results are alternative mobility standards effective at the current signalized US-101/SE 32<sup>nd</sup> Street intersection and at the future signalized highway intersections at South 35<sup>th</sup> Street, SE 40<sup>th</sup> Street and at SE 50<sup>th</sup> Street/South Beach State Park.

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<sup>4</sup> Newport TSP Update, Technical Memorandum #11.

### *Trip Budget Program*

The purpose of the Trip Budget Program is to ensure that the planned transportation system meets the needs of existing and future development in South Beach. The underlying premise of the program is that the planned transportation system can accommodate a reasonable level of land development and still operate at an acceptable level. The assumed number of trips that will be generated by development in South Beach over a 20-year planning horizon was determined based on projected population growth and permitted land uses, but with the assumption that not all areas were 100% buildable due to environmental constraints.<sup>5</sup> The land uses in this scenario, and the vehicular trips this future growth will generate, are anticipated to be accommodated on the adopted planned transportation system over a similar time horizon. The Trip Budget Program will be used to maintain the balance between the expected land uses and the identified needed transportation improvements in South Beach.

The City maintains a zoning overlay for South Beach that sets the parameters for allocating trips to new development and provides a framework for how and when the City of Newport and ODOT will revisit 20-year growth assumptions. The overlay, titled the South Beach Transportation Overlay Zone (“SBTOZ”), includes developable and redevelopable land in the South Beach portion of Newport, from the Yaquina Bay Bridge south to properties accessing SE 62nd Street (Figure 2: South Beach Overlay Zone). The SBTOZ helps the City track the consumption of trips from future development. It is a tool to assess new growth and compare it to the assumptions upon which the transportation system and improvements are based.

### *TAZ Trip Budgets*

The Trip Budget Program is based on the number of trips projected to be generated from new development in South Beach over a 20-year time horizon. South Beach transportation analysis zones (“TAZs”) were created, as shown in Figure 2, to forecast future trips. Future development assumptions were made based on existing land use designations, environmental constraints in the area, and information gathered from property owners and businesses regarding assumptions about the amount of development that could be expected for each of the TAZs within the planning horizon. Table XX lists the TAZs in the SBTOZ and the PM peak hour trip total for each TAZ, at the time of plan adoption. The total number of trips available in the SBTOZ at the time of plan adoption also is shown in Table XX; these totals are the basis for the Trip Budget Program.

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<sup>5</sup> Land Use Scenario #2 in Newport Transportation System Plan Update - Alternate Mobility Standards Technical Memorandum #12 Analysis of South Beach Land Use Scenarios. Further supported by technical reports titled “Review of Newport TSP Update – Technical Memorandum #10: Biological/Wetlands Review” and “Newport Transportation System Plan Update – Alternate Mobility Standards Technical Memorandum #11 2030 Baseline System.”



**Table 4: South Beach Overlay Zone Trip Budget Totals**

Area	TAZ Trip Budget <sup>1</sup>
Area A	1,237
Area B and C	798
Area D	606
Area E	167
Area F	626
Area G	257
Area H	300
Area I	181
Area J	200
<b>Trip Reserve Total<sup>2</sup></b>	<b>490</b>
<b>SBTOZ Trip Total</b>	<b>4,862</b>

<sup>1</sup>TAZ Trip Budgets are projected PM Peak Hour Trips forecasted for each TAZ during the next 20 years. TAZ Trip Budgets are based upon Scenario #2 in the "Newport Transportation System Plan Update-- Alternate Mobility Standards Final Technical Memorandum #12."

<sup>2</sup> The SBTOZ Trip Reserve Total is 10% of the PM Peak Hour Trips from each TAZ. These trips can be allocated anywhere within the SBTOZ through Newport Zoning Code provisions.

City shall develop a process for the allocating trips out of the TAZ Trip Budget. Such a process may provide for vesting trips with a valid land use decision or through the issuance of a vesting letter. As part of the trip allocation process, the City is responsible for determining whether or not remaining trips available in the TAZ can accommodate the development proposal. Proposed developments that would generate more PM peak hour trips than what remains in the budget for the TAZ can be approved only by submitting a land use application requesting to use trips from the Trip Reserve Fund or through mitigation supported with a traffic impact analysis.

*Trip Reserve Fund*

Trips from the Trip Reserve Fund can be allocated to development projects anywhere within the SBTOZ. The trips in the reserve fund were calculated based on the cumulative total of all the TAZs in the SBTOZ and roughly equal 10% of the total PM peak hour trips available in the SBTOZ, as shown in Table 4. Reserve trips may be allocated across TAZ boundaries, to any land use type that is permitted by the underlying zoning.<sup>6</sup> Through the SBTOZ, the City applies the following criteria to determine when trips should be allocated out of the Trip Reserve Fund to support a proposed development project:

- There are insufficient unassigned trips remaining in the TAZ to accommodate the proposed types of use(s).
- The proposal to use trips from the Trip Reserve Fund to meet the requirements of the Trip Budget is supported by a Transportation Impact Analysis.
- There are sufficient trips available in the Trip Reserve Fund to meet the expected trip generation needs of the proposal.

Approval of the allocation of trips from the Trip Reserve Fund is a discretionary decision, subject to attendant public notice, opportunity to comment, and an appeals process. Allocation of reserve trips is approved only where a transportation analysis demonstrates that the impacts from the

<sup>6</sup> As opposed to TAZ trips, which must be allocated within the TAZ boundaries where development is proposed.

proposed development is consistent with the planned preferred transportation system, or that the transportation impacts can be mitigated with improvements proposed as part of the development.

#### *Transportation Impact Analysis Requirement*

To ensure that the number of trips available in the Trip Budget and Trip Reserve Fund are not being exceeded by development, the City will need to know the expected trip generation from each development proposal. In order for this information to be included in a development application, the City has traffic-related submittal requirements in the Zoning Ordinance. For development proposals, including changes in uses that will have a limited impact on the transportation system, this can be accomplished by determining the number of PM peak hour trips expected from the future development and ensuring that the effect to the transportation system is consistent with the transportation improvements planned for South Beach. Additional traffic analysis is required for higher traffic generating uses, such as development proposals that include a requested change in the underlying land use designation or zone or proposals that request trips from the Trip Reserve Fund to support a development proposal. The “two tiered” nature of such submittals in the City Zoning Ordinance requires a Trip Assessment Letter of all applicants, and requires a Transportation Impact Analysis (“TIA”) when certain prescribed threshold conditions are met. The TIA section in the Zoning Code also includes thresholds that, if met or exceeded by a development proposal, would require that a TIA be submitted to the City for review and approval through a Type III review process.

The Zoning Code shall describe the thresholds for requiring a TIA that are applicable to development anywhere in Newport. The required elements of a TIA also are described. However, City staff has some discretion to determine the level of analysis necessary, based in part on the size and expected impact of the proposed project. Initial information on a proposed project and expected transportation impacts is gained through a pre-application conference between City staff and the applicant. The zoning code should allow the City to require needed transportation improvements as a condition of approval when the TIA shows that there is a need for the improvements. A fee-in-lieu option may also be included in the zoning code to provide for some flexibility as to when those improvements are made.

#### *Trip Generation Calculation*

The number of PM peak hour trips a proposed development is expected to put on the transportation system is based on trip generation by use in the latest edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual. One identified way to reduce the number of trips across the Yaquina Bay Bridge to reach essential goods and services is to promote a mix of uses in South Beach and to encourage service-related uses not currently found south of the bridge. Consistent with this approach, certain land use types must only consider the “primary trips” for the use rather than the trips that also would accrue from “passby” or “diverted-link” trips. Passby and diverted link trips involve intermediate stops on the way from a trip origin to a primary destination. “Passby” or “diverted linked” trips are identified by the type of use in the latest edition of the Institute of Transportation Engineers (ITE) Trip Generation Manual. The following uses will be required to calculate only “primary trips”:

- Personal service oriented uses, such as professional offices and branch banks.
- Sales or general retail uses, total retail sales area under 15,000 square feet, such as a grocery store. This does not include restaurants.
- Repair oriented uses.

### *Monitoring the Trip Budget Program*

The trip generation information obtained from the Trip Assessment Letter required of each development proposal, as well as alterations or changes in use, in South Beach will be used by City staff to keep the Trip Budget updated. Upon approval of the trip allocation, City staff will update the available PM peak hour trip total for the subject TAZ by deducting the trips allocated to the permitted development. In the case of a change in use, where the new use generates less trips than the previous use, or through mitigation capacity is added to the system then trips may be added to the Trip Budget. The Trip Reserve Fund will be similarly updated when development is allocated trips from the Fund.

The Planning Commission and City Council should receive periodic updates on the status of the Trip Budget. The frequency of these updates may depend upon the respective body's work program but occur at least once a year.

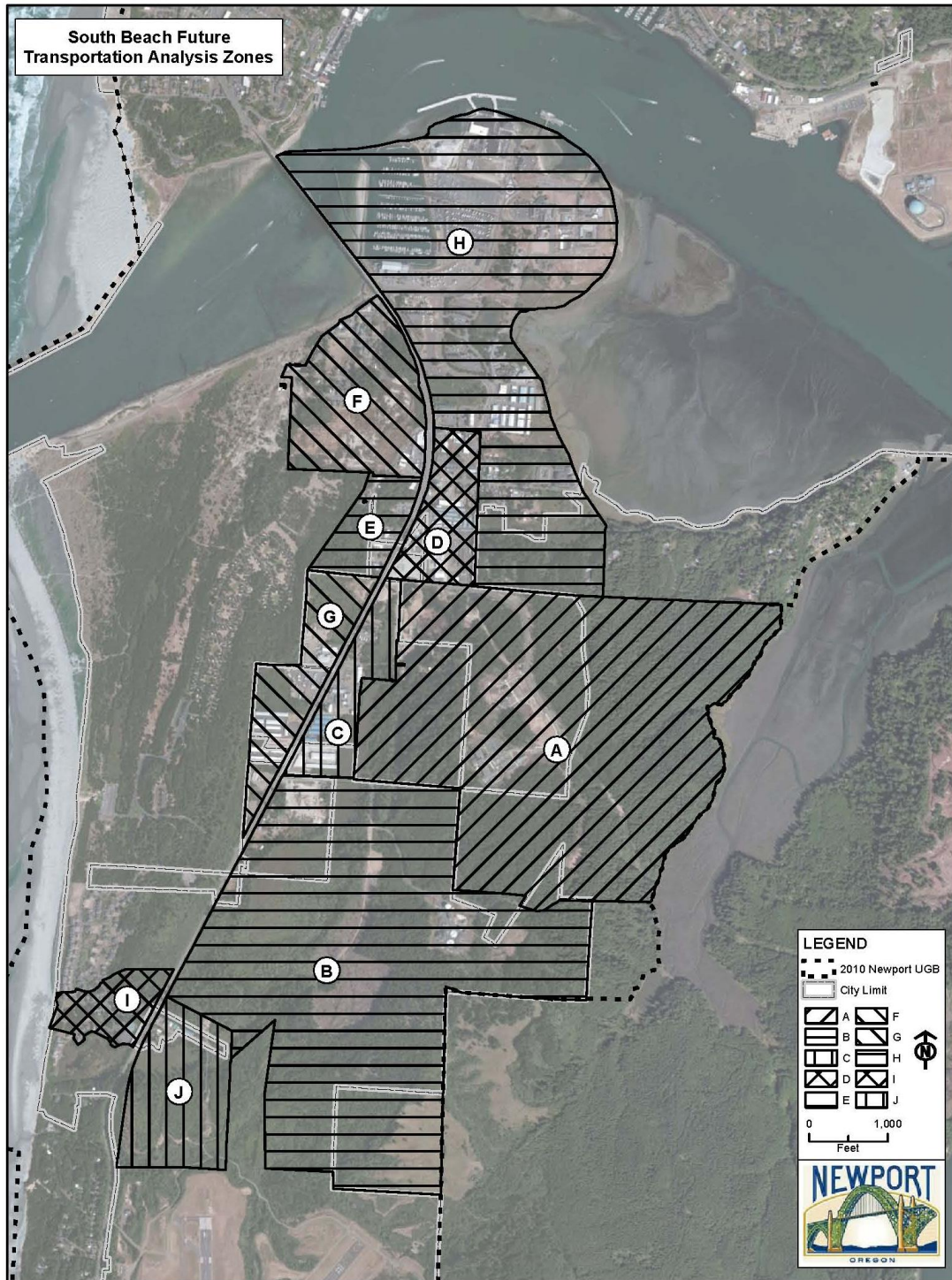
### *Amending the Trip Budget Program*

It is unlikely that development will match up precisely to the assumptions in the future transportation analysis and, despite the flexibility afforded by the trip reserve, the Trip Budget Program may need to be updated to reflect actual development trends or to accommodate economic development opportunities that were not foreseen at the time of its adoption. These updates will be accomplished by:

- A comprehensive reassessment of the trip budget program that will begin no more than 10 years from effective date of Trip Budget Program ordinance.
- A reevaluation of the Newport Transportation System Plan and the associated trip budget will occur when 65% of the total trips in any given TAZ have been committed to permitted development.
  - This review will be initiated no later than 6 months from the time the threshold is reached. In anticipation of development reaching the 65% threshold, the City could also choose to commence the review any time development pressure in a certain TAZ warrants such an action.
  - The development proposal that triggers the 65% Review will not be denied based on this required review. Subsequent development proposals within the subject TAZ may also be reviewed and approved by the City during the review process. If the review necessitates updates to the Trip Budget Program, proposed changes will be adopted through a TSP and associated Zoning Code amendments.
  - To ensure that the 65% Review provides timely information, it will be completed within 12 months from initiation, or pursuant to a schedule that is part of a work program previously agreed upon by both the City and ODOT.

Major updates or adjustments of the land use scenarios and the trip budget for South Beach will require a legislative amendment to the TSP. Transportation Planning Rule findings of compliance with the adopted transportation system plan must support the modification.

**Figure 4: South Beach Overlay Zone<sup>7</sup>**



<sup>7</sup> Corresponds with Figure 2-2 from Newport Transportation System Plan Update - Alternate Mobility Standards Technical Memorandum #12 Analysis of South Beach Land Use Scenarios.

## **Pedestrian Facility Improvements**

Specific to the City's pedestrian plan are recommendations for a continuous sidewalk system in good repair that will connect existing and future pedestrian and transit traffic generators. Emphasis is given to the pedestrian/transit interface. Also critical to the plan is the support it provides for tourist foot traffic, from the main traffic area and to specific tourist attractions. To this end, sidewalk improvements were identified to link existing sidewalks and to provide a system of sidewalks to ensure a balanced transportation system that offers realistic non-motorized alternatives. Early City efforts focused on providing safe and convenient travel for children who walk to school. The pedestrian and bicycle plan was greatly expanded in 2008 when the City adopted a new Pedestrian and Bicycle Plan. The City's existing pedestrian facilities and proposed pedestrian system are illustrated in the 2008 Pedestrian and Bicycle Plan.<sup>8</sup> The update to the transportation system serving South Beach resulted in recommended projects that will enhance the pedestrian experience south of the bridge, including sidewalks along the west side of US 101, south to 35th Street, which will be part of future roadway improvements, and a multi-use path and sidewalks east of the highway, along 40th Street, Harborton Road, and 50th Street. South Beach improvements are illustrated Figure 3, Recommended South Beach Pedestrian and Bicycle Projects.

In 2011 the City conducted a series of charrettes with the public to improve recreational access to Agate Beach. The Agate Beach Wayside Project resulted in a conceptual design and list of associated improvements after extensive outreach by the City of Newport and Lincoln County with neighboring property owners, business owners, Oregon Department of Transportation, the Oregon Parks and Recreation Department, Surfrider Foundation, and other stakeholders.

Major elements of the project include: improved parking lot circulation and safety; pedestrian improvements for Lucky Gap Trail; pedestrian improvements to North Agate Beach (i.e. "surfer access"), and; improvements to NW Agate Way and sidewalks on NW Gilbert Way.

Table 5 includes the recommended pedestrian facility improvements needed over the next 20 years. As indicated in the source column in Table 5, the projects listed are identified in the 1997 TSP, as well as updates to this plan in 2008 and 2012. All project cost estimates are shown in 2011 dollars; cost estimates for projects from the 1997 TSP (and 2008 update) have been adjusted to account for inflation.

Planning level cost estimates have been prepared for projects needed to provide continuous sidewalks within the school bus perimeter and in the core area, and to provide sidewalks where they do not currently exist on streets that will be part of the future arterial or collector network.

Adding sidewalks along a roadway are only part of the pedestrian solution; many busy streets and intersections are difficult to cross and can be barriers to walking. Allowing people to cross streets as freely as possible is important in maintaining a pedestrian-friendly environment. Often the width of the street, the geometry of the intersection, and the signal timing are designed only for the needs of the vehicle; not the pedestrian.

To increase pedestrian crossing opportunities and safety, two approaches can be considered: (1) designing roads that allow crossings to occur safely by incorporating design features such as raised medians or signal timing that creates gaps in traffic; or (2) constructing actual pedestrian crossings with pedestrian-activated signals, mid-block curb extensions, marked crosswalks, etc.

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<sup>8</sup> See maps 2-1, 3-1, 3-2, and 3-3 in the 2008 Pedestrian and Bicycle Plan. Note that the location of the shared use path and the proposed sidewalk along Highway 101 depicted on Map 3-3, Proposed Pedestrian System in South Newport, has been updated; see Figure 3, Recommended South Beach Pedestrian and Bicycle Projects.

There are a variety of locations in Newport where crosswalk improvements are necessary to maintain pedestrian safety. The 2008 Pedestrian and Bicycle Plan identify several techniques that can be implemented at busy intersections.

### **Bicycle Facility Improvements**

US 101 is the state-designated bike route that is known nationally as the Oregon Coast Bike Route. In Newport, the Oregon Coast Bike Route diverges from the highway between Ocean View Drive and the Yaquina Bay Bridge onto city streets located west of the highway that have lower traffic volumes and are closer to the Pacific Ocean. Other City-designated routes are along Ocean View Drive, Coast Street, and Elizabeth Street. These routes are currently signed, but lack separated bike lanes. The City's goal is to provide bicycle routes that enable safe and efficient travel for through bike traffic traveling along the Oregon Coast, as well as to provide a system for traveling within the city. The system of bicycle facilities has been designed to connect both north-south and east-west bicycle traffic. It has also been designed to connect all major generators of bicycle traffic with residential neighborhoods and tourist facilities. The pedestrian and bicycle plan was greatly expanded and adopted by the City of Newport in 2008. The existing bicycle facilities and proposed bicycle facilities are illustrated in the 2008 Pedestrian and Bicycle Plan.<sup>9</sup> The update to the transportation system serving South Beach resulted in recommended projects to enhance the pedestrian experience south of the bridge. Sidewalks will be extended on both sides of the highway south to 35th Street. South of 35th Street, a multi-use path will be constructed on the west side of the highway; a sidewalk will be constructed on the east side. Multi-use paths and sidewalks will be constructed along SE 40th Street, Harborton Road and the new alignment for SE 50th Street.

Table 5 presents the recommended bicycle route improvements. The cost estimate for upgrading existing roads to include bicycle lanes has been prepared for each route or series of routes. The cost estimates for bicycle facilities on new roadways have been included in the roadway construction cost estimates. All project cost estimates are shown in 2012 dollars; cost estimates for projects from the 1997 TSP (and 2008 update) have been adjusted to account for inflation.

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<sup>9</sup> See Maps 2-2, 3-4, 3-5, and 3-6 in the 2008 Pedestrian and Bicycle Plan. The location of the proposed shared use path in South Beach was updated by the 2012 South Beach amendments (see Figure 3 Recommended South Beach Pedestrian and Bicycle Projects).

**Table 5: Recommended Pedestrian and Bicycle Improvements<sup>10</sup>**

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
<b>US 101 Crossings</b>						
NW 68th Undercrossing	n/a	An undercrossing of US 101 at NW 68th	ODOT / Newport	Low	\$2,340,000	2008 Ped. Bike Plan
Mid-block between 16th Street & 17th Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk	ODOT / Newport	Low	\$265,000	2008 Ped. Bike Plan
NW 15 <sup>th</sup> Street	n/a	Add crosswalk	ODOT / Newport	Low	\$11,500	2008 Ped. Bike Plan
13th Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk	ODOT / Newport	Low	\$265,000	2008 Ped. Bike Plan
10th Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk	ODOT / Newport	Medium	\$265,000	2008 Ped. Bike Plan
8th Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk	ODOT / Newport	Medium	\$265,000	2008 Ped. Bike Plan
3rd Street / 4th Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk	ODOT / Newport	High	\$265,000	2008 Ped. Bike Plan
2nd Street (outside City Hall)	n/a	Add median, raised stop bars, appropriate signage, and striped continental	ODOT / Newport	High	\$265,000	2008 Ped. Bike Plan

<sup>10</sup> All project estimates, unless otherwise noted, are shown in 2012 dollars. Costs are escalated at a 4% per year from the previous project estimate (1997, 2008 or 2011).

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
		crosswalk				
SW Angle Street	n/a	Add curb extensions	ODOT / Newport	High	\$78,000	2008 Ped. Bike Plan
SW Lee Street	n/a	Add curb extensions	ODOT / Newport	High	\$53,000	2008 Ped. Bike Plan
SW Hurbert Street	n/a	Add curb extensions	ODOT / Newport	High	\$38,000	2008 Ped. Bike Plan
SW Alder Street	n/a	Add curb extensions	ODOT / Newport	High	\$53,000	2008 Ped. Bike Plan
SW Neff Way	n/a	Add median, raised stop bars, appropriate signage	ODOT / Newport	Medium	\$265,000	2008 Ped. Bike Plan
SW Abbey Street	n/a	Tighten the turning radius for vehicles, add marked crosswalks	ODOT / Newport	Low	\$205,000	2008 Ped. Bike Plan
SW Bay Street	n/a	Tighten the turning radius for vehicles, add marked crosswalks	ODOT / Newport	Low	\$205,000	2008 Ped. Bike Plan
Mid-block between SW Bayley Street & SW Minnie Street	n/a	Add median, raised stop bars, appropriate signage, and striped continental crosswalk, and curb extensions	ODOT / Newport	Medium	\$265,000	2008 Ped. Bike Plan
<b>Sidewalks</b>						
US 101 <sup>11</sup>	Yaquina Bay Bridge to Abalone Street	Construct sidewalk on west side of highway			\$186,000	2012 South Beach TSP update
US 101 <sup>12</sup>	Abalone Street to Anchor Way/35 <sup>th</sup> Street	Construct sidewalk on west side of highway			\$332,000	2012 South Beach TSP update

<sup>11</sup> Funding currently proposed from FEMA as part of tsunami evacuation route. The Ash Street Extension roadway improvement project (south of SE 40<sup>th</sup> Street) shows a multi-use path at this location. This estimate is for an independent sidewalk improvement.

<sup>12</sup> Project included as part of the Ash Street Extension roadway improvement project (south of SE 40<sup>th</sup> Street) as a multi-use path.



<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
NE Avery Street	US 101 to end of street	Construct sidewalk on west side of street	Newport	Medium	\$219,000	2008 Ped. Bike Plan
NE 71st Street	NE Avery Street to NE Echo Ct	Construct sidewalk on south side of street	Newport	Low	\$115,000	2008 Ped. Bike Plan
NE 70th Street	NE Avery St to fire access easement road	Construct sidewalk on north side of street	Newport	Low	\$79,000	2008 Ped. Bike Plan
Fire Access Easement	NE 70th St to NE 71st St	Construct pedestrian accessway	Newport	Low	\$18,000	2008 Ped. Bike Plan
US 101	NE Avery St to Agate Beach Access Rd	Construct sidewalk on west side of street	ODOT / Newport	Low	\$700,000	2008 Ped. Bike Plan
NE 57th Street	US 101 to NE Evergreen Ln	Construct sidewalk on south side of street	Newport	Medium	\$130,000	2008 Ped. Bike Plan
NE Evergreen Lane	End of street to NE 54th St	Construct sidewalk on west side of street	Newport	Low	\$245,000	2008 Ped. Bike Plan
NE 54th Street	NE Evergreen Ln to NE 56th St	Construct sidewalk on north side of street	Newport	Low	\$60,000	2008 Ped. Bike Plan
NE 56th Street	NE 54th St to NE Lucky Gap St	Construct sidewalk on east/south of street	Newport	Low	\$85,000	2008 Ped. Bike Plan
NE Lucky Gap Street	NE 56th St to NE 57th St	Construct sidewalk on east side of street	Newport	Low	\$55,000	2008 Ped. Bike Plan
NW 60th Street	US 101 to end of street	Construct sidewalk on both sides of street	Newport	Medium	\$155,000	2008 Ped. Bike Plan
NW 58th Street	US 101 to end of street	Construct sidewalk on both sides of street	Newport	Medium	\$225,000	2008 Ped. Bike Plan
NW 57th Street	NW Gladys St to end of street / NW Biggs St to end of street	Construct sidewalk on south side of street	Newport	Low	\$115,000	2008 Ped. Bike Plan
NW 56th Street	US 101 Access Rd to	Construct sidewalk on south side of	Newport	Medium	\$145,000	2008 Ped. Bike Plan

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
	end of street	street				
NW 55th Street	US 101 to end of street	Construct sidewalk on north side of street	Newport	Medium	\$160,000	2008 Ped. Bike Plan
NW Rhododendron Street	NW 55th St to NW 60th St	Construct sidewalk on east side of street	Newport	Medium	\$105,000	2008 Ped. Bike Plan
NW Biggs Street	NW 56th St to NW 60th St	Construct sidewalks on both sides of street	Newport	Medium	\$155,000	2008 Ped. Bike Plan
NW Gladys Street	NW 56th St to NW 60th St	Construct sidewalks on west side of street	Newport	Low	\$90,000	2008 Ped. Bike Plan
NW Lighthouse Drive	US 101 to end of street	Construct sidewalks on north side of street	Newport	Low	\$335,000	2008 Ped. Bike Plan
NE Harney Street	US 101 to NE Big Creek Rd	Construct sidewalks on south side of street	Newport	Medium	\$210,000	2008 Ped. Bike Plan
NE Lakewood Drive	NE Harney to end of street	Construct sidewalk on one side of street	Newport	Medium	\$190,000	2008 Ped. Bike Plan
NE Crestview Drive	NE 20th St to end of street	Complete sidewalk gaps on west side of street	Newport	Low	\$34,000	2008 Ped. Bike Plan
NE Crestview Place	NE 20th St to end of street	Construct sidewalks on west side of street	Newport	Low	\$63,000	2008 Ped. Bike Plan
NE 20th Place	NE 20th St to end of street	Construct sidewalks on south side of street	Newport	Low	\$61,000	2008 Ped. Bike Plan
NE Douglas Street	NE 20th Pl to end of street	Construct sidewalks on west side of street	Newport	Low	\$59,000	2008 Ped. Bike Plan
NW Oceanview Drive	US 101 to NW Spring St	Construct sidewalks on west side of street	Newport	Low	\$495,000	2008 Ped. Bike Plan
NW Spring Street	NW Oceanview Dr to NW 8th St	Construct sidewalks on west side of street	Newport	Medium	\$105,000	2008 Ped. Bike Plan
NW 8th Street	NW Spring St to NW Coast St	Construct sidewalks on north side of street	Newport	Medium	\$32,000	2008 Ped. Bike Plan

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
NW 15th Street	NW Oceanview Dr to NW Grove St	Construct sidewalks on south side of street	Newport	Low	\$68,000	2008 Ped. Bike Plan
NW 12th Street	NW Spring St to just east of NW Nye St	Construct sidewalks on south side of street	Newport	Medium	\$87,000	2008 Ped. Bike Plan
NW 11th Street	NW Spring St to US 101	Complete sidewalk gaps on both sides of street	Newport	High	\$130,000	2008 Ped. Bike Plan
NW 10th Street	NW Spring St to NW Nye St	Construct sidewalk on south side of street	Newport	Medium	\$79,000	2008 Ped. Bike Plan
NW 6th Street	NW Coast St to NW Nye St	Construct sidewalks on north side of street	Newport	High	\$183,000 <sup>13</sup>	2008 Ped. Bike Plan
NW 12th Street	US 101 to NE Benton St	Complete sidewalk gaps on south side of street	Newport	High	\$60,000	2008 Ped. Bike Plan
NE 8th Street	US 101 to NE Eads St	Construct sidewalks on one side of the street	Newport	Medium	\$130,000	2008 Ped. Bike Plan
NE 7th Street	US 101 to NE Eads St	Construct sidewalks on one side of the street	Newport	High	\$130,000	2008 Ped. Bike Plan
NE Jeffries Place	NE 7th St to end of street	Construct sidewalks on west side of street	Newport	Low	\$39,000	2008 Ped. Bike Plan
NE 7th Drive	NE 7th St to end of street	Construct sidewalks on west side of street	Newport	Low	\$94,000	2008 Ped. Bike Plan
NE 6th Street	NE 7th Drive to end of street	Construct sidewalks on south side of street	Newport	Low	\$100,000	2008 Ped. Bike Plan
NE 4th Street	US 101 to NE Douglas St	Construct sidewalks on both sides of street	Newport	High	\$170,000	2008 Ped. Bike Plan
NE 3rd Street	NE Eads St to NE Harney St	Complete sidewalk gaps on both sides of street	Newport	High	\$140,000	2008 Ped. Bike Plan
NE 2nd Street	US 101 to NE Eads St	Complete sidewalk gaps on both sides of street	Newport	Medium	\$125,000	2008 Ped. Bike Plan

<sup>13</sup> Project cost estimate developed in 2012.

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
SE 1st Street	US 101 to SE Douglas St	Construct sidewalks on south side of street	Newport	High	\$105,000	2008 Ped. Bike Plan
SE 2nd Street	SE Benton St to SE Douglas St	Construct sidewalks on south side of street	Newport	High	\$46,000	2008 Ped. Bike Plan
SE Benton Street	SE 1st St to US 20	Construct sidewalks on west side of street	Newport	High	\$18,000	2008 Ped. Bike Plan
SE Coos Street	SE 2nd St to US 20	Construct sidewalk on west side of street	Newport	Medium	\$39,000	2008 Ped. Bike Plan
SE Douglas Street	SE 2 <sup>nd</sup> St to US 20	Construct sidewalk on west side of street	Newport	Medium	\$39,000	2008 Ped. Bike Plan
SE 2 <sup>nd</sup> Street	SE Fogarty St to SE Harney St	Construct sidewalks on south side of street	Newport	High	\$45,000	2008 Ped. Bike Plan
SE 4 <sup>th</sup> Street	SE Fogarty St to SE Harney St	Construct sidewalks on south side of street	Newport	High	\$45,000	2008 Ped. Bike Plan
SE Harney Street	SE 4 <sup>th</sup> Street to SE 2 <sup>nd</sup> St	Construct sidewalks on east side of street	Newport	High	\$39,000	2008 Ped. Bike Plan
Bay Blvd	Length of street	Complete sidewalk gaps on both sides of street	Newport	Medium	\$185,000	2008 Ped. Bike Plan
SW Hatfield Drive	SW Bay Blvd to SW 10 <sup>th</sup> St	Construct sidewalks on west side of street	Newport	Low	\$67,000	2008 Ped. Bike Plan
SW Harbor Drive	SW Bay St to SW 11 <sup>th</sup> St	Construct sidewalks on west side of street	Newport	High	\$51,000	2008 Ped. Bike Plan
SW Neff Way / SW Alder St	US 101 to SW 2 <sup>nd</sup> St	Construct sidewalks on both sides of street	Newport	High	\$170,000	2008 Ped. Bike Plan
SW 7 <sup>th</sup> Street	SW Alder St to SW Elizabeth St	Construct sidewalks on north side of street	Newport	Medium	\$180,000	2008 Ped. Bike Plan
SW Elizabeth Street	SW Government St to SW Abbey St	Construct sidewalk on west side of street	Newport	High	\$145,000	2008 Ped. Bike Plan
SW	Yaquina State	Construct sidewalk	State Parks /	Low	\$140,000	2008 Ped.

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
Government Street / Yaquina State Park	Park	adjacent to road through park	Newport			<i>Bike Plan</i>
SE Marine Science Dr	SW Abalone to end of street	Construct sidewalks on south and east side of street	Newport	Medium	\$250,000	<i>2010 South Beach Peninsula Plan</i>
SE Ferry Slip Road	SE 29 <sup>th</sup> St to SE Marine Science Dr	Construct sidewalks on east side of street	Newport	Medium	\$27,000	<i>2010 South Beach Peninsula Plan</i>
SW Brant Street	SW Abalone St to end of street	Construct sidewalks on west side of street	Newport	High	\$433,000 <sup>12</sup>	<i>2012 Coho/Brant Infra. Plan</i>
SE 35 <sup>th</sup> Street	SE Ferry Slip Rd to end of street	Construct sidewalk on one side of street	Newport	High	\$400,000	<i>2008 Ped. Bike Plan</i>
SE Fogarty Street	US 20 to SE Bay Blvd	Construct sidewalk on east side of street	Newport	Medium	\$110,000	<i>2008 Ped. Bike Plan</i>
NE 36 <sup>th</sup> Street	US 101 to NE Harney St	Construct sidewalk on one side of street	Newport	Medium	\$135,000	<i>2008 Ped. Bike Plan</i>
NE 10 <sup>th</sup> Court	NE Eads to NE Benton St	Construct sidewalks on both sides of street	Newport	Medium	\$120,000	<i>2008 Ped. Bike Plan</i>
NE 10 <sup>th</sup> Street	NE Benton St to US 101	Construct sidewalks on both sides of street	Newport	Medium	\$125,000	<i>2008 Ped. Bike Plan</i>
NE 5 <sup>th</sup> Street	NE Benton St to NE Eads St	Construct sidewalks on both sides of street	Newport	Medium	\$125,000	<i>2008 Ped. Bike Plan</i>
NE Fogarty Street	US 20 to NE 3 <sup>rd</sup> Street	Construct sidewalks on both sides of street	Newport	Medium	\$115,000	<i>2008 Ped. Bike Plan</i>
SE Moore Drive	Bay Blvd to SE 2 <sup>nd</sup> Street	Construct sidewalk on west side of road	Newport	Medium	\$125,000	<i>2008 Ped. Bike Plan</i>
SE 2 <sup>nd</sup> Street	SE Moore Drive west	Construct sidewalks on both sides of street	Newport	Medium	\$23,000	<i>2008 Ped. Bike Plan</i>

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
SE 5 <sup>th</sup> Street	SE Moore Drive west	Construct sidewalks on both sides of street	Newport	Medium	\$180,000	2008 Ped. Bike Plan
San-Bay-O Circle	Proposed connection to Crestview to proposed connection to Chambers Ct	Construct sidewalk along one side of street from proposed connections to Crestview and to Chambers Court	Newport	Medium	\$48,000	2008 Ped. Bike Plan
<b>Sidewalks and Bike Lanes</b>						
40 <sup>th</sup> Street	East of US 101 to South Beach Village	Construct bicycle lane and sidewalk along north side of street			\$89,000	2012 South Beach TSP update
NW Nye Street	NW 15 <sup>th</sup> St to SW 2 <sup>nd</sup> St	Construct bicycle lanes on both sides of street and complete sidewalk gaps on east side of street	Newport	High	\$195,000	2008 Ped. Bike Plan
NE Benton Street / NE Coos Street	NE 12 <sup>th</sup> Street to US 20	Construct bicycle lanes and sidewalks on both sides of street	Newport	Medium	\$525,000	2008 Ped. Bike Plan
NE 7 <sup>th</sup> Street	NE Eads St to NE 6 <sup>th</sup> St	Construct bicycle lanes on both sides of street and sidewalks on south side of street	Newport	High	\$215,000	2008 Ped. Bike Plan
NE Harney Street	US 20 to NE 3 <sup>rd</sup> Street	Construct bicycle lanes and sidewalks on both sides of street and sidewalks on south side of street	Newport	Medium	\$91,000	2008 Ped. Bike Plan
US 20	NE Harney St / SE Moore Dr to US 101 intersection	Construct bicycle lanes and fill in sidewalk gaps on both sides of street	ODOT / Newport	Medium	\$55,000	2008 Ped. Bike Plan
SW 10 <sup>th</sup> Street	SW Hatfield Dr to SE 2 <sup>nd</sup> St	Stripe bicycle lanes on south side of street and fill in sidewalk gaps on both sides of street	Newport	Medium	\$45,000	2008 Ped. Bike Plan

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
SW 2 <sup>nd</sup> Street	SW Nye St to SW Coast St	Strip bicycle lanes on both sides of the street and complete sidewalk gaps on north side of the street	Newport	Low	\$72,000	2008 Ped. Bike Plan
SW 26 <sup>th</sup> Street	SW Brant St to SW Abalone St	Construct sidewalk on north side and striped bike lane on south side of the street	Newport	Medium	\$52,000	<u>2012 Coho / Brant Plan</u>
<b>Recommended Bicycle System Improvements</b>						
Bicycle Parking		Parking at major bus stops and bus stations (for tourists)		High	\$28,000	2008 Ped. Bike Plan
Bicycle Racks		Racks for all Dial-a-Ride vehicles (10 racks)		High	\$14,000	2008 Ped. Bike Plan
West Olive St	Elizabeth St to Nye St	Striping for bicycle lanes along identified roadways to complete the East-West Bike Route.		High	\$3,000	2008 Ped. Bike Plan
SW 2 <sup>nd</sup> St	Nye St to Angle St					
Angle St	SW 2 <sup>nd</sup> St to SW 9 <sup>th</sup> St					
SW 9 <sup>th</sup> St/Avery St	Angle St to SE 1 <sup>st</sup> St					
SE 1 <sup>st</sup> St	Avery St to Fogarty St					
Fogarty St	SE 1 <sup>st</sup> St to SE 2 <sup>nd</sup> St					
SE 2 <sup>nd</sup> St	Fogarty St to Harney Dr					
John Moore Rd	Harney Dr to US 20					
Eads St	NE 12 <sup>th</sup> St to NE 3 <sup>rd</sup> St	Provide a bike route		Low	\$145,000	2008 Ped. Bike Plan
NE 3 <sup>rd</sup> St	Eads St to Harney Rd					
Big Creek Rd	Harney Dr to NE 12 <sup>th</sup> St	Provide bikeway; also includes sidewalk improvements.		Medium	\$205,000	2008 Ped. Bike Plan

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
		Road will be closed to traffic after completion of the North-South Arterial.				
Ocean View Dr	US 101 to the new Nye St extension	Add bicycle route signs along identified roadways to provide a north-south alternate bicycle route to US 101 (signed route only).		High	\$1,000	<i>2008 Ped. Bike Plan</i>
Nye St	Ocean View Dr to Olive St					
Olive St	Nye St to the Beach at Elizabeth St					
Elizabeth St	Olive St to SW 2 <sup>nd</sup> St (connects to existing bicycle path along Elizabeth St)					
<b>Bicycle Lanes</b>						
SW Canyon Way	SW Fall St to SW 9 <sup>th</sup> St	Construct bicycle lane on east side of street	Newport	Low	\$11,000	<i>2008 Ped. Bike Plan</i>
US 101	Yaquina Bay Bridge to South Beach State Park Access	Stripe bicycle lanes on both sides of street	ODOT	Low	\$64,000	<i>2008 Ped. Bike Plan</i>
West Olive	US 101 to SW Elizabeth St	Stripe bicycle lanes on both sides of street	Newport	Medium	\$24,000	<i>2008 Ped. Bike Plan</i>
New Boat Launch Pathway	Marine Science Dr to New Boat Launch	Designate bike and pedestrian lane on access road on Northern edge of parking lot	Port	Low	\$11,000	<i>2008 Ped. Bike Plan</i>
<b>Shared Roadways / Bicycle Boulevards</b>						
Oregon Coast Bicycle Route	US 101 to Yaquina Bay Bridge	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	Medium	\$9,000	<i>2008 Ped. Bike Plan</i>
NE Harney	US 101 to NE	Implement Level 1	Newport	Low	\$2,000	<i>2008 Ped.</i>



<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
Street	Big Creek Rd	and 2 bicycle boulevard applications (signage, pavement markings)				<i>Bike Plan</i>
11th Street	NW Spring St to NE Eads St	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	High	\$2,000	<i>2008 Ped. Bike Plan</i>
6th Street	NW Coast St to NE Eads St	Implement Levels 1, 2 and 3 bicycle boulevard applications (signage, pavement markings, intersection treatments)	Newport	High	\$2,000	<i>2008 Ped. Bike Plan</i>
NW 3rd Street / NW 4th Street	NW Coast St to NE Eads St	Implement Levels 1, 2 and 3 bicycle boulevard applications (signage, pavement markings, intersection treatments)	Newport	Medium	\$3,000	<i>2008 Ped. Bike Plan</i>
SW 7th Street	SW 2nd St to SW Elizabeth St	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	Medium	\$2,000	<i>2008 Ped. Bike Plan</i>
SW 10th / 9th Street	SE 2nd St to SW Bay St	Implement Levels 1, 2 and 3 bicycle boulevard applications (signage, pavement markings, intersection treatments)	Newport	High	\$3,000	<i>2008 Ped. Bike Plan</i>
SW Canyon Way / SW Hurbert Street	SW Bay Blvd to NW 6th St	Implement Levels 1, 2 and 3 bicycle boulevard applications (signage, pavement markings, intersection treatments)	Newport	High	\$3,000	<i>2008 Ped. Bike Plan</i>

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
SW Bay Street	SW 9th St to SW 12th St	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	High	\$1,000	2008 Ped. Bike Plan
SW 10th Street / SW 12th Street	SW Bay St to US 101	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	High	\$1,000	2008 Ped. Bike Plan
Bay Blvd	SW Naterlin Dr to SE Moore Dr	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	Medium	\$3,000	2008 Ped. Bike Plan
South Beach State Park	US 101	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	Low	\$3,000	2008 Ped. Bike Plan
NE Eads Street	US 20 to NE 12th Street	Implement Levels 1, 2 and 3 bicycle boulevard applications (signage, pavement markings, intersection treatments)	Newport	High	\$18,000	2008 Ped. Bike Plan
SE Moore Drive	Bay Blvd to US 20	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	High	\$2,000	2008 Ped. Bike Plan
SW 26 <sup>th</sup> Street	US 101 to west of town	Implement Level 1 and 2 bicycle boulevard applications (signage, pavement markings)	Newport	Medium	\$1,000	2008 Ped. Bike Plan
Old Boat Launch access	US 101 to old boat launch	Implement Level 1 and 2 bicycle blvd applications (signage, pavement markings)	Newport	Low	\$17,000	2008 Ped. Bike Plan

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
<b>Shared-use Paths</b>						
Ferry Slip Road	Marine Science Drive to SE 29 <sup>th</sup> Street	Shared use path	Newport	High	\$77,000	2010 South Beach Peninsula Plan
Bay Road		Shared use path	Newport	Medium	\$432,000	2008 Ped. Bike Plan
Harborton Road	40 <sup>th</sup> Street to 50 <sup>th</sup> Street	Multi-use path along south side with bicycle lanes and sidewalk along north side	Newport	Medium	\$1,344,000	2012 South Beach TSP update
Realigned 50 <sup>th</sup> Street	East of US 101 to existing 50 <sup>th</sup> Street <sup>14</sup>	Multi-use path along north side with bicycle lanes and sidewalk along south side	ODOT / Newport	Low	\$435,000	2012 South Beach TSP update
US 101	SE Ash St to South Beach State Park	Construct shared-use path on west side of road	ODOT / Newport	Low	\$349,000	2012 South Beach TSP update
NE Big Creek Road	NE Harney St to NE 12 <sup>th</sup> St	Construct a shared-use path along the NE Big Creek right-of-way	Newport	Medium	\$520,000	2008 Ped. Bike Plan
SE 2 <sup>nd</sup> Street Bridge	SE Douglas St to SE Fogarty St	Construct a non-motorized shared-use bridge over the existing ravine to provide a more direct connection to Yaquina View Elementary School from the nearby residential areas	Newport	Low	\$1,750,000 to \$3,500,000	2008 Ped. Bike Plan
Yaquina Bay Bridge	Bridge	Shared use path along west side of bridge; Provide a dedicated travel space for bicyclists and pedestrians	Newport	Low	\$16,000,000 to \$21,000,000	2008 Ped. Bike Plan; 2012 South Beach TSP update

<sup>14</sup> Project included as part of the Ash Street Extension roadway improvement project north of SE 40<sup>th</sup> Street as a multi-use path.

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
North Jetty Trail	SW Naterlin Dr to north jetty	Construct a shared-use path out the north jetty	Newport	High	\$920,000	2008 Ped. Bike Plan
San-Bay-O Connection	San-Bay-O Circle to NE Crestview	Construct a shared-use path connection; requires an easement over private property. Exact location uncertain.	Newport	Medium	\$41,000	2008 Ped. Bike Plan
Route to Main Shopping Area	NE Chambers Ct to Frank Wade Park and Park to San-Bay-O Circle	Construct a shared-use path connecting to main shopping area	Newport	High	\$96,000	2008 Ped. Bike Plan
Path across old RV Park	SE Pacific Way to Marine Science Dr	Improve pathway through RV park, route pedestrians off blind corner at SE Pacific Drive and Marine Science Dr	Newport	High	\$1,000	2008 Ped. Bike Plan
Estuary Trail Access	SE 35 <sup>th</sup> St to Chestnut St	Provide a dedicated travel space for bicyclists and pedestrians as an alternative to Idaho Point Road	Newport	Medium	\$205,000	2008 Ped. Bike Plan
Connector to OCCC	SE 35 <sup>th</sup> St to OCCC	Provide a dedicated travel space for bicyclists and pedestrians	Newport	Medium	\$530,000	2008 Ped. Bike Plan
Ash Extension	Ash Street end to SE 35 <sup>th</sup> St	Provide a dedicated travel space for bicyclists and pedestrians along railway right-of-way	Newport	Medium	\$225,000	2008 Ped. Bike Plan
Connector to US 101 Stairways	US 101 to SW 26 <sup>th</sup> and SW 27 <sup>th</sup> Avenues	Provide access to US 101 stairways	Newport	High	\$93,000	2008 Ped. Bike Plan
Develop of SW Coho St	S Jetty Rd to SW 29 <sup>th</sup> St	Construct shared use path	Newport	Medium	\$84,000 <sup>15</sup>	2008 Ped. Bike Plan

<sup>15</sup> Project cost developed in 2012 as part of the *Newport Coho/Brant Infrastructure Refinement Plan*.

<b>Project</b>	<b>From - to</b>	<b>Description</b>	<b>Project Lead</b>	<b>Priority</b>	<b>Estimated Cost (\$ 2012)</b>	<b>Source</b>
Connector – SW 29 <sup>th</sup> Street or SW 30 <sup>th</sup> Street	State Park and South Beach neighborhood	Links into State Park trail system	Newport	High	\$129,000 <sup>16</sup>	2008 Ped. Bike Plan
Connector	State Park to South Shore	Links into State Park trail system	Newport	Medium	\$185,000	2008 Ped. Bike Plan
Connector	South Shore to Airport	Links State Park trail system to airport	Newport	Low	\$1,050,000	2008 Ped. Bike Plan
Yaquina Bay Estuary Trail Extension	Yaquina Bay Trail to SE 35th Street	Extends existing trail	Newport	High	\$380,000	2008 Ped. Bike Plan
NW Coast Street	NW 8th St to NW 11th St	Provide bicycle and pedestrian improvements over existing gravel road	Newport	Medium	\$135,000	2008 Ped. Bike Plan
NW Nye Street	NW 15th St to Oceanview	Construct shared-use path connecting Nye to Oceanview	Newport	Medium	\$130,000	2008 Ped. Bike Plan
SW Coho St	Jetty Way to SW 29 <sup>th</sup> St	Construct shared-use path	Newport	Medium	\$82,000	2012 Coho / Brant Plan
Jetty Way	SW 26 <sup>th</sup> St to South Beach State Park parking areas	Construct shared-use path	OPRD / Newport	Low	\$486,000	2012 Coho / Brant Plan
SW Abalone Street	SE Marine Science Dr to US 101	Construct sidewalks on west side of street	Newport	High	\$490,000	2012 Coho/Brant Infra. Plan
<b>Wayside Improvements</b>						
Agate Beach	SW Corner of US 101 and NW Agate Way to north end of Agate Beach	Realign parking, improve streets, sidewalks, trails, and construct restroom/showers	Newport	High	\$697,120 <sup>17</sup>	2011 Agate Beach Design Charrette

<sup>16</sup> Project cost developed in 2012 as part of the *Newport Coho/Brant Infrastructure Refinement Plan*.

<sup>17</sup> Project cost developed in 2011. Project funded in 2012 with FHWA Scenic Byways Grant.

## Transit Plan

It is difficult for cities the size of Newport to support fixed-route transit. The City had attempted to provide such transit service through the Newport Area Transit System, but low ridership and funding constraints lead to discontinuation of the service in July 1991. In November 1992, Lincoln County, with some funding from the City of Newport, began operation of a county-wide public transit system, the Central Coast Connection. The name was later changed to Lincoln County Transit (LCT). Lincoln County Transit currently provides the combined services of a scheduled stop system and a dial-a-ride service. County employees coordinate a daily fixed-route intercity shuttle system with east and south county buses operating as feeder lines to the intercity shuttle. The LCT shuttle makes intercity runs from Newport to Lincoln City daily. Newport is the hub for all intercity routes. The LCT shuttle and the intercity feeder lines between Siletz, Toledo, Waldport, Yachats, and Newport are open to the general public. LCT has added a coast to valley service that operates five days from Newport to Corvallis and Albany Amtrak. Dial-a-ride service operates on a demand/response basis for Newport residents.

Lincoln County Transit provides bus service to the South Beach community through the “Newport City Loop,” between 7:30 a.m. to 5:30 p.m., seven days a week. Stops are provided north and south of the Yaquina Bay Bridge. Improvements to the transit system could make bus ridership more viable for South Beach employees and residents, with the dual benefit of reducing single-occupancy trips on US 101 and supporting economic development in the area. Anecdotal evidence supports the assertion that the infrequency of bus service and the daytime-only service hours hinder employees working in South Beach from commuting by bus. In addition to the recommended transit improvements included in the TSP, the City is committed to working with Lincoln County Transit to improve the bus system and, in particular, increasing ridership in South Beach and decreasing local single-occupancy vehicle trips on US 101 and the Yaquina Bay Bridge .

Table 6 displays all the recommended transit improvements included in the Plan with their associated annual or capital costs. Funding is from state and federal sources.

**Table 6: Recommended Transit Improvements**

Transit Improvements	Priority	Estimated Annual Operating Costs	Estimated Capital Cost
Support expanded daily Lincoln County Transit Service to enhance commute options for Newport employers and access to retail districts	High	\$434,200	-----
Provide covered bus shelters at major bus stops	High		\$40,000
Enhance dial-a-ride service through the use of private taxis as a backup service	Medium	8,000	-----
Construct a centrally located transit facility	Low		\$500,000
<b>Total Cost (Transit Improvements)</b>			<b>\$540,000</b>

## Airport Transportation Plan

The Newport Municipal Airport is owned by the City of Newport. It is classified as a General Aviation General Utility category airport and is a public airport capable of handling corporate-type aircraft. The Newport Municipal Airport Master Plan outlines a staged development program for the airport (see Table 7, below).

**Table 7: Staged Development Program – Projected Development**

<b>Stage II (1995-1999)</b>	<b>Local</b>	<b>FAA</b>	<b>Other</b>	<b>Total</b>
Road Relocation	\$18,000	\$162,000	\$0	\$180,000
Land Acquisition	\$1,000	\$9,000	\$0	\$10,000
Hangar Taxiways	\$4,000	\$32,000	\$0	\$36,000
Auto Parking	\$40,000	\$0	\$0	\$40,000
Aircraft Apron	\$11,000	\$94,000	\$0	\$105,000
Clear Zone Earthwork	\$10,000	\$90,000	\$0	\$100,000
Runway Marking	\$200	\$1,800	\$0	\$2,000
Single-Unit Hangars (5)	\$0	\$0	\$125,000	\$125,000
FBO Hangar	\$0	\$0	\$300,000	\$300,000
Corporate Hangar	\$0	\$0	\$200,000	\$200,000
Airport Maintenance Shop	\$200,000	\$0	\$0	\$200,000
ARFF Station/City Fire Station	\$9,000	\$81,000	\$0	\$90,000
<b>Total Stage II</b>	<b>\$293,200</b>	<b>\$469,800</b>	<b>\$625,000</b>	<b>\$1,388,000</b>
<b>Stage III (2000-2009)</b>				
Terminal	\$300,000	\$280,000	\$0	\$580,000
Auto Parking	\$225,000	\$0	\$0	\$225,000
Terminal Roadway	\$22,000	\$198,000	\$0	\$220,000
Apron Expansion	\$10,000	\$90,000	\$0	\$100,000
Relocate VOR	\$50,000	\$0	\$0	\$50,000
Parallel Taxiway Extension	\$39,000	\$351,000	\$0	\$390,000
Overall Runway 16-34 & Taxiway	\$88,000	\$787,000	\$0	\$875,000
Runway 2-20 Taxiway	\$23,000	\$207,000	\$0	\$230,000
Corporate Hangars (2)	\$0	\$0	\$400,000	\$400,000
Single-Unit Hangars (5)	\$0	\$0	\$375,000	\$375,000
<b>Total Stage III</b>	<b>\$757,000</b>	<b>\$1,913,000</b>	<b>\$775,000</b>	<b>\$3,445,000</b>
<b>Total Stages II and III</b>	<b>\$1,050,200</b>	<b>\$2,382,800</b>	<b>\$1,400,000</b>	<b>\$4,833,000</b>

Source: Newport Municipal Airport Master Plan, 1991

## Water Transportation

The upland areas adjacent to, and development within, Yaquina Bay are controlled by the City of Newport, Lincoln County, the Port of Newport, and the State of Oregon. The tourism, commercial fishing, and commercial shipping industries that use the bay provide a significant part of the local economy. The Recommended Water Transportation Plan considers a wide variety of needs and acknowledges the competition between marine-related industries for certain tracts of waterfront property.

Recommended improvement projects for the port have been prioritized into three categories based on the time frame for implementation (see Table 8, below). Funding has not been determined for all of the projects.

**Table 8: Recommended Port Improvement Projects**

<b>Priority 1 – Develop in the Next 5 Years Project</b>	<b>Cost (\$ X 1,000)</b>	<b>Funding Source</b>
Rehabilitation of Port Dock 5 Pier	75	Port
Multi-Level Parking Structure	2,000	Urban Renewal
Revitalization of Newport International Terminal	Unknown	Port
Rehabilitation of Existing Corps of Engineers Breakwater and d175 Feet of New West Extension	1,200	Corps/State/Port
Marine Commercial Lease Facility	Undetermined	Undetermined
<b>Priority 2 – Develop in the Next 5 to 10 Years Project</b>		
Widening of Bay Blvd	Undetermined	Undetermined
Public Viewing Dock	Undetermined	Undetermined
<b>Priority 3 – Develop in Next 10 to 15 Years Project</b>		
Second Ship Berth	32,000	Port
Second Barge Berth	5,800	Port

Source: Public Facilities Plan, 1990 and Port of Newport Staff Review, 1996

### **Rail Transportation**

Willamette and Pacific Railroad provides freight service from the western Willamette Valley to the terminus of the rail line at Toledo, six miles east of Newport. There is no direct service into Newport.

### **Pipeline Transportation**

Current pipeline service includes transmission lines for electricity, cable television, and telephone service, and pipeline transport of water, sewage, and natural gas. The Newport TSP encourages the continued use of these services for the movement of these commodities through the City.

The Plan also recognizes the increasing likelihood that telecommuting and other “super-highway” technologies will become viable alternatives to physical commuting, thus reducing and possibly even eliminating some auto trips during the peak hours. The use of telecommuting and other similar technologies should be encouraged through land use policy and plans.



## **Other Elements of TSP**

### Funding

The City of Newport Transportation System Plan also contains a section on the funding of the various projects and an analysis of transportation funding alternatives. For a complete discussion on the available options, please refer to the TSP and the adopted TSP updates.

There are a variety of funding options available to the City of Newport. To fund all of the recommended capital improvement projects in the TSP and the TSP updates would most likely require a number of new revenue sources. For purposes of illustration, the following provides an example of what it would take to fund the entire TSP (see Table 9). The funding options include:

- Obtain \$16 million in additional revenue from State grants and programs
- Use revenue bonds to pay for recommended parking structure
- Create local improvement districts to pay for neighborhood street improvement projects
- Increase SDC charges from \$300/dwelling unit to \$837 (from 20% to 50% of needed capital expenditure)
- Implement a city-wide street utility fee (e.g. \$2/month for all residences)

Table 9 shows that the new funding sources would generate a surplus of revenue of about \$1 million in Years 1-5. If this surplus were carried forward into Year 6-10, there would be enough revenue for all of the recommended capital improvement projects.

Table 9 shows that the new funding sources would generate a surplus of revenue of about \$1 million in Years 1-5. If this surplus were carried forward into Years 6-10, there would be enough revenue for all of the recommended capital improvement projects.

Table 9 displays a potential scenario that would fund the entire recommended 1997 TSP over the 20 year period. It does show that the recommended 1997 TSP can realistically be implemented over the next 20 years. Regardless, the following funding strategy should include the following:

- Aggressively pursue federal and state funding options for capital improvement projects, especially for US 20 and US 101.
- Increase System Development Charges (SDCs) to a more comparable rate with surrounding communities (i.e. 50 to 60% of the needed revenue, \$875 to \$1,000 per dwelling unit).
- Seek one or more of the local funding options previously discussed.
- Carefully prioritize capital improvement projects.

### **Access Management**

The purpose of the Access Management Plan is to define an effective access management program that will enhance mobility and improve the safety of roadways in the City of Newport. Access management strategies that limit the number of conflict points, separate conflicts as much as possible, reduce deceleration requirements, and separate turning traffic from traffic will all contribute to better mobility and safety on the City of Newport's roadways.

The primary focus of the access management plan is on the major arterials in the City of Newport; US 101 and US 20. The plan seeks to maintain the function of these roadways as the primary through routes in the City of Newport. The Access Management Plan as detailed in the TSP establishes policies and criteria that support this function.

The Access Management Plan must address the growth in traffic in Newport through planning for the future transportation system. The Oregon Transportation Planning Rule requires in Section 660-12-045 Subsection (2):

*Local governments shall adopt land use or subdivision ordinance regulations, consistent with applicable federal and state requirements, to protect transportation facilities, corridors, and sites for their identified functions. Such regulations shall include: (a) Access control measures, for example, driveways and public road spacing, median control and signal spacing standards, which are consistent with the functional classification of roads and consistent with limiting development on rural lands to rural uses and densities; [...]*

Access management can be most effectively implemented when it is integrated into the land use permitting process. Or developing areas, this allows jurisdictions an immediate tool to implement their access management goals as these areas apply for permits and submit plans for agency review. Applying access management to a developed arterial – representative of the conditions of many sections of US 101 and US 20 in the City of Newport – is a much more difficult task due to right-of-way limitations and the economic concerns of adjacent property owners. In such areas, access management can best be implemented as adjacent properties redevelop or as part of roadway improvement or retrofit plans.

Access management is a set of measures to regulate access to streets, roads, and highways from public roads and private driveways. The purpose of access management is to maximize the efficiency and safety of the existing roadway while preserving the flow of traffic and limiting the number of traffic conflicts. A traffic conflict occurs where the paths of two traffic movements intersect. Crossing conflicts are the most serious because of the potential for collisions. The area and complexity of the crossing conflicts are also affected by the roadway cross-section. For example, with a four-lane cross-section, each conflict involves two lanes, whereas with a two-lane section, each of the conflict points involves only one lane.

There are many different strategies for accomplishing access management, but the common theme of all strategies is to reduce traffic conflicts. Strategies to reduce conflicts are listed below followed by select examples for tools that can be used to implement the strategy:

- Limit the number of conflict points
  - / Installation of median barriers or closure to eliminate left turns at ingress and egress points
  - / Installation of traffic signals at high volume intersections or driveways
  - / Optimization of traffic signal spacing and coordination
  - / Installation of physical barriers along frontage properties, e.g. curbs, fences, Landscaping
  - / Regulate maximum width of driveways
- Separate conflicts as much as possible when they cannot be eliminated
  - / Regulate minimum spacing of driveways
  - / Consolidate access for adjacent properties
  - / Regulate maximum number of driveways per frontage property

- / Consolidate existing access as parcels redevelop
- / Require access on adjacent cross-section (when available) in lieu of driveways on major highways
- Reduce deceleration requirements
  - / Improve driveway sight distance
  - / Increase effective approach width of driveway
  - / Restrict parking on roadway adjacent to driveway to increase driveway turning speeds
  - / Install right-turn acceleration lane
- Separate turning traffic from through traffic
  - / Install continuous two-way left turn lane
  - / Require adequate internal design and circulation plan
  - / Provide local service roads
  - / Encourage connections between adjacent properties

Many of these tools can be used within the City of Newport. Specific recommendations for application of these access management strategies will be provided in the Goals and Policies section.

During the development of the Newport TSP, specific access management goals were established for the City of Newport's primary arterials, US 101, and US 20. These access management goals address these facilities in both the established and the developing areas of the City as defined in the maps contained in the Access Management Plan contained in the TSP. The goals reflect the input of the Technical Advisory Committee, the Citizens Sounding Board, and public input from the Open Houses as well as correspondence from members of the public.

Supporting access management goals were developed for the two types of areas in the City: established areas and developing areas. The goals for these areas are defined below as well as the range of strategies that were explored by the study team.

### Established Areas

Many properties now having direct access to the highway within these established areas will eventually redevelop. At such time, alternate access may be provided and existing private accesses can be closed. The reduction in traffic conflicts, due to preventing future private accesses and closing old private accesses, will allow the highway to operate safely at higher volumes of traffic.

The types of access management tools most appropriate for these established areas include:

- Optimize traffic signal spacing and coordination
- Install physical barriers along frontage properties, e.g. curbs, fences, landscaping
- Regulate maximum width of driveways
- Regulate minimum spacing of driveways
- Consolidate access for adjacent properties
- Regulate maximum number of driveways per frontage property
- Require access on adjacent cross-street (when available) in lieu of driveways on US 101 and US 20
- Require adequate internal design and circulation plan
- Encourage connections between adjacent properties
- Install traffic signals at high volume intersections or driveways

Spacing goals for the established areas are 500 feet for driveways, ¼ mile for public roads, and ½ mile for signals. As redevelopment occurs, these spacing standards and access management tools should be evaluated and applied as appropriate to the specific needs of the project.

### Developing Areas

The types of access management tools most appropriate for these areas are:

- Install median barriers or closure to eliminate left turns at ingress and egress points
- Install traffic signals at high volume intersections or driveways
- Optimize traffic signal spacing and coordination
- Install physical barriers along frontage properties, e.g. curbs, fences, landscaping
- Regulate maximum width of driveways
- Regulate minimum spacing of driveways
- Consolidate access for adjacent properties
- Regulate maximum number of driveways per frontage of property
- Require access on adjacent cross-street (when available) in lieu of driveways on major highways
- Improve driveway sight distance
- Increase effective approach width of driveway
- Install right-turn acceleration lane
- Install continuous two-way left turn lane
- Require adequate internal design and circulation plan
- Provide local service roads
- Encourage connections between adjacent properties

Spacing standards for primary arterials in developing areas are 800 feet for driveways, ½ to one mile for public roads, and ½ to one mile for signals. As development and redevelopment occurs, these spacing standards and access management tools should be evaluated and applied as appropriate to the specific needs of the project.

## **GOALS AND POLICIES**

The following goals and policies are intended to guide the decision makers and the development community in the administration of the Transportation System Plan (TSP) and the development of applicable implementing ordinances consistent with the TSP. This section is not intended to provide review criteria for specific projects or to function as a capital improvement plan.

### **Goal 1: To provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.**

Policy 1: To improve and maintain a transportation system that is consistent with the adopted 1997 TSP, as amended by the following updates:

- A. Transportation system Plan Update Technical Memo # 2 (Northside Local Street Plan) dated July 2008.
- B. Transportation System Plan Update Technical Memo # 4 (Pedestrian and Bicycle Plan) dated July 2008.

- C. Newport Transportation System Plan Update - Alternate Mobility Standards Final Technical Memorandum #13 Summary of Measures of Effectiveness dated April 2012.
- D. South Beach Peninsula Transportation Refinement Plan, dated February 9, 2010.
- E. Agate Beach Wayside Improvements Design Charrette Concept Plan dated, March 2, 2011.
- F. Coho/Brant Infrastructure Refinement Plan, dated July 2012.

Policy 2: To develop implementing ordinances and funding options consistent with the following:

A. Street System Plan

1. New roadway projects, transportation management system improvements and improvements to existing roadways shall be consistent with the TSP subject to available funding.
2. Streets created as part of a subdivision shall be designed in accordance with the adopted street design classification system in the TSP and the development standards in the subdivision ordinance unless a modification through the subdivision approval process is granted. The City shall require all new development to make street frontage improvements consistent with adopted engineering standards proportional to the impact of the development on public facilities.
3. The City will implement street cross-section designs that deviate from adopted street classification system standards where such designs apply to a defined area, respond to area-specific challenges and needs, and are supported by the findings and recommendations of an adopted Refinement Plan.
4. The City shall require that any change to the acknowledged Comprehensive Plan land use designations must make a finding that the change will not reduce the function of streets, especially Highway 101 and Highway 20, as identified in the TSP.
5. The City supports optimizing the existing transportation system through modifications to US 101 and local transportation system improvements in South Beach, as identified in the TSP. The capacity of the Yaquina Bay Bridge is expected to continue to be the major constraint in the operation of the transportation system south of the bridge, and funding for a new or expanded facility is not likely in the foreseeable future.
6. To ensure that capacity on US 101 is sufficient to accommodate planned local growth south of the Yaquina Bay Bridge, the City supports adoption of alternate mobility standards by the Oregon Transportation Commission for the section of highway between the bridge and South 62<sup>nd</sup> Street. These standards will allow a higher level of congestion than would be acceptable without the alternate standards. The alternate standards will support economic development and reduce the costs of total transportation system improvements associated with development.
7. Comprehensive plan land use changes and development proposals that meet established thresholds for traffic generation or heavy vehicles, or that propose to

take access directly from US 101, shall submit a transportation impact analysis as part of the application. The analysis shall evaluate the impacts of the development and propose mitigation that would allow transportation facilities to operate under conditions consistent with the planned transportation system. These analyses are a necessary tool to aid City decision-making related to the transportation system and its adequacy to accommodate both existing and future users. Whenever a direct property connection to US 101 is proposed, the City will coordinate with ODOT to ensure that the analysis addresses both state and local requirements.

8. Many of the commercial activities needed by residents are missing from the South Beach community. South Beach residents currently must travel across the Yaquina Bay Bridge to obtain these goods and services. Development of commercial uses that provide for the goods and services needed in the South Beach community warrants special consideration by the City of Newport. The Newport Development Code shall include special traffic analysis provisions for certain uses in order to encourage such development.

9. The City shall monitor the transportation impacts of development in South Beach through a South Beach Transportation Overlay Zone (SBTOZ) and an associated Trip Budget Program to ensure that vehicle trips that result from new development do not exceed the number of trips that can be accommodated by the planned transportation system. When development in the SBTOZ occurs inside the urban growth boundary but outside City limits, the City shall coordinate with Lincoln County through the development approval process to ensure that County-approved trips are recorded.

10. The Trip Budget Program envisions circumstances where an applicant may, identify measures as part of a traffic impact analysis that mitigate the impacts the development will have on the transportation system allowing trips to be authorized in excess of what would otherwise be permitted in the TAZ. An amendment to the TSP is not required in such cases; however, the City should update the Trip Budget to reflect the additional trips.

11. The City shall continue to engage ODOT in conversations regarding future project planning and funding that would lead to improvements to, and possibly replacement of, the Yaquina Bay Bridge. A recent decision by the Oregon Department of Transportation to place the bridge on the "Weight-Restricted Bridges on Major State Routes" list highlights the need for Newport to find long term solutions that sufficiently address the existing capacity and structural limitations that affect the bridge's ability to carry vehicles and pedestrians.

#### B. Pedestrian System Plan

1. The City shall provide a continuous pedestrian network consistent with the TSP, to the greatest extent possible considering funding limitations, topographic constraints, and existing development patterns.

2. The City shall provide a safe walking environment.

3. The City shall provide a pedestrian-oriented urban design especially on the Bay Front, in the City Center, and in Nye Beach.

4. The City shall work to implement the Goal, Policies and Implementation Strategies related to pedestrian facilities identified on pages 1-3 and 1-4 of the Newport Pedestrian and Bicycle Plan adopted in 2008. The City also shall work to implement identified pedestrian system improvements in South Beach, consistent with the adopted TSP.

#### C. Bicycle System Plan

1. The City shall provide a safe and efficient bicycle network consistent with the TSP, considering funding limitations, topographic constraints, and existing development patterns.

2. The City shall work to implement the Goal, Policies and Implementation Strategies related to bicycle facilities identified on pages 1-3 and 1-4 of the Newport Pedestrian and Bicycle Plan adopted in 2008. The City shall also work to implement identified bicycle system improvements in South Beach, consistent with the adopted TSP.

#### D. Transit System Plan

1. The City shall support the Lincoln County Transit Service consistent with the TSP considering funding limitations, topographic constraints, and existing development patterns.

2. The City shall work with Lincoln County Transit to identify and address the following:

- a. Barriers to transit ridership, such as frequency of buses, convenience and proximity of the transit stops to employment areas, etc.
- b. Enhancements to service, including but not limited to modifying existing transit loops, adding stops to the loops, or adding additional routes.
- c. Impediments to providing service (funding, ridership numbers, etc.)
- d. Physical amenities to promote transit use, such as shelters, signage, benches, posted schedules, signal timing/preferential treatment at intersections, etc.

3. The City shall continue to work with Lincoln County Transit, ODOT, and Lincoln County to identify opportunities for transit improvements in the planned roadway system, such as “queue-jump” opportunities for buses through intersection configurations and preferential signal timing along US 101.

4. The City shall encourage new retail, office, industrial, and institutional developments to provide transit facilities on site if identified in an adopted transit plan and shall work to ensure that there are safe pedestrian and bicycle connections through and from the site to existing and planned transit routes.

5. The City shall explore with Lincoln County Transit opportunities to provide shuttle service across the bay during the busy tourist season to help reduce traffic congestion, i.e. on the Yaquina Bay Bridge, subject to the availability of funding.

#### E. Access Management Plan

1. The City shall implement an access management strategy for the established and developing areas of the City of Newport along Highway 101, Highway 20,

and other arterials that supports the City's Transportation Goal and ensures that those streets can accommodate traffic in a safe and efficient manner as traffic increases.

2. In established areas of the City of Newport as identified in the TSP, the City shall encourage consolidation or reduction of accesses as possible during property redevelopment and/or frontage improvements. Spacing goals for the established areas are 500 feet for driveways, ¼ mile for public roads, and ½ mile for signals. As redevelopment occurs, these spacing standards and access management tools should be evaluated and applied as appropriate to the specific needs of the project.

3. In developing areas of the City of Newport as identified in the TSP, as sites develop or redevelop, accesses shall be planned, consolidated, and/or reduced to meet the spacing standard to the greatest extent possible. Spacing standards for primary arterials in developing areas are 800 feet for driveways, ½ mile to one mile for public roads, and ½ mile to one mile for signals.

4. The City shall develop specific ordinance provisions to further this access management plan.

#### F. Funding Plan

1. The City shall continue to employ a variety of local funding options such as the local gas tax, street utility fee, general obligation bonds, local improvement districts, developer exactions, system development charges, to fund the planned transportation system.

2. The City shall carefully prioritize capital improvement projects through the development, maintenance, and implementation of the TSP and Capital Improvement Program.

3. The City shall aggressively pursue federal and state funding options for capital improvement projects, especially for Highways 101 and 20.

4. The City shall continue to plan for and finance needed infrastructure improvements necessary to support economic development consistent with adopted urban renewal plans.

5. The City shall pursue extending the South Beach Urban Renewal Plan to provide funding for projects beyond the year 2020 if needed to better coordinate City plans with the timeline for future state funding.



## **ROADWAY TRANSPORTATION** **FACILITIES**

The roadway transportation facilities in Newport are provided by the State Highway Division, the City of Newport, and Lincoln County. The largest volume of traffic occurs on U.S. Highway 101, which basically bisects the city from north to south. The majority of the central city roadway grid is oriented north-south. A more complex grid system is situated north of the U.S. 101 bay bridge and along the north bayfront, and is associated with the historical development of the city along the north shore of the bay. Detailed discussions of the city's roadway transportation facilities are provided in the documents entitled, "A Roadway and Traffic Safety Management Plan," dated 1981 (hereinafter referenced as "Roadway Plan"), and "City of Newport Transportation Plan Update," dated 1989 (hereinafter referenced as "Plan Update"), which serves to supplement the Roadway Plan. Combined, these two documents serve as the Transportation Master Plan for the city.

### **Existing Roadway Transportation Facilities:**

The primary components of Newport's transportation facilities include the roadway systems (motorized vehicle routes, parking, curb cut, lighting), pedestrian facilities (sidewalks, crosswalks, safety zones or pedestrian refuge islands, pedestrian signals, street lighting), bicycle facilities (bicycle routes), and public transit facilities (local public bus facilities, regional bus facilities, bus routes). These components are discussed in detail in the Roadway Plan and the Plan Update. They are summarized in the following.

The updated inventory of state highways, arterials, and collector roadways contained in the Plan Update includes the following:

- ° A list of roadways classified by function, included in Table 3 on page 154.
- ° An inventory of miles of roadways classified by surface material, curbing, and number of lanes, and evaluated for their general condition, as provided in Table 4 on page 156.

There are 55.49 miles of roads in the City of Newport. Of these, 6.50 miles are bituminous highways, 36.29 miles are bituminous city streets, 12.29 miles are graveled roadways, and 0.41 miles are oiled surface roadways. Of the bituminous city streets, over 75% were found to be in good to very good condition --with only 4% considered to be in poor condition.

Table 3  
Functional Classification of Streets

Classification	Limits		
<u>State Highways</u>			
U.S. Highway 101	North to south city limits		
U.S. Highway 20	US 101 to east city limits		
<u>Arterials</u>			
S.W. Abalone Street*	S.W. 29th Street to S.E. OSU Drive		
S.E. Bay Boulevard	John Moore Road to east city limits		
S.E. Ferry Slip Road*	US 101 to S.E. OSU Drive		
Harney Drive*	US 101 to North-South Bypass		
John Moore Road	S.E. Bay Boulevard to US 20		
North-South Bypass*	US 20 to US 101		
S.E. OSU Drive*	S.W. Abalone Street to S.E. Ash St.	Port Bypass*	US
101 to Yaquina Bay Road			
South Beach Bypass*	US 101 to US 101		
Yaquina Bay Road*	East city limits to Port Bypass		
S.W. 29th Street*	S.W. Abalone Street to US 101		
N.E. 54th Street*	US 101 to North-South Bypass		
<u>Collectors</u>			
S.W. Abbey Street	US 101 to S.W. Harbor Way		
S.W. Alder Street	S.W. 2nd Street to S.W. Neff Way		
S.W. Angle Street	S.W. 2nd Street to S.W. 9th Street	S.E. Avery Street	
S.E. 2nd Street to E. Olive (US 20)			
N.E. Avery Street	E. Olive (US 20) to N.E. 12th Street		
S.E. Bay Boulevard	S.E. John Moore Road to S.W.		
Naterlin Drive			
S.W. Bayley Street	S.W. Elizabeth Street to US 101		
S.E. Benson Road*	S.E. Yaquina Bay Road to US 20		
S.W. Brant Street*	S.W. 35th Street to S.W. 26th Street		
S.W. Canyon Way	S.W. Hubert Street to S.W. Fall St.	N.W. Coast Street	
S.W. 2nd Street to N.W. 8th Street			
N.E. Eads Street	E. Olive (US 20) to N.E. 12th Street		
N.W. Edenvue Way	US 101 to N.W. Ocean View Drive		
S.W. Elizabeth Street	S.W. Bayley to W. Olive Street		
S.W. Fall Street	S.W. Canyon Way to S.W. Bay Blvd.	S.W. Fall Street	
S.W. Elizabeth Street to US 101			
S.E. Fogarty Street	S.E. Bay Boulevard to S.E. 4th St.	S.W. Harbor Way	
S.W. Abbey Street to S.W. 13th St.	S.E. Harney Drive	S.E. 4th St. to S.E. John Moore	
Road			

S.W. Hatfield Drive	S.W. 9th Street to S.W. Bay Blvd.	S.W. Hurbert Street
S.W. 2nd Street to S.W. Canyon Way		
S.W. Industrial Frontage Road*	US 101 to US 101	
S.E. Industrial Frontage Road*	US 101 to South Beach Bypass	
S.W. Naterlin Drive	S.W. Government to S.W. Bay Blvd.	

Table 3 (con't)

Classification	Limits		
S.W. Neff Way	S.W. Alder Street to US 101		
N.W. North Avenue*	N.W. 56th Street to N.W. 60th Street		
N.W. Nye Street*	W. Olive Street to N.W. Ocean View	S.W. Nye Street	
S.W. 2nd Street to W. Olive Street			
N.W. Ocean View Drive	N.W. 12th Street to US 101		
W. Olive Street	S.W. Elizabeth Street to US 101		
S.E. Point Road*	S.E. 35th Street to End of Point		
N.W. Spring Street	N.W. 8th Street to N.W. 12th Street		
N.W. Spring Street*	N.W. 6th Street to N.W. 8th Street		
N.E. Yaquina Heights Road	N.E. Harney Road to Highway 20		
S.W. 2nd Street	S.W. Elizabeth Street to S.W. Angle	N.W. 3rd Street	
N.W. Coast Street to US 101			
N.E. 3rd Street	N.E. Avery Street to N.E. Avery St.	S.E. 4th Street	S.E.
Fogarty Street to S.E. Harney	S.W. & S.E. 6th Street	S.W. Coast Street to S.E. Eads St.	
N.E. 7th Street*	N.E. 7th Drive to N.E. Newport	Heights	
Road			
N.W. 8th Street	N.W. Coast Street to N.W. Spring St.	S.W. 9th Street	US
101 to S.E. 2nd Street			
N.W. 11th Street	N.W. Spring Street to US 101		
N.E. 11th Street	US 101 to N.E. Eads Street		
N.E. 12th Street	US 101 to N.E. Eads Street		
S.W. 13th Street	S.W. Harbor Way to S.W. Bay Street		
N.W. 15th Street	N.W. Ocean View Drive to US 101		
N.W. 20th Street	US 101 to N.E. Crestview Drive		
S.W. 26th Street*	S.W. Brant Street to S.W. Abalone	N.W. 27th Street*	
N.W. Ocean View Drive to US 101			
S.E. 32nd Street*	S.E. Ferry Slip Road to US 101		
S.E. 35th Street*	US 101 to S.E. Point Road		
S.W. 35th Street*	US 101 to South Beach		
N.E. 36th Street	US 101 to east city limits		
N.W. 56th Street*	N.W. North Avenue to Old US 101		
N.W. 60th Street*	N.W. North Avenue to US 101		

\* These are proposed classifications--some of these streets do not presently go through, or are

proposed new routes.

Source: "City of Newport Transportation Plan Update, March 1989," CH2M HILL.

No tabulated or mapped inventory of pedestrian facilities exists for the city. The designated bicycle routes in Newport are along Ocean View, Coast, and Elizabeth Streets. The routes are presently signed, but there is no separate bike lane or path.

Table 4  
Street Inventory

	Road Miles	Curb Miles	Road Miles	Curb Miles	Lane Miles	Road Miles	Lane Miles	Road Miles	Lane Miles	Road Miles	Lane Miles	Road Miles	Lane Miles	Totals Road Miles	Totals Lane Miles
	Curb=0	Curb=1	Curb=2	Curb=3	Lanes=1	Lanes=2	Lanes=3	Lanes=4	Lanes=5						
Asphalt Concrete	14.20	0.34	22.43	44.86	0.41	35.85	71.70	0.03	0.09	0.00	0.00	0.00	0.00	36.29	72.20
Asphalt Concrete (Highway)	4.16	0.97	3.25	6.50	0.00	2.38	4.76	1.39	4.17	0.99	3.96	1.74	8.70	6.50	21.59
Gravel	14.85	0.00	0.00	0.00	1.88	10.41	20.82	0.00	0.00	0.00	0.00	0.00	0.00	12.29	22.70
Oil	2.97	0.00	0.00	0.00	0.12	0.29	0.58	0.00	0.00	0.00	0.00	0.00	0.00	0.41	0.70
<b>Total Curb Miles</b>	<b>36.18</b>	<b>1.31</b>	<b>25.68</b>	<b>51.36</b>	<b>2.41</b>	<b>48.93</b>	<b>97.86</b>	<b>1.42</b>	<b>4.26</b>	<b>0.99</b>	<b>3.96</b>	<b>1.74</b>	<b>8.70</b>	<b>55.49</b>	<b>117.19</b>

Asphalt Concrete Pavement - City Miles

Condition Value	1	2	3	4	5	6	7	8	9	10	Not Rated	11	12	13	Totals
Lanes=1			0.12			0.01	0.21					0.07		0.41	
Lanes=2	0.36	0.08	0.30	0.81	0.58	1.61	1.81	1.53	1.58	2.75	2.86	6.97	14.61		35.85
Lanes=3										0.03	0.03				
<b>Subtotal</b>	<b>0.36</b>	<b>0.08</b>	<b>0.30</b>	<b>0.93</b>	<b>0.58</b>	<b>1.61</b>	<b>1.82</b>	<b>1.53</b>	<b>1.79</b>	<b>2.75</b>	<b>2.86</b>	<b>6.97</b>	<b>14.71</b>	<b>0</b>	<b>36.29</b>

Asphalt Concrete Pavement - Highway Miles

Condition Value	1	2	3	4	5	6	7	8	9	10	Not Rated	11	12	13	Totals
Lanes=2						0.52	0.83	0.43				0.60	2.38		
Lanes=3							0.16		1.23				1.39		
Lanes=4									0.29	0.70			0.99		
Lanes=5									1.74				1.74		
<b>Subtotal</b>	<b></b>	<b></b>	<b></b>	<b></b>	<b></b>	<b>0.52</b>	<b>0.83</b>	<b>0.59</b>	<b></b>	<b>3.26</b>	<b>0.70</b>	<b>0.60</b>	<b>6.50</b>	<b></b>	<b></b>
<b>Totals</b>	<b>0.36</b>	<b>0.08</b>	<b>0.30</b>	<b>0.93</b>	<b>0.58</b>	<b>1.61</b>	<b>1.82</b>	<b>2.05</b>	<b>2.62</b>	<b>3.34</b>	<b>2.86</b>	<b>10.23</b>	<b>15.41</b>	<b>0.60</b>	<b>42.79</b>

Table 4 (con't)  
Condition Value Chart for Asphalt Concrete Pavement

Condition Value	Description of Pavements
1	All very poor (broken up; poor drainage)
2	Mostly very poor; some poor
3	Mostly poor; some very poor
4	All poor (open cracks; uneven; poor drainage)
5	Mostly poor; some fair
6	Mostly fair; some poor
7	All fair (coarse; close cracks; good drainage)
8	Mostly fair; some good
9	Mostly good; some fair
10	All good (some wear; good drainage)
11	Mostly good; some very good
12	Mostly very good; some good
13	All very good (new appearance; smooth; good drainage)

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NOTE: Street inventory information provided by City of Newport Public Works.

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Source: "City of Newport Transportation Plan Update, March 1989," CH2M HILL.

There is no local public transit service in Newport, although Lincoln County Council on Aging provides a Dial-A-Ride van service focusing on the senior and disabled

population. Other special transportation needs of these residents are met by various agencies and non-profit and church-affiliated groups.

The only bridge listed on the Federal Bridge Inventory within the urban growth boundary (UGB) is the Yaquina Bay Bridge. The bridge is also part of the Highway 101 system, so the State Department of Transportation is responsible for its maintenance. It is in good condition and, with proper upkeep, should not need replacement within the planning horizon.

**Recommended Roadway Improvement Projects:**

The Roadway Plan and Plan Update recommend improvements necessary to address safety concerns and the projected population growth in Newport considering the following factors:

- > Capital improvement projects completed since the Roadway Plan was prepared
- > Traffic accident evaluations and traffic movement studies
- > Projects identified by the city
- > Additional studies for an access management plan for U.S. Highway 101 in the Agate Beach area and the South Beach peninsula area

Traffic accident evaluations and traffic movement characteristic studies are summarized in Figure 2 contained in the Plan Update. In addition to the Plan Update, a report entitled "Exhibit C--Newport: An Access Management Plan for U.S. 101 in the Agate Beach Area" should be referred to for more detailed information concerning the Agate Beach area highway improvement plan.

Several planned developments proposed for the South Beach peninsula will have impacts on the road and circulation patterns in the area. The planned developments include:

- ° Expansion of the Port of Newport facilities to include a 250 room hotel/motel, approximately 23,000 square feet of restaurant and specialty retail shops, and a 50,000 square foot exhibition hall.
- ° Expansion of the Marine Science Center to accommodate 300 employees and 2,300 visitors daily.
- ° Opening of the Oregon Coast Aquarium, which expects between 450,000 and 550,000 visitors annually and 70-100 staff and volunteers daily.
- ° Expected commercial development of about 15 acres of currently vacant land between the port property and 32nd Street.

Table 5 in the Plan Update identifies capital improvement projects completed since the 1981 Roadway Plan was prepared.

Tables 5 (p. 161) and 6 (p. 163) in this section of the Facilities Plan identify the recommended transportation capital improvement intersection and street network projects, respectively. Figure 1 (Plan Update) shows the location of these projects. The short and long term prioritization of the recommended projects are indicated in Tables 5 and 6. A priority rating system described in the Roadway Plan (pp. IV-1) further describes the evaluation procedure that the city follows in prioritizing projects within each planning period. The procedure assigns priority points based on traffic safety, transportation mobility, general plan conformance, and economic considerations.

Major expenditures will be incurred during the second and third planning periods for the recommended construction of the North-South Bypass and the South Beach Bypass. The North-South Bypass arterial will be constructed in three phases between 1995 and 2003. It is intended to alleviate traffic congestion on U.S. 101 resulting from through traffic between U.S. 101 and U.S. 20. Additionally, this bypass will provide arterial access to developable lands in northeast Newport and the northern urban growth boundary. The South Beach Bypass arterial will be constructed during the second planning period around the year 2000. It is intended to provide arterial access to the developable lands lying north, east, and south of the Newport Municipal Airport.

The South Beach peninsula area network plan indicated in the Plan Update has been selected by the city to guide street and land use development in the area. The plan will minimize the amount of additional right-of-way needing to be purchased. With the exception of the improvements to Ferry Slip Road and 32nd Street, the plan has the same access routes to the area as exist today and allows possible additional access points in the future. Intersection Project 14 listed in Table 3 addresses the initial construction needed for this plan.

In addition to the projects listed by the city, the State Department of Transportation has listed a few projects in their Six-Year Highway Improvement Plan. Those projects listed in the 1991-1996 plan are as follows:

- ° Signal at Highway 101 at the Pacific Plaza Shopping Center: scheduled for construction in federal fiscal year 1991; cost is estimated at \$110,000.00; funding source is the Federal Aid Primary.
- ° Structural improvements to the southern approach to the Yaquina Bay Bridge: scheduled for construction in federal fiscal year 1991; cost is estimated at \$5,360,000.00; funding source is Highway Bridge Replacement.
- ° Newport/Pacific Highway Corridor Study (West Unit) Reconnaissance.

- Signal at Highway 101 and N.W. 11th Street: project that was considered but not scheduled for construction; cost is estimated at \$50,000.
- Pier protection for the Yaquina Bay Bridge: project that was considered but not scheduled for construction; cost is estimated at \$140,000.

### **Funding:**

Roadway operation, improvements, and maintenance requires utilization of numerous funding sources available to public agencies. Improvement and maintenance funding can be on an individual or cooperative matching basis. The primary funding include the following:

- Federal Aid Urban funds administered by the Oregon Department of Transportation through the Oregon State Highway Division (OSHD).
- Urban Renewal Funds increment bonds.
- Local Improvement Districts.
- State Gasoline Tax.
- Oregon State Highway Trust Fund, Federal Safety Programs for projects not involving state or interstate highway systems; administered by the OSHD.

A more detailed discussion concerning the procedures that must be followed for these funding programs and how these funding programs have been used by the city is provided in Chapter IV of the Roadway Plan.



Table 5  
Recommended Intersection Projects<sup>a</sup>

Project Number	Project Name	Funding Type of Improvement	Estimated Source	Year of Cost 1989 \$ <sup>b</sup>	Construction	Proposed
<u>Priority A (1988-1992)</u>						
1	US 20 at US 101	Alt. A--Restrict east and west through movements on US 20 (East Olive) and on West Olive	OSHD	\$ 6,000	n/a	
		Alt. B--Provide left turn phasing on US 20 (East Olive) and West Olive	OSHD	37,000	n/a	
2	US 101 at S.W. Angle	Close S.W. 2nd between S.W. Angle and US 101. Signal installation and channelization	UR <sup>c</sup>	105,000	1989	
3	US 20 at S.E. Avery	Providing signing and channelization	Gas Tax	5,000	1989	
4	John Moore Road at S.E. Bay Blvd.	Provide realignment and channelization	FAU	21,000	1989	
5	N.E. 20th @ Crestview	Provide realignment and channelization	Gas Tax	6,000	1989	
6	S.W. Canyon @ S.W. Fall	Provide realignment and channelization	Gas Tax	2,000	1989	
7	US 101 @ S.E. 1st and South Cape	Provide island and channelization	Gas Tax	3,000	1990	
8	US 101 @ S.W. Minnie and S.W. 9th	Provide signing and channelization	Gas Tax	6,000	1990	
9	S.W. Hurbert @ S.W. 2nd	Provide channelization	Gas Tax	1,500	1990	
10	S.W. Lee @ S.W. 2nd and S.W. Nye	Provide realignment and channelization	Gas Tax	2,000	1990	
11	US 101 @ S.W. Fall and Frontage Road	Change traffic flow to one-way north on Frontage Road and extend island	Gas Tax	1,500	1990	
11A	US 101 @ S.W. Abbey	Signal installation	UR	105,000	1991	
12	Naterlin @ US 101 (Yaquina Bay Bridge)	Provide realignment and channelization	Gas Tax	18,000	1991	
13	US 101 @ N.E. 36th Street	When PUD is implemented, improve N.E. 36th to collector standards and improve sight distance onto US 101	n/a	--	--	
14	South 35th at US 101 and Ferry Slip Road (South Beach), Ferry Slip Road between US 101 and South 35th	Construct South 35th between US 101 and Ferry Slip Road to collector standards. Re-align and modify Ferry Slip Road connection to US 101. Install signal at US 101 and South 35th when development requires	LID OSHD	105,000	--	

<sup>a</sup> Projects not listed in 1981 plan were provided by the City.

<sup>b</sup> Costs of projects listed in 1981 plan updated to 1989 dollars using ENR Construction Cost Index--costs of new projects provided by City.

<sup>c</sup> FAU means Federal and Urban; UR means Urban Renewal Program Funds; and LID means Local Improvement District.

Source: "City of Newport Transportation Plan Update, March 1989," CH2M HILL.

Table 6  
Recommended Street Network Projects<sup>a</sup>

Project Number	Project Name	Funding Type of Improvement	Proposed Estimated Source	Year of Cost 1989 \$ <sup>b</sup>	Construction
<u>Priority A (1988-1992)*</u>					
1	John Moore Road between Bay Blvd. and US 20	Reconstruct to arterial standards; 44 foot pavement section with curb and gutter, storm drainage, sidewalks both sides, and traffic control. Provide passing lane (climbing lane), i.e. 3 lanes: 2 northbound and 1 southbound	FAU <sup>c</sup>	\$ 435,000	1989
2	S.W. Bay Blvd. between Bay Street and Fall Street	Provide a detailed access management and parking study to improve traffic safety and movement	UR	7,000	1989
3	N.E. Eads Street between N.E. 4th and N.E. 7th	Construct 5 foot sidewalks on the west side of N.E. Eads Street	LID	9,000	1990
4	US 20 between John Moore Road and US 101	Construct 5 foot sidewalks on the south side of US 20	LID	38,000	1989
5	S.W. Neff and S.W. Alder between US 101 and S.W. 2nd	Reconstruct to collector standards; 40 foot pavement section with curb and gutter, storm drainage, and traffic control	UR	110,000	1990
6	US 101 @ Agate Beach	Speed limit considerations, intersection realignments, channelization, signing, and sight distance improvements	LID	n/a	1990
7	US 101 between Alder and Yaquina Bay Bridge	Phase out on-street parking and provide continuous left turn refuge	OSHD	25,000	1990
8	N.W. 27th between Ocean View and US 101	Construct to collector standards	--	100,000	1990
9	Edenvue between Ocean View and N.W. 20th	Widen to 40 foot pavement section with curb and gutter, storm drainage, and traffic control	Gas	110,000	1991
10	N.W. Spring Street between 8th Street and 6th Street at Coast	Construct to collector standards	UR	60,000	1992
11	Idaho Point Road between 35th Street and end	Construct to collector standards	--	537,000	1992

Priority B (1993-2000)

12	N.E. 7th Street between 7th Drive and Newport Heights Road	Construct to collector standards	FAU LID	100,000 100,000	1993
13	N.E. 3rd Street between N.E. Eads and N.E. Harney	Reconstruct to local standards; 36 foot pavement section with curb gutter, storm drainage, and traffic control	FAU LID	50,000 50,000	1994
14	N.W. Nye Street extension to Ocean View	Construct to collector standards; 40 foot pavement section with curb and gutter, storm drainage, and traffic control (maximum grade of 15%)	LID	100,000	1995

Table 6 (con't)

Project Number	Project Name	Type of Improvement	Funding Source	Proposed Estimated Source	Year of Construction	1989 \$ <sup>b</sup>
15	N-S Bypass, Phase I between US 20 and N.E. 32nd	Construct to arterial standards; 44 foot pavement section with curb and gutter, storm drainage, and traffic control	LID	1,400,000	1995	
16	N.W. 60th/North Avenue/55th Street	Construct to collector standards	--	39,000	1995	
17	South Beach Industrial Access Roads	Construct to arterial standards	--	2,000,000	1996	
18	N-S Bypass, Phase 2 between Phase 1 and N.E. 60th Street	Construct to arterial standards	--	1,800,000	1998	
19	Port Bypass between US 20 and Yaquina Bay Road	Provide right-of-way for arterial; construct 24 foot paved road with 8 foot shoulders	--	3,400,000	2000	
20	South Beach Bypass	Construct to arterial standards	--	3,300,000	2000	
<u>Priority C (2001-2010)</u>						
21	N-S Bypass, Phase 3 between Phase 2 and US 101	Construct to arterial standards	--	1,200,000	2003	

<sup>a</sup> Projects not listed in 1981 plan were provided by the city.

<sup>b</sup> Costs of projects listed in 1981 plan updated to 1989 dollars using ENR Construction Cost Index --costs of new projects provided by city.

<sup>c</sup> FAU means Federal and Urban; UR means Urban Renewal Program Funds; and LID means Local Improvement District.

\* Priority A means first 5 years (short-term); Priority B means the second planning period (1993-2000), which is long-term; and Priority C is the final planning period (2001-2010) for the current 20 year planning period. Priorities are subject to change based on future plan updates, available funding, and specific development proposals.

Source: "City of Newport Transportation Plan Update, March 1989," CH2M HILL.







Pages 153 through 166 repealed by Ordinance No. 1802 (January 4, 1999).

## **AIRPORT FACILITIES**

The Newport Municipal Airport is owned by the City of Newport and is located within the city limits, approximately 2.5 miles south of the city center. The federal law by which the city obtained ownership requires that the property must be preserved as a public airport. The Newport Municipal Airport is the primary airport in Lincoln County and serves a large area primarily because it is the only general aviation airport in the area capable of handling corporate aircraft. The nearest public use airport is the Toledo State Municipal Airport, approximately 9 miles east.

More detailed information on the historical and background environmental setting of the Newport Municipal Airport can be found in the document entitled, "Master Plan, Newport Municipal Airport" (hereinafter, the "Airport Master Plan").

### **Existing Municipal Airport Facilities:**

The Newport Municipal Airport consists of 695.82 acres of land. Major components of the airport facility are outlined in Table 7 on page 169 and illustrated in Figure 3 of the Plan Update. In general, the airport is in good condition and is well operated and maintained. A detailed discussion of the facility's components and their condition is contained in Chapter 3 of the Airport Master Plan. A brief discussion of some of the major components of the airport follow.

Approach/Airspace: Until recently, aircraft using the airport relied on nonprecision approach procedures. During 1991, the Federal Aviation Administration (FAA) financed instrument landing system (ILS) will be installed, which will enable aircraft to perform precision instrument approaches from the north to Runway 16. This development significantly increases the utility of the airport. The airport is located in an area of relatively uncomplicated airspace structure and use, and can be operated without significant close-in problems during Visual Flight Rules flying conditions (good weather).

Airport Users: Fifteen aircraft were based at the Newport Municipal Airport in 1987 (down from a 1981 high of over 29 aircraft). No commercial air carriers use the airport. The U.S. Coast Guard currently operates a temporary facility on the airport property from which they base a helicopter. A permanent facility is expected by 1992.

Structures: Whereas Runway 16-34 is in very good condition, Runway 2-20 is in need of some maintenance. Additionally, the airport terminal, a double-wide mobile office, is a temporary structure. It is owned by the City of Newport and leased to the fixed base operator (FBO), Berteau/Aviation. The structure contains the operator's office/lobby, pilot lounge, small machine maintenance shop, and rest



rooms. The airport does not have an air traffic control tower.

**Recommended Airport Improvement Projects:**

Chapters 4 and 5 of the Municipal Airport Master Plan forecast airport demand and identify airport facility requirements. The forecast was based on an extrapolated use trend analysis, correlation analysis of socioeconomic and other aviation activity indicators, market analysis, FAA requirements and forecasts, and professional judgment. The population base for the analyses includes the Lincoln County area, which is forecasted to reach 45,200 by the year 2000. From the demand forecasts, airport facility requirements were identified. A municipal airport layout plan, terminal area plan, and airspace, approach, and clear zone plans addressing the facility requirements are established in Chapter 8 of the Airport Master Plan.

Approach/Airspace: The Approach and Clear Zone Plan, Drawing 3 of 3, illustrates the approach and departure safety concerns relating to adjacent airport development. Acquisition of adjacent property at the north and south ends of Runway 16-34 and the northeast end of Runway 2-20 is recommended to provide additional clear zone.

Airport Users: The Newport Municipal Airport is proposed to be a general utility commercial service airport in accordance with the FAA's Airplane Design Group (ADG) III. This means that airplanes with wingspans up to 97 feet and approach speeds of less than 121 knots could use the airport safely. It is expected that most of the airport's general aviation use will involve airplanes with wingspans less than 49 feet. The commuter fleet would include airplanes with wingspans between 49 and 117 feet. These would probably include 18- to 36-seat commercial airline aircraft.

The Newport Municipal Airport is currently unused by commercial passenger air carriers. The current demand for regional commercial commuter air carrier services, which is unmet by airline services to the airport, is approximately 3,800 enplaned passengers per year. Many of the potential enplaned passengers could probably be captured by initiation of commuter air carrier service at the airport. If commuter air carrier service were initiated soon, it is believed that annual passenger enplanements could reach 5,100 or 10,200 total passengers by the year 2008. Approximately 1,260 annual airline operations (landings and departures) are forecasted to meet this demand.

Table 7  
Existing Airport Facilities

Facility	Characteristics	Condition
----------	-----------------	-----------

Runway 16-34	5,398 ft. x 150 ft.; VORTAC, VASI, ILS, REILS approach aids; MIREL; nonprecision marking	Very good
Runway 2-20	3,300 ft. x 75 ft.; VORTAC visual aid; no lighting; basic displaced marking	Fair to good
Taxiway A	2,850 ft. x 35 ft.	Excellent
Taxiway B	Connects Runway 20 with Runway 16	Poor
Taxiway C	Connects runway intersection with terminal area	Excellent
Taxiway D	1,700 ft. x 75 ft.	Fair
Taxiway E	Connects Runway 34 with Taxiway D	Fair
Aircraft Parking Aprons		
Terminal	8,800 square yards	Very good-excellent
Transport	7,000 square yards, for 737 or DC-9	Fair
Public helipad		Very good
Military helipad	Generated by U.S. Coast Guard	Very good
Tie-down area	Grassy, 300 ft. x 30 ft.	n/a
Hangars	5 port-a-ports for 11 aircraft; 2 private individual; 2 double	Good
Terminal	Temporary; 1,681 square ft.	Poor
Public Parking	20 total; 15 public, 2 rental; gravel	Fair
Coast Guard buildings	2 temporary	Poor to fair
Fuel Storage	Jet-A (underground 20,000 gal.); 100LL (underground 12,000 gal.)	Unknown

Source: "Master Plan, Newport Municipal Airport, Newport, Oregon," August 1989. FORESITE Group.

General aviation demand by the year 2008 is forecasted to include approximately 40

based aircraft. These general aviation aircraft are expected to generate approximately 32,060 aircraft operations per year by the year 2008. Therefore, the total number of operations from the Newport Municipal Airport by the year 2008 is expected to reach 33,320.

**Structures:** Several facility improvements are recommended to accommodate this airport use demand. Table 8 (page 163) outlines the recommended staged development for the Newport Municipal Airport. The recommended facility improvements are illustrated in the Airport Layout Plan and the Terminal Area Plan, Drawings 1 of 3 and 2 of 3, respectively. These recommended improvements are briefly discussed in the following.

The first planning period through 1993, or Stage I of the airport development program, will include installation of the ILS, which will permit precision landing, construction of the new U.S. Coast Guard facility, some land acquisition in the approach to Runway 20, construction of some single unit hangars for small aircraft and at least one small corporate hangar, and construction of a small aircraft rescue and fire fighting station.

The second 5-year planning period, or Stage II of the airport development program, will involve the addition of several hangars, construction of automobile roads and parking facilities, and construction of an airport maintenance shop.

The third 5-year planning period, or Stage III of the airport development program, will include improvements to accommodate commercial commuter air carrier services. This activity will include improving the principal runway and key taxiways. The existing Newport Municipal Airport terminal is insufficient to accommodate the initial demands of the commuter air carrier service and will be replaced to permit commercial commuter air carrier service at the airport. This will require accommodations for arriving and departing passengers. Additionally, ancillary uses should be considered (for example, a car rental counter and concession areas).

## **Funding:**

Much of the cost of the recommended airport improvements may not be borne primarily by the City of Newport. The primary source of revenues for airport development will be the aviation users of the airport and the FAA. Table 8 (page 172) identifies potential funding sources for each of the proposed airport improvement projects. The costs indicated for all development items are expressed in 1989 dollars. Chapter 9 of the Airport Master Plan provides a detailed discussion of potential funding sources that are summarized here.

Use of the airport's public and leased facilities generates a variety of revenues, including landing fees, building and land rentals, and fuel fees. Private sector development of facilities such as T-hangars also significantly contributes to airport development.

Grants from the FAA fund 90% of eligible projects at airports similar to Newport's.

The Newport Municipal Airport has received discretionary FAA development assistance in the past. These funds are distributed by the FAA on a regional priority basis.

The National Aviation Trust Fund provides monies granted by the FAA through the Airport Improvement Program (AIP). Under the AIP, annual funding assistance for approved projects is available to "primary" air carrier airports. However, because the Airport Master Plan does not forecast enough enplanements for the airport to be considered a "primary" air carrier during the planning period, the airport will not be eligible for this type of entitlement funding.

Local funding can be provided by a variety of means, including general obligation bonds, self-liquidating general obligation bonds, revenue bonds, combined revenue/general obligation bonds, and third party support. Funds derived from these methods will assist in independently financing airport improvements and providing matching or share funds for federal or state funding assistance.

Table 8\*  
Recommended Airport Development

Priority A, Stage I (1989-1993)

1989	Local	FAA	Other	Total

ILS Installation	\$ 120,000	\$ 1,080,000	\$ 0	\$ 1,200,000
------------------	------------	--------------	------	--------------

1990

Coast Guard Facility	0	0	n/a	n/a
Hangar Taxiway	3,100	27,900	0	31,000
ARFF Station	9,000	81,000	0	90,000
Single Unit Hangar	0	0	25,000	25,000
Total 1990	\$ 12,100	\$ 108,900	\$ 25,000	\$ 146,000

1991

Single Unit Hangar	0	0	25,000	25,000
Land Acquisition	1,000	9,000	0	10,000
Total 1991	\$ 1,000	\$ 9,000	\$ 25,000	\$ 35,000

1992

Single Unit Hangar	0	0	25,000	25,000
Corporate Hangar	0	0	200,000	200,000
Total 1992	\$ 0	\$ 0	\$ 225,000	\$ 225,000

1993

Single Unit Hangar	0	0	25,000	25,000
Total Stage I	\$ 133,100	\$ 1,197,900	\$ 300,000	\$ 1,631,000

Priority B, Stage II (1994-1998)

Road Relocation	\$ 18,000	\$ 162,000	\$ 0	\$ 180,000
Hangar Taxiways	4,000	32,000	0	36,000
Auto Parking	40,000	0	0	40,000
Aircraft Apron	11,000	94,000	0	105,000
Clear Zone Earthwork	10,000	90,000	0	100,000
Runway Marking	200	1,800	0	2,000
Single Unit Hangars (5)	0	0	125,000	125,000
FBO Hangar	0	0	300,000	300,000
Corporate Hangar	0	0	200,000	200,000
Arpt. Maintenance Shop	200,000	0	0	200,000
City Fire Station	0	0	n/a	n/a
Total Stage II	\$ 283,200	\$ 379,800	\$ 625,000	\$ 1,288,000

Table 8 (con't)

<u>Priority C, Stage III (1999-2008)</u>				
Terminal	\$ 300,000	\$ 280,000	\$ 0	\$ 580,000
Auto Parking	225,000	0	0	225,000
Terminal Roadway	22,000	198,000	0	220,000
Apron Expansion	10,000	90,000	0	100,000
Relocation VOR	50,000	0	0	50,000
Parallel Taxiway Ext.	39,000	351,000	0	390,000
Overlay Runway 16-34 and Taxiway	88,000	787,000	0	875,000
Runway 2-20 Taxiway	23,000	207,000	0	230,000
Corporate Hangars (2)	0	0	400,000	400,000
Single Unit Hangars (5)	0	0	375,000	375,000
<b>Total Stage III</b>	<b>\$ 757,000</b>	<b>\$ 1,913,000</b>	<b>\$ 775,000</b>	<b>\$3,445,000</b>
<b>TOTAL ALL STAGES</b>	<b>\$ 1,173,300</b>	<b>\$ 3,490,700</b>	<b>\$ 1,700,000</b>	<b>\$6,364,000</b>

\* Costs based on 1989 dollars with 25% overhead.

Source: "Master Plan, Newport Municipal Airport, Newport, Oregon," 1989. FORESITE GROUP, INC.

# **PORT FACILITIES<sup>1</sup>**

## **BACKGROUND**

The Port District was formed in 1910 to promote water-related commerce in Lincoln County. The Port is located on the central Oregon coast and encompasses the Yaquina Bay estuary. The Port boundaries extend north to Otter Rock, east up to six miles inland, south to Seal Rock, and west to the Pacific Ocean. The Port of Toledo is adjacent to the Port of Newport's eastern boundary and the Port of Alsea adjoins the Seal Rock boundary.

## **VISION AND MISSION**

Vision: The Port of Newport will serve as the premier Oregon coast port for the commercial fishing fleets, for recreational fishing and tourism, and for ocean observation and marine research support. We will be one of the top two Oregon coast ports for waterborne commerce while protecting and enhancing the beauty and integrity of the natural environment which is the foundation of our working waterfront community.

Mission: Build and maintain waterfront facilities, and promote/support projects and programs in cooperation with other community organizations and businesses that will retain and create new jobs and increase community economic development.

## **GOVERNANCE**

The Port District is governed by a Board of Commissioners that is elected, at large, from the territory within the District and is responsible for policy setting and providing strategic direction to its professional staff. The Board is comprised of five members elected for four year terms. The terms are staggered.

## **EXISTING PORT FACILITIES**

The Port of Newport was originally formed to promote water related commerce in Lincoln County and throughout its history has evolved and refined the provision of services to the commercial and recreational fishing fleets, to tourists, and for ocean observation and marine research support.

Port facilities are situated in three distinct areas bordering portions of the Yaquina Estuary. The South Beach facilities primarily support the recreational fleet, ocean observation and marine research and tourism activities. The Port's "Bay Front" facilities on the north shore of the bay primarily support the commercial fishing fleet along with some tourism. The Port's International Terminal is also located on the north shore of the Bay, to the east of the "Bay Front" facilities, adjacent to the Northwest Natural Gas LNG tank.

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<sup>1</sup> Most of the information contained in this section is taken from the Port of Newport's Strategic Business and Capital Facilities Plans, prepared by the Northwest Port Planning Team, and dated January 2013.

*Section replaced in its entirety by Ordinance No. 2056 (September 5, 2013).*

## Service Facilities

The South Beach Port facilities consist of a 600 berth recreational boat basin originally installed in 1978-79, a four lane boat launch facility with parking which was installed to replace the original marina launch facility in 2005, a 92 space RV Park installed in 2006, an older 52 space RV Park, the NOAA Marine Operations Center – Pacific (MOC-P) pier, office/operations building and Warehouse, completed in 2012, and several buildings leased to Oregon Brewing and other leased properties associated with ocean observation and marine research organizations (Oregon State Hatfield Marine Science Center, USA of Fish and Wildlife Service, Oregon Coast Aquarium, etc).

The Commercial Marina facilities consist of Port Docks 3, 5, 7, Swede’s Dock and the Hoist Dock along with upland dry storage and parking. The Port’s Bay Front facilities also include Port Dock 1, which is used for some transient vessel berthing along with providing a tourist platform for bay viewing and sea lion observation.

The International Terminal area contains facilities which consist of the Terminal Dock Facility (currently under complete reconstruction), along with some commercial fleet dry storage area and several leased properties and structures. A detailed map of existing leased facilities is included as Appendix A to Capital Facilities Plan for the Port of Newport, prepared by the Northwest Port Planning Team, dated January 2013.

A comprehensive inventory of Port owned facilities associated with all properties is presented in Appendix B of the same Capital Facilities Plan. The inventory includes an estimated current value of each facility along with an estimated replacement cost. The following table indicates a summary of Port owned facilities and estimated current values and replacement costs.

	Replacement Costs	Estimated Existing Value
Buildings	\$ 30,200,295	\$ 26,611,254
Docks/Piers	\$ 52,283,864	\$ 36,883,726
Parking	\$ 4,889,105	\$ 3,854,041
Other Facilities & Structures	\$ 787,000	\$ 338,999
Equipment	\$ 759,500	\$ 496,000
	<b>\$ 88,919,764</b>	<b>\$ 68,184,020</b>

While the numbers presented above are estimated, they give a perspective of the extent of what the Port owns and is responsible for.



## **Utilities**

Along with the more visible Port owned facilities used for providing Port services and associated with leaseholds, there exists considerable utility infrastructure supporting the Port and its operations. Much of the utilities providing services to the Port are owned and operated by outside agencies (City of Newport, Central Lincoln PUD, etc) however, the Port does own and operate some underground utilities primarily associated with storm drainage and area lighting. Appendix C to the Capital Facilities Plan for the Port of Newport includes an inventory of utilities situated on Port properties that are necessary for Port Operations. It also identifies the controlling agency of the Utility. Appendix D to the Capital Facilities Plan contains maps of existing utilities serving the Port's various service areas.

## **DESIGN CRITERIA AND LEVEL OF SERVICE**

### **Design Life of Improvements**

The design life of the Port's infrastructure components is sometimes referred to as its useful life or service life. The selection of a design life is a matter of judgment based on such factors as the type and intensity of use, type and quality of materials used in construction, and the quality of workmanship during installation. The estimated and actual design life for any particular component may vary depending on the above factors. The establishment of a design life provides a realistic projection of service upon which to base an economic analysis of new capital improvements. The typical design life for system components is discussed below.

### **Floating Docks**

Modern concrete floating docks are estimated to have a useful life of 35 to 50 years. Lightweight dock systems, such as timber, aluminum and steel typically have a life of 20 to 30 years.

### **Piling Supported Docks/Piers**

On average, industry experts estimate that a galvanized, epoxy coated or galvanic protected steel pile has 8-10 years before it will require constant maintenance and up keep. These piles typically have a lifespan of 30 years. Steel pile lifespan can be significantly extended with the use of HDPE sleeves and caps. The service life of timber pile in a marine environment is dictated by the type of wood used and treatment. The life span of a treated timber pile in a marine setting ranges from 30-50 years. The disadvantage of timber pile is the limited diameter choices and difficulty in splicing for longer lengths needed for many applications.

## Buildings, Upland Structures and Equipment

Major structures and buildings should have a design life of approximately 50 years. Mechanical equipment such as motors, pumps, lifts etc. usually have a useful life of about 15-20 years. The useful life of equipment can be extended when properly maintained.

## Asphalt Surfaced Parking/Storage Areas

Asphalt surfaces for parking and storage areas typically have practical service lives of 15-20 years in the mild coastal climate. With the absence of base material failures (as typically represented by extensive cracking or “alligating” asphalt) surface life may be extended an additional 5-10 years through seal coating.

## CAPITAL IMPROVEMENT PROJECTS

The term “capital improvement” refers to new or expanded physical facilities for the Port that are of relatively large size, are relatively expensive, and are considered permanent with respect to usefulness to service area customers. Large-scale replacement and rehabilitation of existing facilities also falls within this category.

In 2012 the Port Commission and its staff engaged stakeholders in the community to identify the District’s capital improvement needs. Projects were evaluated on a basis of physical need, desire, importance and availability of funding. The prioritization process placed the projects in three priority categories, Priority 1-3. The priority 1 projects are projects to be scheduled for work by 2018. Priority 2 projects are to be scheduled by 2023, and Priority 3 projects by 2028. The following is an initial cost and priority summary table of the identified projects for the Port:

Project Description	Priority	Estimated Cost of Improvement
Port Dock 7 Replacement	1	\$3,400,000
Wash down facility for South Beach Marina fish waste trash bins	1	\$40,000
Hoist Dock (Center Section) Replacement	1	\$637,500
Reconstruction of Recreational Marina Docks	1	\$130,000
Port Dock 5 Improvements	1	\$775,000
New Port Offices/Parking Area	1	\$878,149
Marina Dredging	1	\$4,732,302
<b>SUBTOTAL -PRIORITY 1 PROJECTS</b>		\$10,592,951
Renovate RV Park Annex	2	\$660,000
Rogue Brewery (Dry Moorage Building) North Wall/Siding Replacement	2	\$150,000
Electrical Load Center South Beach Marina	2	\$100,000

International Terminal Fire Water Line Loop	2	\$127,355
Wastewater Pump Station Replacement -South Beach	2	\$30,000
Port Dock 1 Replacement	2	\$750,000
<b>SUBTOTAL -PRIORITY 2 PROJECTS</b>		\$1,917,355
South Beach/Fishing Pier Storm Sewer Outfall Replacement	3	\$80,685
Picnic Bunker Rebuild	3	\$36,000
Pavement Reconstruction/Seal Coating (all areas)	3	\$400,030
Fishing Pier Replacement	3	\$1,567,000
Old Boat Ramp Fill	3	\$64,116
<b>SUBTOTAL -PRIORITY 3 PROJECTS</b>		\$2,147,831
<b>TOTAL ALL PROJECTS</b>		<b>\$14,658,137</b>

## FINANCING

### Grant and Loan Programs

The Port of Newport is eligible for federal and state funding assistance in the form of grants or low interest loans. Many of these programs are also available to the City of Newport. The following is a list of the major funding programs, which are typically utilized to assist qualifying ports in the financing of improvements.

- Oregon Business Development Department (OBDD) Community Development Block Grants. May be used for infrastructure or facilities development. The Port is only eligible if the grant is sponsored by the City of County on its behalf.
- OBDD Special Public Works Fund. Provides loan and grant funds for publically owned facilities that support economic and community development.
- OBDD Water/Wastewater Financing Program. A loan program that funds the design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act.
- Connect Oregon. A multimodal transportation fund established by the Oregon Legislature. Subject to periodic reauthorization.
- Oregon Port Revolving Fund. A loan program to assist Oregon ports in the planning and construction of facilities and infrastructure.
- Oregon Port Planning and Marketing Fund. A grant program to help ports fund planning or marketing studies related to expanding their trade and commerce activities.
- Oregon Marine Navigation Improvement Fund. Provides grants and loans that fund either a federally authorized project that needs matching funds; or a non-federally authorized project that directly supports or accesses an authorized navigation improvement project.
- Oregon Marine Board Boating Facility Grant Program. Funds planning, design and construction, or rehabilitation of public recreational boat access and vessel waste collection facilities.
- Oregon Marine Board Boating Infrastructure Grants. Similar to the above, but larger scale and competitive nationally.

- Oregon Marine Board Clean Vessel Act Funds. A grant program that funds public and private vessel waste collection systems (pumpouts, dump stations, etc.)
- Property Taxes. Includes taxes from permanent rates, local option levies, and bond levies.

Each of the government assistance programs has its own particular prerequisites and requirements. These assistance programs promote such goals as aiding economic development, benefiting areas of low to moderate-income families, and providing for specific community improvement projects. Not all ports or projects may qualify for all programs.

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# **STORM SEWER FACILITIES**

## **Introduction:**

This section summarizes the findings of CH2M HILL's investigation of the City of Newport's present storm sewer system and recommends future facilities to serve the area within the urban growth boundary for a planning period from the present to the year 2010. Major elements discussed in the report include:

- > Existing system description
- > Project criteria
- > Proposed storm sewer facilities
- > Cost estimates and funding sources for the proposed facilities

## **Study Area:**

The study area for this report is identical to the lands within the city's urban growth boundary (UGB), as shown in the City of Newport Comprehensive Plan and as revised to include the Thiel Creek destination resort area south and east of the municipal airport. The urban growth boundary (as of February 1990) is shown on Figure SS-1, which appears at the end of this section on page 188. The total area contained within the urban growth boundary is approximately 5,600 gross acres of land, not including lands subjected to tidal action and resulting flooding. The 5,600 acres include approximately 1,000 acres of land added to the urban growth area to include the Thiel Creek destination resort lands. The Comprehensive Plan Map included in the city's Comprehensive Plan indicates various land uses within the UGB that were used in this study.

## **Existing System:**

The existing storm water drainage for the City of Newport urban growth boundary is shown in Figure SS-1. The existing system consists mainly of a series of creeks along the coast, which carry surface runoff from the hills down to the ocean. As development has occurred, these creeks have been maintained, as much as possible, to continue carrying the major runoff through the developed areas. Storm sewers were constructed to convey storm water runoff from streets and other paved areas to the creeks. The existing system appears to be functioning well, with minor problems occurring in isolated portions only during heavy rainfall. Table 11 (page 186) lists a summary of pipe lengths for major trunks.

The condition of the existing sewers also appears to be satisfactory. The sewers in Drainage Basin I are approximately 60 years old and would be candidates for replacement or rehabilitation within the next 20 years. Older parts of the existing system are also located in Drainage Basin B, parts of which are 30 years old, Basin C, parts of which are 25 years old, and Basin F, parts of which are 30 years old.

These sewers should last at least through the current planning period, if not longer.

In addition to the storm sewers, numerous drainage culverts carry stormwater under U.S. Highway 101, mostly at points where creeks are located. Most of these are under jurisdiction of the Oregon Department of Transportation.

### **Project Criteria:**

In the development of the proposed plan, the ensuing criteria were used as a basis for locating and sizing the projects:

- Topography was taken from the U.S. Geological Survey 7.5' quadrangle maps.
- Areas of development within the urban growth boundary were determined using the Comprehensive Plan Map of the City of Newport.
- Short-term projects are those that are anticipated to occur within the next 5 years. Long-term projects are anticipated between 5 and 20 years.
- Only major trunk sewers, 24 inches in diameter or larger, are included in the plan. Smaller sewers, although not included, will also be required as development occurs.
- Existing creeks will continue to be the major drainage carriers. Development that would cross these creeks would be required to design and build a culvert under the development. Where and when these would occur is not known and, therefore, not included in the plan. Only developable land large enough to require a 24-inch or larger sewer to drain to an existing creek are shown with a proposed project.
- Pipes were sized to carry a peak flow,  $Q = CIA$ , at a velocity of 3 feet per second, where the runoff coefficient,  $C = 0.67$ , the rainfall intensity,  $I = 0.5$  inches/hour the area, and  $A =$  acres tributary to the pipe, per City of Newport design criteria.

### **Proposed Storm Sewer Facilities:**

Using the criteria listed above, a Storm Sewer Facilities Plan was developed (shown in Figure SS-1 of that Plan). Most of the projects shown are to serve future residential development. Exceptions are those shown in Drainage Basins S3, S6, S7, and S8. The 27- and 24-inch sewers proposed in Drainage Basin S3 are part of the Oregon Coast Aquarium/South Beach development and will be completed within the next couple of years. The new drainage channels, the improvement of existing channels, and the proposed detention pond in Basins S3 through S8 are part of the recommended Open Channel System proposed in the 1982 South Beach Urban Renewal Plan for future industrial development. Costs from the Urban Renewal Plan have been updated to current construction dollars.

### **Costs and Funding Sources:**

Table 12 on page 187 lists the proposed storm drainage projects needed to serve the area within the Newport urban growth boundary. Cost estimates for each project are also given and are based on current construction prices in the general area. Costs assume no pavement restoration and that sewers are buried an average of 6 feet in depth. Costs are for general planning purposes only, and final project costs will depend on final project scope, actual labor and material costs, market conditions, and other variable factors.

Each project listed in Table 12 is assigned a priority which reflects how soon the project would be needed if projected growth is realized. The projects listed are subject to change as various development proposals and construction projects occur, and at future plan updates.

There are a variety of funding sources available to pay for the proposed projects. The cost of most projects can be absorbed into the construction costs associated with the development of the land. Other alternative financing methods include local improvement districts, inclusion with publicly-funded street construction projects, loans from the state or federal government, and bonding. The availability and appropriateness of each of these funding sources varies for each type of project proposed.

Another possible source of revenue, although it is not normally used for this purpose, is the creation of a storm drainage utility fee. Each property owner is charged a monthly amount based on the area of land and amount of impervious surface that contributes runoff to the storm system. The monies collected are used for maintenance of the existing system, as well as for construction of future projects that benefit the city in general.



**Table 11**  
Existing Major Storm Sewers  
City of Newport, Oregon

Drainage Basin	Basin Area (Ac)	Elevation-Range		Length of Sewer (Feet)							Totals
		(Max)	(Min)	12 Inches	15 Inches	18 Inches	24 Inches	30 Inches	36 Inches	42 Inches	
A	23	154	0	--	--	--	--	--	--	--	0
B	70	172	80	1,450	1,250	110	550	170	--	--	3,530
C	36	148	90	830	160	570	50	--	--	--	1,610
E	21	154	0	470	--	--	--	--	--	--	470
F1	83	177	80	1,200	1,000	1,050	1,700	--	--	--	4,950
F2	97	--	--	4,100	100	700	1,600	--	--	800	7,300
G	36	189	131	1,000	--	200	--	--	--	--	1,200
H	23	160	0	--	--	--	--	--	--	--	0
I	171	170	0	3,600	2,000	1,800	1,400	--	300	1,600	10,700
J	17	161	115	1,000	--	--	--	--	--	--	1,000
K	13	162	110	400	--	--	--	--	--	--	400
L	7	86	0	--	--	--	--	--	--	--	0
M	29	130	0	1,200	400	--	--	--	--	--	1,600
N	20	108	0	700	--	--	--	--	--	--	700
O	59	170	0	1,800	100	1,200	300	--	--	--	3,400
P	25	165	0	--	--	--	--	--	--	--	0
Q1	34	156	0	900	400	--	--	--	--	--	1,300
Q2	--	--	--	1,000	--	75	--	--	--	--	1,075
Q3	--	--	--	200	300	1,600	--	--	100	--	2,200
R	56	180	0	--	600	--	2,500	--	500	--	3,600
S	36	180	0	--	300	200	--	--	--	--	500
T	45	160	0	1,400	--	1,170	180	--	--	--	2,750
U	10	125	0	150	--	--	--	--	--	--	150
V	25	156	0	--	500	--	--	--	--	--	500
<b>Totals</b>	<b>936</b>	<b>--</b>	<b>--</b>	<b>21,400</b>	<b>7,110</b>	<b>8,675</b>	<b>8,280</b>	<b>170</b>	<b>900</b>	<b>2,400</b>	<b>48,935</b>
<b>Total Mileage</b>				<b>4.05</b>	<b>1.35</b>	<b>1.64</b>	<b>1.57</b>	<b>0.03</b>	<b>0.17</b>	<b>0.45</b>	<b>9.27</b>

Table 12  
Proposed Storm Drainage Projects  
City of Newport, Oregon

Project Number	Drainage Basin	Project Description	Estimated Project Cost \$	Priority	Anticipated <sup>a</sup> Year of Construction
1	B	700 lf 24-inch sewer	42,000	Long term	
2	O	200 lf 24-inch sewer	12,000	Short term	1993
	N1	800 lf 24-inch sewer	48,000	Long term	
4	N2	800 lf 24-inch sewer	48,000	Long term	
5	N4	1200 lf 24-inch sewer	72,000	Long term	
6	N10	800 lf 18-inch sewer	40,000	Short term	1993
7	N12	1100 lf 48-inch sewer			
		700 lf 30-inch sewer	291,000	Long term	
		1200 lf 24-inch sewer			
8	S3	815 lf 27-inch sewer	64,000	Short term	1994
		185 lf 24-inch sewer			
9	S3-S8	South Beach Urban Renewal Plan	300,000	Long term	
10	S9	1000 lf 42-inch sewer			
		700 lf 30-inch sewer	185,000	Long term	
11	S11	1400 lf 48-inch sewer			
		500 lf 24-inch sewer	288,000	Long term	
		500 lf 24-inch sewer			

<sup>a</sup> The anticipated year of construction may vary depending upon the rate and direction of growth and the availability of funding.

# **GOALS AND POLICIES**

## **PUBLIC FACILITIES ELEMENT**

### **GENERAL**

**Goal: To assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area.**

Policy 1: The city shall develop and maintain public facilities master plans (by reference incorporated herein). These facility plans should include generalized descriptions of existing facilities operation and maintenance needs, future facilities needed to serve the urbanizable area, and rough estimates of projected costs, timing, and probable funding mechanisms. Public facilities should be designed and developed consistent with the various master plans.

Policy 2: In order to assure the orderly and cost efficient extension of public facilities, the city shall use the public facilities master plans in the capital improvement planning.

Policy 3: The city shall work with other providers of public facilities to facilitate coordinated development.

Policy 4: Essential public services should be available to a site or can be provided to a site with sufficient capacity to serve the property before it can receive development approval from the city. For purposes of this policy, essential services shall mean:

- > Sanitary Sewers
- > Water
- > Storm Drainage
- > Streets

Development may be permitted for parcels without the essential services if:

- > The proposed development is consistent with the Comprehensive Plan; and
- > The property owner enters into an agreement, that runs with the land and is therefore binding upon future owners, that the property will connect to the essential service when it is reasonably available; and
- > The property owner signs an irrevocable consent to annex if outside the city limits and/or agrees to participate in a local improvement district for the essential service.

Policy 5: Upon the annexation of territory to the City of Newport, the city will be the provider of water and sewer service except as specified to the contrary in an urban service agreement or other intergovernmental agreement.

Policy 6\*\*: Local Improvement Districts (LIDs) should be evaluated as a means of funding public facilities where the construction of such facilities is expected to enhance the value of properties that are adjacent or proximate to the planned improvements.

For LIDs in developed residential areas, the aggregate assessment amount within a prospective LID should be no more than 10% of the assessed value of properties within the boundaries of the proposed district. The aggregate assessed value may be higher for other types of LIDs, such as developer initiated districts; however, in no case should it exceed 50% of the assessed value of the affected property.

When considering a new LID, the City should proceed with preparing an engineer's report that sets out the likely cost of constructing the improvement.

Consideration should be given to bundling LID projects with other capital projects that the City secures bond funds to construct. For an LID to proceed, it must have a reasonable chance of being self-financing, with adequate reserves to ensure that payments are made on bonds/loans regardless of the property-owners' repayment.

If an LID project is considered by the City Engineer to be a partial improvement (less than ultimate planned design), the City should require that interim improvements conform to current City standards in a manner which will allow for completion of the total facility at such time that resources are available.

New LIDs may be initiated by petition or resolution of the City Council.

#### Formation of an LID by Petition

The City Council shall evaluate new LIDs proposed by petition to determine if City resources should be expended to formulate an engineer's report. Only those projects with substantial public support should proceed. An LID petition that includes non-remonstrance agreements and/or petitions of support from property owners representing 75% of the benefited area shall be presumed to have substantial public support.

If an LID petition seeks to leverage other funding to achieve 100% of the project costs then the City Council should consider the likelihood of whether or not those funds will be available within the timeframe that they would need to be committed for construction.

When the City receives petitions for multiple LIDs, priority should be given to prospective LIDs with the highest level of documented support, as measured by recorded non-remonstrance agreements and/or petitions in the benefit area in question.

The cost of completing the engineer's report should be included in the total LID assessment. The City should update its fee schedule to include a non-refundable LID Application Fee to be paid by LID petitioner(s) for petition-initiated LIDs.

### City Council Initiated LIDs

The City Council on its own motion or upon recommendation by the City Manager may initiate an LID without a petition. In doing so the City Council shall consider the following factors:

- Project purpose and need, including whether or not the improvement addresses an immediate health and safety risk or if it has been identified as a priority improvement in an adopted public facility plan.
- Whether the improvement will address existing deficient infrastructure that is chronically failing.
- Capital cost of the improvement.
- Project cost contingencies and related construction risk factors, such as the need to acquire new public right-of-way, unique construction challenges, or environmental issues.
- Nature of the area benefited, including its existing condition.
- The amount of potential non-LID funding that is expected to be leveraged by the LID, if any. This may include, but is not limited to, federal or state grants, sewer or other types of service charges, urban renewal funds, revenue or general obligation bonds, and reimbursement districts.
- Percentage of properties within the benefit area that have prerecorded non-remonstrance agreements or have owners that favor formation of an LID.

When considering multiple City-initiated LIDs, priority should be given to the LID that addresses the greatest number of factors identified above.

Policy 7\*\*: The City may use various means to finance, in whole or in part, improvements to public services in order to maintain public facility service levels and to carryout improvements identified in public facility plans, and adopted city goals and policies. This includes but is not limited to consideration of federal or state grants; water, sewer, storm drainage and other types of service charges; urban renewal funds, revenue or general obligation bonds, local improvement districts, and reimbursement districts.

\*\*\*\*\*

**WATER**

**Goal: To provide the City of Newport with a high quality water system that will supply residents and businesses with adequate quantities for consumption and fire protection.**

Policy 1: The city will comply with state and federal laws concerning water quality and will take appropriate steps consistent with those laws to protect and maintain drinking water source areas.

Implementation Measure 1: The City shall work to establish a source water protection buffer in the Big Creek Watershed. The City declares the Big Creek Watershed a public facility consistent with the definition of Public Facility Systems in OAR 660-011-0005(7)(a)(A). The City will work to establish a source water protection buffer that is consistent with the findings of the Oregon Department of Environmental Quality / Oregon Health Department source water assessment report (PWS #4100566).

Policy 2: The water system will be designed and developed to satisfy the water demand of the various users under normal and predictable daily and seasonal patterns of use, and at the same time provide sufficient supplies for most emergency situations.

Policy 3: The city may extend water service to any property within the city’s urban growth boundary, and may extend water service beyond the urban growth boundary if the extension of service is not inconsistent with an urban service agreement or other intergovernmental agreement. The city may require a consent to annexation as a condition of providing water service outside the city limits.

Policy 4: The city will acquire lands within the municipal watershed when available or necessary to protect water quality or improve its water system.

Policy 5: The city will reconstruct its municipal raw water storage and distribution facilities to address identified structural deficiencies to Big Creek Dam #1 and Big Creek Dam #2.

Implementation Measure 1: The city shall conduct necessary and appropriate engineering studies to determine the safest and most cost-effective approach to ensure the integrity of the municipal water supply. The studies shall identify the cost and timing of needed capital projects to address identified structural deficiencies and comply with Policy 2 of this section.

Implementation Measure 2: The city shall explore financing mechanisms, and prepare a financing plan to fund construction needed to resolve the structural deficiencies by 2030.

**Implementation Measure 3:** The city shall use data and findings from Implementation Measures 1 and 2 of this section to update the Water Supply section of the Public Facilities element of the Newport Comprehensive Plan to reflect new information as a result of the engineering and finance studies.

\*\*\*\*\*

**WASTEWATER**

**Goal:** To provide a wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area in compliance with State and Federal regulations.

Policy 1: On-site sewer systems shall not be allowed unless the city's sanitary sewer system is greater than 250 feet away. In any case, a subsurface permit from the Lincoln County Sanitarian must be obtained prior to any development that will rely on an on-site sewer system.

Policy 2: City wastewater services may be extended to any property within the urban growth boundary. Except for the very limited circumstances allowed by state law and regulations, the city will not generally provide wastewater services outside the urban growth boundary. The city may require a consent to annexation as a condition of providing wastewater service outside the city limits. Nothing in this policy obligates the City to provide wastewater services outside of the city limits. For property outside the city limits but within the urban growth boundary, wastewater services may be provided at the City's discretion only for:

- a) residentially zoned lands as allowed by county zoning without full services, and
- b) commercial and industrial zoned lands to existing lawful uses as of the date (9/4/07) of this amendment.

Policy 3: The city will design and develop the wastewater collection and treatment system in a way that addresses the demands of the various users under normal and predictable daily and seasonal patterns of use.

\*\*\*\*\*

**TRANSPORTATION**

Transportation Goals and Policies repealed by Ordinance No. 1802 (January 4, 1999).

\*\*\*\*\*

**STORM WATER DRAINAGE**

**Goal: To provide a storm water drainage system with sufficient capacity to meet the present and future needs of the Newport urbanizable area.**

Policy 1: The city will comply with state and federal laws concerning water quality.

Policy 2: The city will use existing, natural drainage systems to the greatest extent possible.

\*\*\*\*\*

**AIRPORT**

**Goal: To provide for the aviation needs of the City of Newport and Lincoln County.**

Policy 1: The city will ensure through zoning and subdivision ordinance provisions that the airport will be able to operate safely and efficiently.

Policy 2: The city will cooperate with state and federal agencies in the development of the airport.

\*\*\*\*\*

**PORT OF NEWPORT\***

**Goal: To collaborate with the Port of Newport on the implementation of its Capital Improvement Plan.**

Policy 1: The city will coordinate with the Port of Newport when planning to upgrade or construct new public facilities within the Port District and will seek to partner on capital projects to achieve mutually beneficial outcomes.

Policy 2: The city will assist the Port of Newport in its efforts to secure outside funding for capital projects.

*\*Subsection added by Ordinance No. 2056 (September 5, 2013).  
\*\*General Policies 6 & 7 added by Ordinance No. 2093 (May 19, 2016)*



# **PARKS AND RECREATION SECTION**<sup>1</sup>

## **Introduction:**

The Park System Master Plan for the City of Newport, Oregon, hereby included in this document by reference, outlines a plan for providing parks, open space, and trail systems for the City of Newport. The purpose of this plan is to establish policies and direction for improving existing parks in Newport and to provide guidelines for the acquisition and development of new parks, waterfront access areas, and trail facilities.

Specifically, the Park System Master Plan provides:

- 1.) An analysis of existing parks, open space, and trail facilities.
- 2.) An analysis of existing park operations.
- 3.) An assessment of recreation and facility needs.
- 4.) The development of park and facility standards.
- 5.) Recommendations for the acquisition and development of parks, open space, and trail systems.
- 6.) Recommendations for managing the park system.
- 7.) Recommendations and strategies for funding and implementing the plan.
- 8.) Development of a Six Year Capital Improvement Plan.

## **Regional Recreational Facilities:**

In addition to the city facilities, many county, state, and federal recreational opportunities exist within the city's urban growth boundary. For a complete inventory of those facilities, see the Park System Master Plan.

## **Capital Improvement Plan:**

The priority of improvements for major capital projects in Newport is shown on the next page.

---

<sup>1</sup> Amended in its entirety by Ordinance No. 1686 (October 4, 1993).

Table 1

Capital Improvement Plan  
Park, Open Space, and Trail Development  
City of Newport

Site #	Priority	Project	Estimated	
			Funding	Technique
		Project	Cost	
N-1	1.	Proposed west Agate Beach park development	\$ 287,200	2, 7, 10
N-4	2.	Sam Moore Park upgrade	189,800	1, 2
M-3	3.	Proposed Yaquina Bay Park development	100,000	1, 2
	4.	Big Creek Reservoir Trail development	50,000	1, 2
	5.	Sport Complex Site Acquisition Study	10,000	1, 2
C-1	6.	Frank Wade Park upgrade	177,100	1, 2
N-3	7.	Big Creek Park upgrade/expansion	302,400	1, 2, 10, 21
N-10	8.	Proposed Spring Street Park acquisition	80,000	1
N-6	9.	Hatfield Park upgrade	70,300	1, 2
	10.	Ocean-to-Bay Trail acquisition	10,000	2, 8, 20
N-7	11.	Proposed Yaquina Bay Beach Park acquisition	150,000	2
N-5	12.	7th Avenue site development	189,800	2, 10
S-13	13.	Mombetsu Park upgrade	24,000	1, 21
N-10	14.	Proposed Spring Street park development	189,800	2
N-7	15.	Proposed Yaquina Bay Beach Park development	474,500	4
	18.	Ocean-to-Bay Trail development (Phase 1*) 70,000	8, 20	
	17.	South Beach Trail acquisition	14,300	8, 20

N-9	18.	Proposed South Beach Airport Park acquisition 50,000 2		
C-2	19	Proposed South Newport Park acquisition 150,000 4		
	20.	South Beach Trail development (Phase 1**) 159,400 8, 20		

\* From Big Creek Park to Fairgrounds [paved trail]

\*\* From South Jetty to Marine Science Center to 35th Street [paved trail]

### **GOALS/POLICIES/IMPLEMENTATION** **PARKS AND RECREATION**

**Goal:** The city shall pursue implementation of the Parks System Master Plan, as adopted and made a part of this Comprehensive Plan by the Planning Commission and City Council.

Policy 1: The City of Newport shall periodically review and update the Capital Improvements section of the Park System Master Plan.

Policy 2: The city shall cooperate with other local and state agencies in the establishment of recreation trails.

Pages 196 - 202 deleted by Ordinance No. 1686 (October 4, 1993).

# **FIRE EMERGENCY SERVICES**

## **Introduction:**

The City of Newport's fire protection operations are housed at 245 N.W. 10th Street. Constructed in 1981, the station provides ample space for equipment and vehicle storage, training rooms, and dispatch and office space. It is a mixed volunteer/ paid department, with a paid engineer on duty round the clock. All other personnel, whether paid or volunteer, are on 24 hour call.

## **Summary, Existing and Future:**

The Insurance Grading Schedule provides a yardstick for the Insurance Services Office (ISO) in that it classifies municipalities on their fire defenses and physical conditions. The City of Newport is currently rated 4 on the ISO scale of 1-10, "1" being the highest level of protection and "10" being none. To receive a better rating would likely require additional staffing beyond the current level of paid personnel: a chief, a fire prevention officer, and three engineers. Citizens decide the level of safety they wish to fund balanced against the costs of achieving such.

The most significant factor in determining a rating is "fire flow." Required fire flow is the rate of water flow needed for fire fighting to confine a major fire to the buildings within a designated area. The determination of this flow depends upon the type of construction, occupancy, size of buildings, and exposure hazards. Fire flow is periodically tested at various hydrant locations throughout the city. Response requirements are factored by a combination of fire flow, distances of coverage, types of property protected, densities, and equipment. The four engines and one ladder company now at the centrally located station house are adequate to support our ISO service level rating of 4.

The Newport Fire Department also provides protection within the rural fire district, which extends from the city limits to Beverly Beach to the north, Wandamere to the south, and along the Bay Road six miles to the east. Development of the proposed Wolf Tree Resort at the extreme south city limits, or another development of comparable impact in the South Beach area, will necessitate a station in the vicinity of the Newport Municipal Airport. Indeed, the City of Newport has identified the airport as the future site of a station, as well as city-owned property on the north end of town in the vicinity of Highway U.S. 101 and N.W. 60th Street. When these stations are built (as development

densities warrant), there should be at least one person on duty at all times. This will require a crew of four for each sub-station. Construction of a permanent U.S. Coast Guard Helicopter Station at the airport, expected by 1992, may also trigger the need for a manned

station at this location.

Adequate personnel, immediately available, is essential to drive and operate apparatus and to perform the needed fire ground operations to protect life and property. Paid personnel perform the following duties: receive and transmit alarms to the volunteers, respond to fire calls, operate apparatus, maintain equipment, and train volunteers. The average number of personnel responding to fires and emergencies in 1988-89 was 21 per alarm. Typically, a higher level of response is generated by structural fires, while fewer attend motor vehicle accidents (MVAs) or lesser incidents.

Newport has no facility for practical training at the present time. All training other than in the classroom is done on the street, on station grounds, or on site, and regular practice sessions are provided for both paid and volunteer personnel.

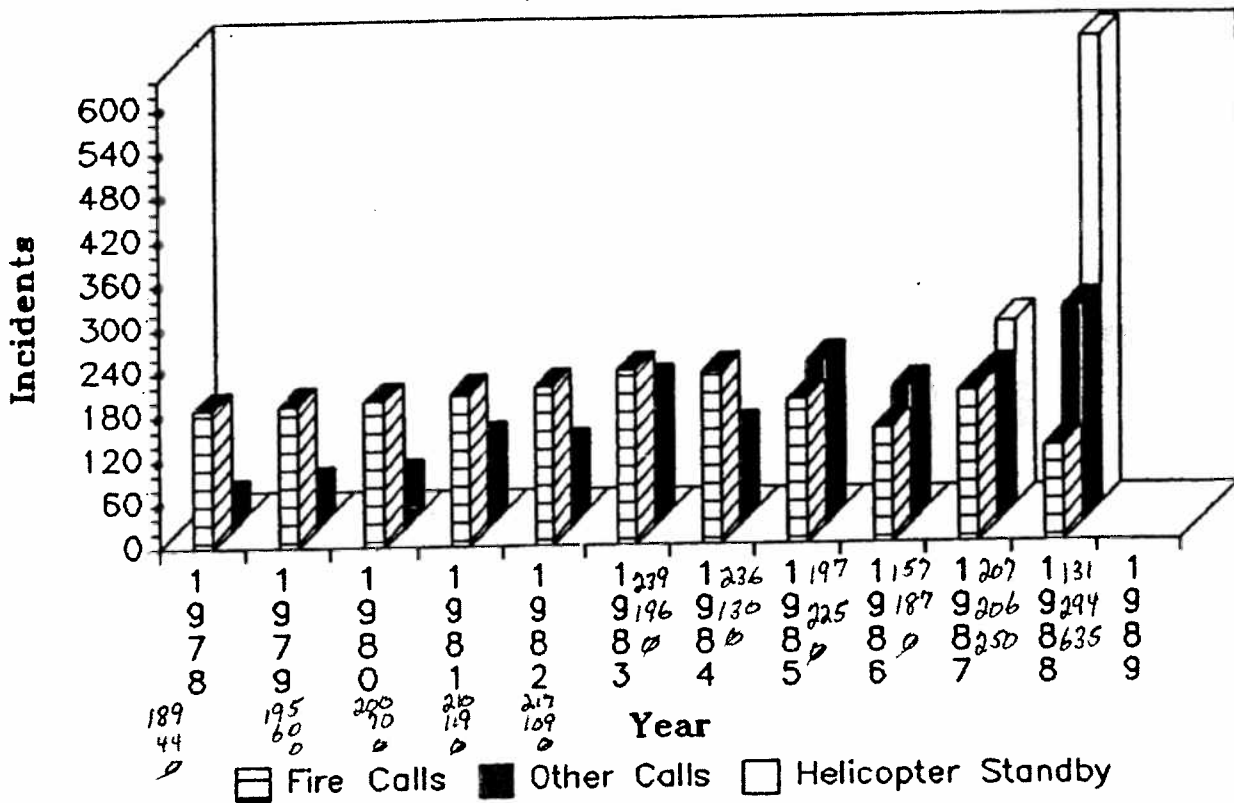
Although Newport's population has increased, the number of fire alarms responded to by the department has leveled out over the past several years after peaking in 1983 (Figure 1 on the next page), a peak most certainly the result of the large number of wood stoves installed in the couple of years prior to 1983. Medical calls, where the department routinely responds to MVAs and supports the Lincoln County Ambulance Company on life-threatening calls, have varied from year to year with no strong trending. In the 10 year period from 1979 to 1988, the trend in total calls, regardless of type or origin, showed an average rate of increase of about 7%.

The City of Newport has "mutual aid" agreements with all intergovernmental agencies and departments that border the Newport Rural Fire Protection District to back one another up in emergencies. Also, the city has similar terms with the U.S. Coast Guard, and they provide on-the-water protection for both vessels and shore front structures.

### **Conclusions:**

- 1.) The City of Newport's ISO rating of 4 is a quality rating for communities of our size. To attain a 3 would require significant additional personnel, and the result would not be certain as other factors strongly influence the rating.
- 2.) Volunteers are the key to Newport's present fire fighting system, as well as the reason for its relatively low cost.
- 3.) ISO ratings consider the available water supply a prime factor as much as the efficiency of the fire department.

**Figure 1**  
**Incidents - 1978 through 1989**  
 (in increments of 20)



Other Calls - Medical emergencies, MWAs, automatic alarms, and mutual aid calls

**GOALS/POLICIES/IMPLEMENTATION MEASURES**  
**FIRE EMERGENCY SERVICES**

**Goal:** To protect life and property from the hazards of fire and toxic spills and to support medical personnel in life-threatening situations, disasters, and other emergencies.

Policy 1: The City of Newport shall encourage volunteers with financial support (off-setting out-of-pocket costs), appropriate recognition, and training.

Policy 2: Improvements in the adequacy and reliability of the water distribution system shall incorporate ISO rating factors as part of the overall design consideration.

Policy 3: The city shall work cooperatively with private ambulance companies to coordinate response to life-threatening emergencies.

Policy 4: The city shall involve itself fully in its role as a participant in the county-wide disaster plan.

Policy 5: The city shall monitor development levels, programming capital construction of new facilities as needed.

Policy 6: The city shall maintain mutual aid agreements with other governmental departments and agencies adequate to meet all reasonable contingencies.

Implementation Measure 1: Formalize an apparatus replacement program.

Implementation Measure 2: In coordination with the U.S. Coast Guard schedule, build and operate a station at the airport for the protection of the airport, the Coast Guard helicopter facilities, and the South Beach area out to the city limits.

Implementation Measure 3: Acquire a site east of Newport on the Bay Road for the protection of that area.

Implementation Measure 4: Acquire a site of approximately one (1) acre in close proximity to Newport with available water, and construct a 35 foot training building.



# POLICE SERVICES

## **Introduction:**

Nearly everyone, even the youngest children, are aware of a police department's general mission to maintain order, protect persons and property from harm by others, and enforce "the law of the land" (including city ordinances in urban areas). The City of Newport's Police Department is no different, although certain priorities and practices are emphasized given the culture of the community.

As any police department is defined by the type and number of personnel available, it seems appropriate to identify the City of Newport's current staffing (1989):

- 1 Chief of Police
- 4 Sergeants
- 14 Police officers (some are assigned as detectives)
- 1 Records Supervisor/Secretary
- 2 Records Clerks
- 1 Receptionist
- 1 Parking Enforcement Officer

Closely related are the 911 Center personnel, who are operated through intergovernmental cooperation and located in the Newport Police Department. This agency dispatches emergency calls for the state, county, and city police departments.

Newport's level of staffing, then, is consistent with a standard recommended ratio of two sworn officers per 1,000 population. While this is a guide, however, it should be noted that a significant non-resident population (namely, tourists) can double the size of the community during any given weekend or event, thus impacting criminal incident numbers.

## **Activity Levels:**

Offenses have been categorized into three divisions: Part I Crimes include assault, robbery, rape, murder, burglary, theft, auto theft, and arson; Part II Crimes are those of fraud, vandalism, sex offenses, gambling, liquor violations, disorderly conduct, and runaway juveniles; and Part III Crimes consist of all lesser offenses.

**Table 1 (page 208) shows the Newport Police Department's total calls for service** over the past nine years. A good indicator of the overall activity level, the graph shows that little has changed over the years. Looking closer, however, one finds an increasing number of offenses being processed, particularly for Part I and Part II crimes, which add measurably to the department's work load (see Table 2 on page 209).

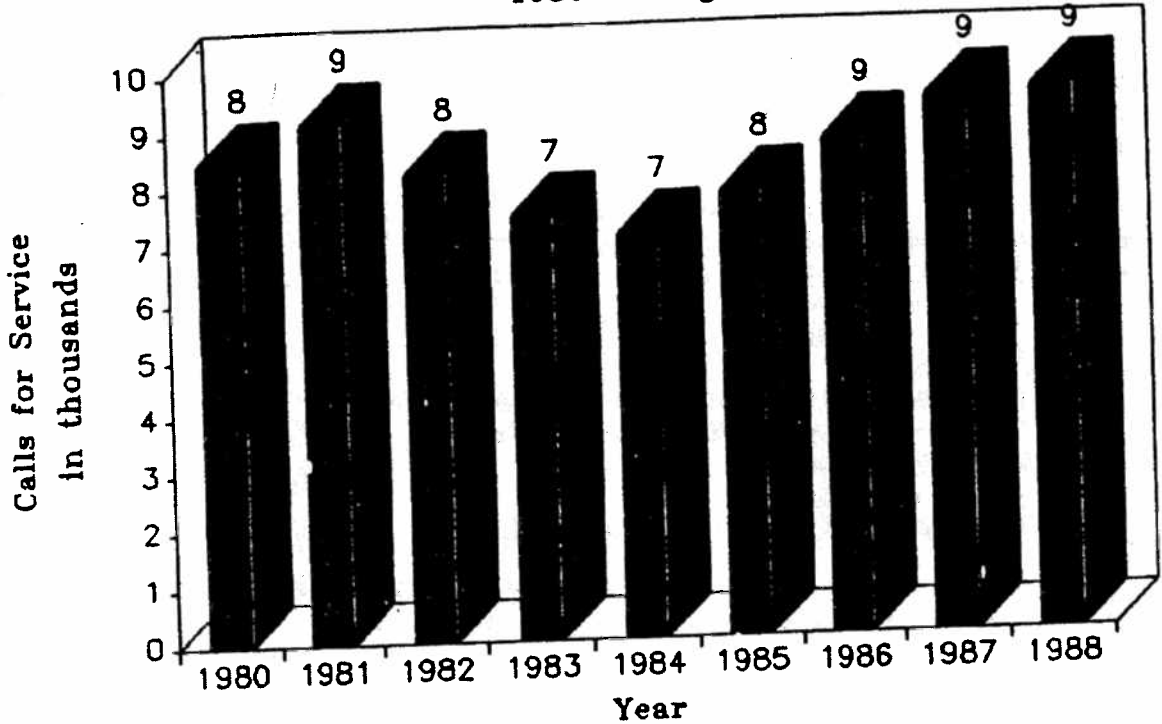
Not surprisingly, the increase in offenses has led to an increase in the number of persons arrested (see Table 3 on page 210). If there's a positive here, it may be that the level of juvenile arrests has remained relatively constant.

As a measure of efficiency, Table 4 (page 210) shows a relatively constant ratio of the number of cases cleared as a percent of the total assigned. Also, "holding steady" is the number of accidents (Table 5 on page 211). This is a positive indicator, given the greatly increased numbers of vehicles on the road, both resident and non-resident.

A new jail facility has been approved by the Lincoln County voters. Once built, it is expected to begin housing prisoners in 1992. This will provide badly needed space as the current facility is consistently at its capacity (26 persons). Routinely, criminals are turned away who would otherwise be incarcerated.

Table 1

# TOTAL CALLS FOR SERVICE 1980 through 1988



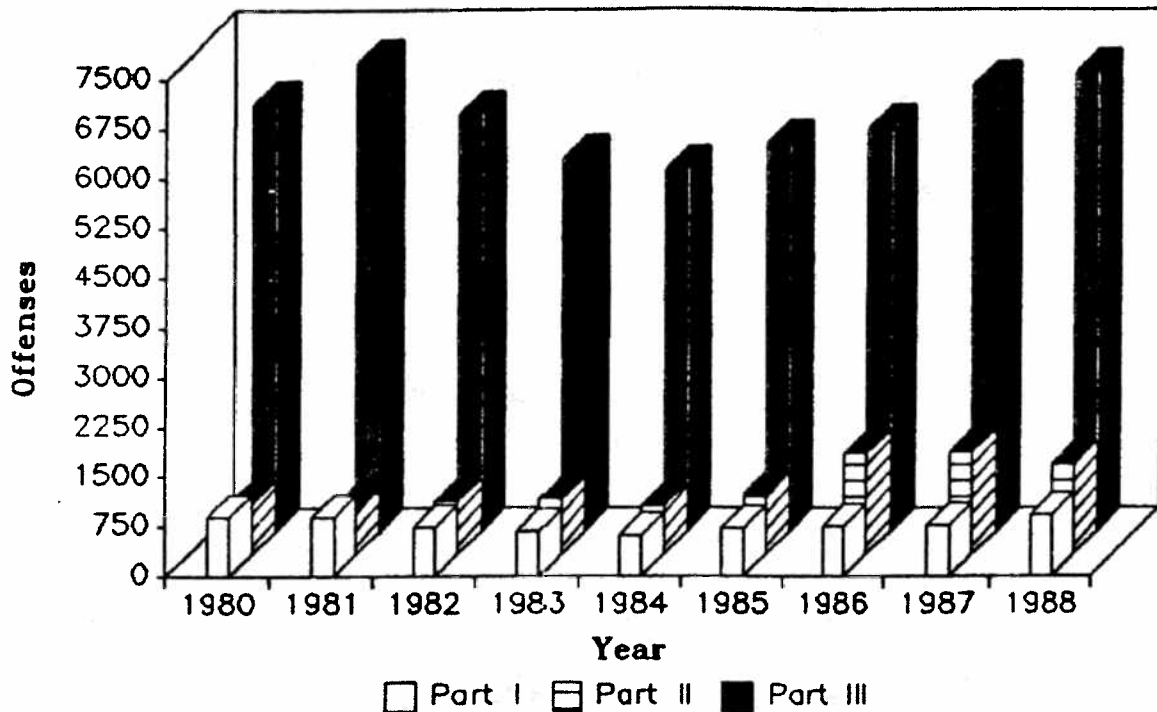
Source: City of Newport Police Department files.

in offenders has lead to a

Table 2

# TOTAL OFFENSES

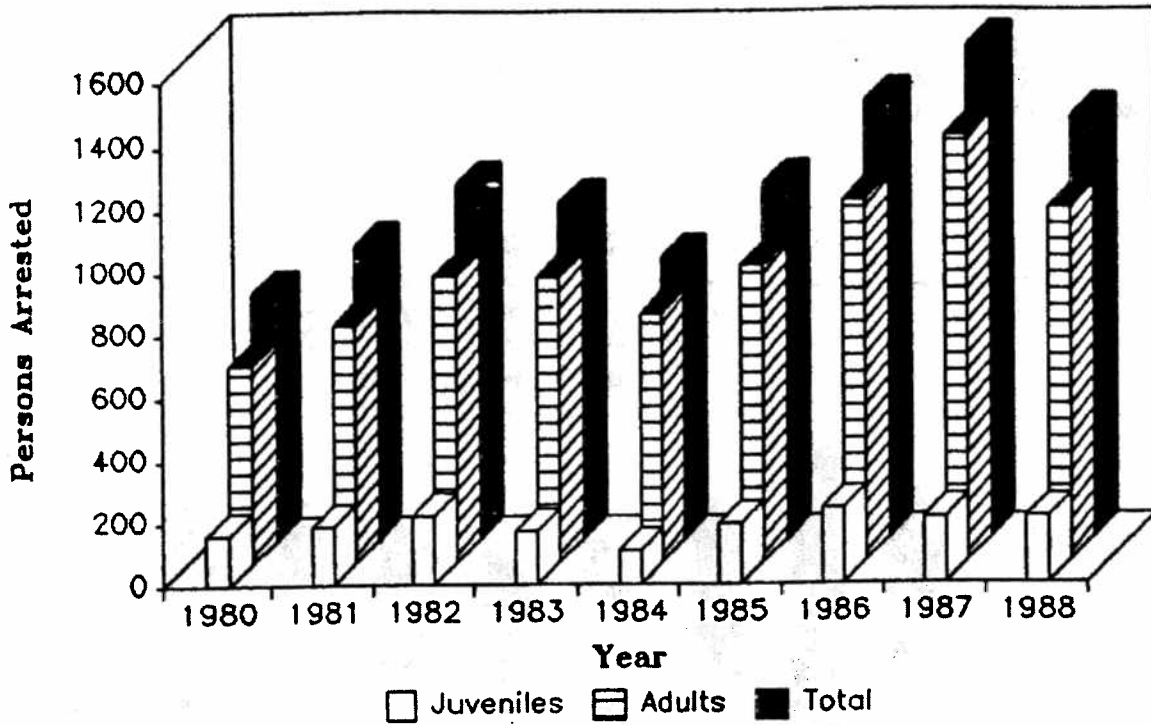
1980 through 1988



Source: City of Newport Police Department file.

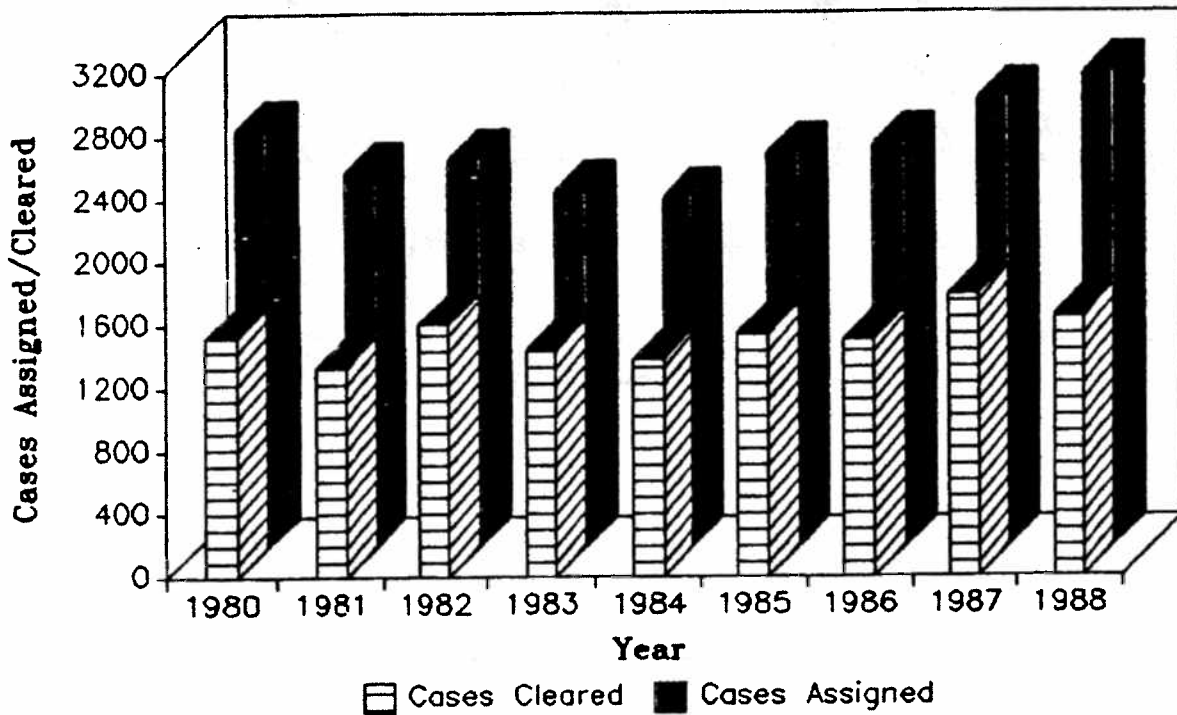
# TOTAL PERSONS ARRESTED

1980 through 1988



# TOTAL CASES ASSIGNED

1980 through 1988

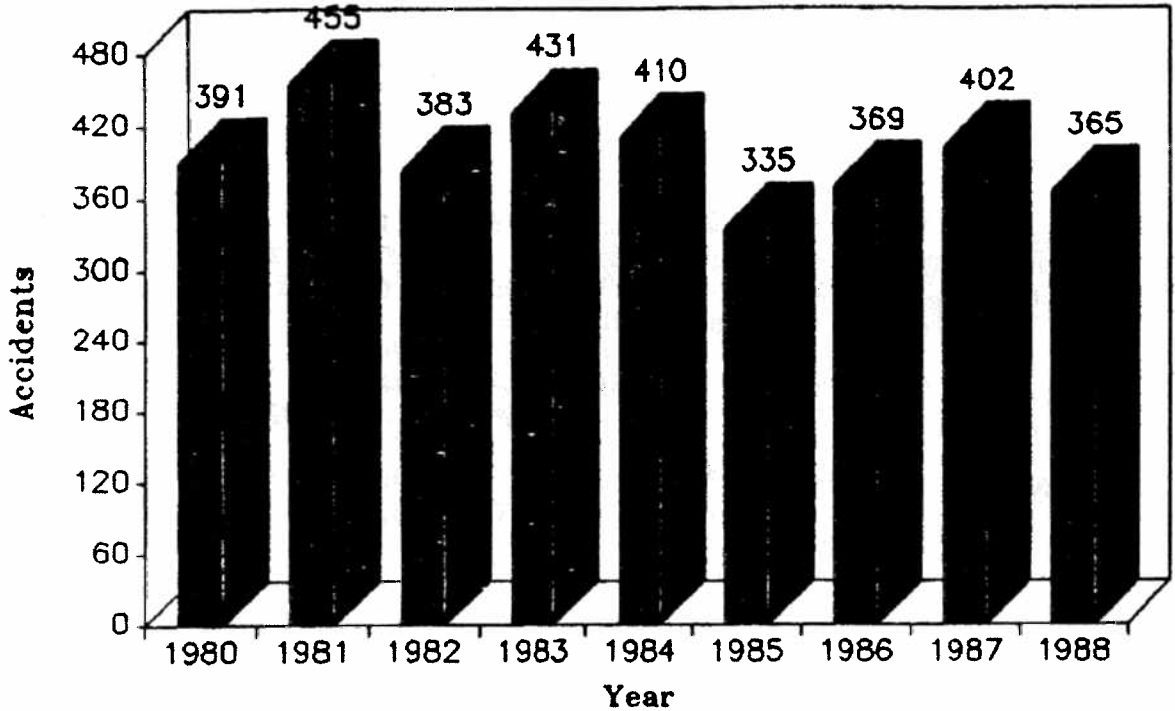


Source: City of Newport Police Department files.

Table 5

# TOTAL ACCIDENTS

1980 through 1988



Source: City of Newport Police Department files.

**Conclusions:**

- 1.) The personnel level is adequate according to customary standards. However, given the non-resident population and current incident levels, additional staffing could be justified if local residents wished to support a higher level of enforcement.
- 2.) Serious crime has increased in recent years.
- 3.) Total calls for service have paralleled the total offense rate. They are at slightly higher levels than those of 10 years ago, although the levels declined for several years in the early 1980's.
- 4.) While caseload burden has increased, the department has been able to keep efficiency levels comparable with periods of lesser activity.
- 5.) The new Lincoln County Jail facility is expected to measurably lower the rate of incidents by keeping convicted offenders off the streets, which will act as a deterrent to others.

\*\*\*\*\*

**GOALS/POLICIES**  
**POLICE SERVICES**

**Goal: The Newport Police Department seeks to improve the quality of life for Newport and its visitors by protecting persons and property from harm from others through the enforcement of federal, state, and local laws and ordinances.**

Policy 1: The department shall monitor and evaluate community support for increasing the number of patrol officers.

Policy 2: The department shall continue to maintain efficiency and morale through the training and upgrading of personnel, as well as investment in computers and other support technologies.

Policy 3: The department, as part of the city's general fund, shall use a portion of the hotel/motel room tax revenues to help pay for police services necessitated by non-resident service demands.

Policy 4: The department shall encourage public education for crime prevention through programs of the department and by others.

Policy 5: The department shall support educational and crime prevention programs among youth, particularly through the schools.

Policy 6: The department shall work cooperatively with interagency efforts as appropriate (e.g., drug enforcement, tactical teams, etc.).

# **ENTERTAINMENT AND THE ARTS**

## **Introduction:**

The lack of space for classes in art and dancing or local theatrical performances and the inability to invite professional groups of any size to perform prompted local patrons of the arts to work together and unite in developing improved programs and facilities. Those interested in dance and theatre performance began to use the city-operated Naterlin Community Center, and those interested in the world of art moved into the old senior/teen center building at Nye Beach.

## **Yaquina Art Association and Building:**

Once World War II ended, a group of involved citizens established the Yaquina Art Association (YAA) in order to explore one another's artistic talents and improve their own. Under a reversionary deed from the City of Newport, the YAA began using an old building at Nye Beach for classes, which included pottery throwing, water and oil painting, and photography. Members have been able to visit together and learn from each other, and their work is regularly displayed for the benefit of the community. The association members also share in the operation and use of the new Visual Arts Center.

## **Visual Arts Center:**

Constructed in 1983, the Visual Arts Center (VAC) is located in Nye Beach on the turnaround next to the Yaquina Art Association Building. It consists of two stories, the first floor being the gallery and the upper floor for classrooms and work space. As time has passed, the YAA building has come to be used for ceramics and pottery and the Visual Arts Center for painting, photography (a photography lab is available for public use), and the like. The VAC is also now the site of an all-county juried student art festival, a very exciting event for local people.

Operations of the facility are overseen by a governing body --appointed by the mayor--comprised of members of the various groups who use the building for classes, workshops, and exhibitions. They meet quarterly at Newport City Hall to discuss and regulate policy. Represented are the Yaquina Art Association, the Oregon Coast Council for the Arts, the Oregon Coast Community College Service District (OCCCS), the City of Newport, and individual artists. Scheduling is handled by the Yaquina Art Association as a volunteer group, while yet another organization, the Coastal Arts Guild, provides the staffing. The Guild was formed as an arts auxiliary.

Equipment for the Visual Arts Center was provided through donations by concerned citizens and a fund through the Oregon State Checkoff of the Arts with locally generated



matching monies. The building was remodeled in the late 1980's to add needed rooms and parking spaces. The center is again being remodeled by the addition of a third floor to house storage space, two studios, and an elevator. Parking spaces will also be added.

### **Oregon Coast Council for the Arts:**

The Oregon Coast Council for the Arts (OCCA) became a private non-profit foundation in 1977, and it now serves all of Lincoln County, the Tillamook area, and the western portion of Lane County. This organization is comprised of a 24 member board of directors, over 200 volunteers, and 6.5 paid staff members with offices in the new Performing Arts Center.

The OCCA states their mission is to "Enhance the quality of life of the central Oregon coast, provide development and employment opportunities for artists, and position the arts for an active role in economic development of the central Oregon coast."<sup>1</sup>

One of the OCCA's primary functions is the operation of the Newport Performing Arts Center. This facility provides:

- > Cultural performances on the coast.
- > The cultivation of tourism.
- > Activities for senior and retired persons (nearly 17% of Lincoln County residents are over 65).
- > Functions for students of all ages.
- > A home for local creative performance groups.
- > An appropriate facility for regional and national touring groups.

### **Performing Arts Center:**

A major achievement for a community Newport's size was the Performing Arts Center opening in September of 1988. The City of Newport provided 4.5 acres of land and then joined with the Urban Renewal Agency to provide \$1.1 million towards the initial construction. The Oregon Coast Council for the Arts began their fund-raising adventures, and \$600,000.00 was added,

bringing the total to \$1.7 million. The Portland architectural firm of Moreland Christopher Myles was eventually selected to design the facility, and they have produced a 23,000 square foot center with 400 seats in the main auditorium. There is an additional auditorium for smaller performances and theatre in the round, as well as the necessary support spaces of dressing rooms, costume rooms, and scenery shops. The performing arts in Newport--the Red Octopus Theatre Co., the Yaquina Chamber Orchestra, the Porthole Players, the Pacific Dance Ensemble, the Oregon Coast String Ensemble, Dance! And All That Jazz!, the Matinee Theatre (a senior

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<sup>1</sup> Oregon Coast Council for the Arts, Fact Sheet, no date.

group), the Ernest Bloch Music Festival at Newport, the Lincoln County Youth Players, the Oregon Coast Ballet Company, and the numerous musical and educational performances--have come home.

The Lincoln County School District makes use of the building about 60 times a year for various meetings, conferences, performances, and day-long Academically Gifted programs.

As a visibly important asset to our community, the Performing Arts Center attracts many visitors, travelers, and tourists who stop to inquire about the facility and its events.

\*\*\*\*\*

**GOALS/POLICIES/IMPLEMENTATION MEASURES**  
**ENTERTAINMENT AND THE ARTS**

**Goal:** To assure access to the arts for all citizens through the provision of appropriate facilities for Newport's many artists and support for a variety of arts programs.

Policy 1: The City of Newport will continue to work with the various art groups to provide adequate buildings.

Policy 2: The City of Newport will provide maintenance and operation subsidies, subject to City budgeting constraints.

# **LIBRARY SERVICES\***

## **Background:**

Newport Public Library checked out its first book in 1925. Since that time, the Library has occupied several buildings in at least three different locations. Its current home was built in 1985 and expanded in 1999 to its present size of 16,500 square feet. The Library's collection holds over 85,000 items, including books, DVDs, audio books, and music. This number does not include the tens of thousands of titles available from the Library's downloadable e-book, audiobook and streaming video service known as Library2Go.

Open seven days a week, the Library is known for its outstanding collection of art books, independent American and foreign film and documentary titles and dedication to children's and youth services. According to data compiled by the Institute of Museum and Library Service (FY 2011), the Library consistently ranks as the number first or second library on the Oregon coast in total circulation per capita, hours open, number of children and adult programs offered, attendance at children and adult programs and internet usage by patrons.

Since its last expansion, patron seating has been sacrificed or placed more closely together in an effort to make room for its growing collections. The ability to offer more robust children and adult programs is constrained by lack of adequate meeting room space and there are not enough small meeting rooms to accommodate collaborative learning spaces. Patrons also complain about the "boxed in" feel and the lack of personal space.

Newport's demographics have changed dramatically in the past twenty years. The steady growth of new immigrants in the Fishing and Hospitality industries have necessitated the need for developing a collection and programs that meet the needs of this group of citizens.

The technology landscape has changed – and continues to change – dramatically each year. The way patrons seek information, the way they read and what they need and expect when they come to a modern day library requires a constant updating of equipment and training for staff. Technology on the staff side has changed workflows and day-to-day responsibilities. Consistent and constant training in new technologies and equipment is demanding of staff time and funds to provide training opportunities.

To meet the future needs of its patrons, the Library hired a team of consultants to assist in the development of a strategic plan and building analysis. This was completed in March, 2014.

Over seventy-five citizens were involved in the development of the strategic plan. Some served on the Strategic Planning Committee. Some were part of focus group discussions that were held in various locations around Newport. Some participants were interviewed by the consultants and some were asked to participate because they believe the Library is necessary to the community's well-being and livability. All participants were highly motivated and appreciative of the chance to participate in work that developed a roadmap for the Library's future.

*\*entire section replaced by Ordinance No. 2066 (7/17/14)*

**The following processes and methods were used in preparing this Library element of the Comprehensive Plan:**

1. Strategic Plan: The strategic plan helped identify what the community wants from the Library. Community input was gathered over a three month period. The strategic plan contains the service goals and organizational initiatives to be carried out over the next 10 years.
2. Building Analysis: The building analysis identified physical and other aesthetic improvements that will create more space for children and teen programs and to give the Library a new “look” and more open “feel.” The building analysis specifies short-term, medium-term and long-term solutions to the space needs at the Library.

**Service Goal: To be a place that stimulates the imagination, invites and enables life-long learning and creates young readers.**

**Policy 1:** The City will provide programs for teens and adults that stimulate the imagination.

**Strategies:**

1. Involve teens and adults in a Stimulate the Imagination initiative. Provide a sponsor or funding for the design of one or more programs and events for teens and adults.
2. Develop partnerships with schools, churches, clubs, recreation centers, homeschool groups, etc. to promote Library sponsored activities to teens.
3. Establish advertising activities to promote programs through newsletters, brochures, social media, etc.
4. Evaluate teen and adult collections to reflect changing interests, keeping those collections fresh and up-to-date.

**Policy 2:** The City will make available early literacy programs for all children from birth to age five.

**Strategies:**

1. Insure staffing is sufficient to provide programs and services to children inside the Library.
2. Implement a plan to work with early childhood service providers to enable children age 0-5 to visit the Library.
3. Implement a plan to work with families to enable children age 0-5 to visit the Library.
4. Increase awareness and online tools and resources for this age group and their families through orientations and classes at the Library.

**Policy 3:** The City will provide Hispanic residents and families a Library that is welcoming and enriching.

**Strategies:**

1. Initiate an informal group of Hispanic residents to advise the Library regarding collections, programs, communication channels and outreach avenues.
2. Hire bi-lingual and bicultural staff and/or recruit bi-lingual and bicultural volunteers to assist Hispanic patrons.
3. Broaden collections that appeal to various Hispanic cultures.
4. Advertise the Library and its programs and services in Spanish.
5. Conduct regular orientations and programs in Spanish for adults, children and families.
6. Provide computer classes in Spanish.

**Policy 4:** The City will continually improve its ability to deliver library services in the library and online using up-to-date technology.

**Strategies:**

1. Implement self-check, kiosk vending and PC management software and keep all software and hardware updated.
2. Advocate for greater depth in the City Information Technology Department.
3. Use current assessment programs to set IT baselines to identify strengths and inadequacies.
4. Set technology baselines for staff and develop a training program to keep staff current on emerging technologies.
5. Create a technology tub program that allows staff access to new devices as they become part of the mainstream IT world.
6. Redesign the website and online catalog so they are accessible for a broad range of devices and user languages.
7. Increase technology budget that allows for flexibility to meet changing technology needs.

**Organizational Goal: The Library Facility is a gathering place for individuals and groups.**

**Policy 1:** The City will provide its citizens with an attractive and adequately sized facility where they can utilize the collections, programs and activities to their benefit and satisfaction.

**Strategies:**

1. Carry out consultant recommendations by implementing a light remodel during FY 14-15.
2. Develop a timeline and funding plan for implementation of long-term building needs as pointed out in the consultants, "Interior Space Planning and Space Needs Recommendations" during FY 15-16.
3. Initiate a capital campaign for the Library in FY 17-18.
4. Commission a Building Program and Conceptual Design for a 22,400-26,500 square foot Library during FY 17-18.
5. Outline an architectural process and timeline for the construction of an expanded or new Library by FY 18-19.

**Policy 2:** The City will actively promote the strategic plan through partnerships, marketing and public information campaign.

**Strategies:**

1. Engage a strategic communications/public relations/marketing consultant or qualified staff to develop a targeted outreach plan in support of all library service goals
2. Regularly survey citizens; adjust, add, or replace services and programs in response to feedback.

# **SCHOOL SERVICES**

## **Introduction:**

Educational offerings of the public school system (K-12) are provided on a county-wide basis throughout the Lincoln County School District (LCSD). The physical plant within the City of Newport includes a kindergarten building, two elementary schools, a middle school, a high school, and the district administrative offices. Oregon Coast Community College Service District (OCCCS) provides learning opportunities beyond that at a number of locations.

## **Summary, Existing and Future:**

### Elementary Schools

There are two elementary schools serving the city's population. The larger is Sam Case Elementary, and it is in very good condition and has a life expectancy in excess of 25 years. The school is situated in a single-family residential zone and is adjacent the kindergarten building constructed in 1989. The site is adequate in size. It is located on N.E. 12th Street, four blocks east of U.S. Highway 101.

Yaquina View is the other elementary school within the City, and it is located in the southeasterly area on John Moore Road. The school was built in 1960 and added onto in 1976. It is in good condition with a useful life exceeding 25 years. The school is on a good site with some area available for future expansion in this low-density residential area.

### Middle School

Newport Middle School is centrally located across the street from the high school on N.E. Eads Street. The building is in fair condition and is expected to require considerable work to extend its useful life beyond another 10 year period. The site is very limited with respect to size. Currently, there is insufficient area for outside physical education athletics with no district-owned property for expansion. It is anticipated, should a portion or all of the property now occupied by the fairgrounds be acquired by the district, that some of the land there would be used by the middle school for their activities.

### High School

Newport High School was constructed in 1950 and expanded in 1953, 1957, 1964, 1978, and again in 1988. It is generally considered to be in fair to

good condition; however, the school buildings are situated on a very limited site. The size is about one half of that which is the recommended standard for a high school of our enrollment. The school is located in a high density residential neighborhood and adjacent to the Lincoln County Fairgrounds. An expansion of school grounds to encompass some or all of the existing Fair site is being publicly discussed.

### Community College

The Oregon Coast Community College Service District currently leases approximately 13,000 square feet of office and classroom space in two buildings in the uptown business area of Newport. In addition, other space is utilized on an as-needed basis. The uptown sites work well from the standpoint of accessibility and compatibility, with off-site support services available at nearby locations. Peak class loading does from time-to-time put pressure on nearby parking, however.

The college opened in October of 1987, and increased enrollment in the second year of operations by 40%. Current annual Newport class attendance is about 3,600 students, which represents about two thirds of the college's total enrollment throughout Lincoln County. An increase in students of approximately 10% a year for the next several years is projected by the college.

Oregon Coast Community College is a service district and now contracts for educational services through Portland Community College. As such, the school is prohibited from owning any real estate. The expectation for the planning period is that although enrollment will climb, classroom and other needs for physical space will be met primarily through utilization of existing structures.

The college provides basic class work transferable to a four year institution for those students pursuing graduate degrees, as well as a variety of programs upgrading skills of those currently in or returning to the work force. In addition, they have pledged to offer any class in demand by a minimum number of students and offer enrichment classes in the arts and other areas.

### **Characteristics and Enrollment:**

Table 1 (next page) compares 1978-79 student counts and capacities by school with 1989-90 figures, and Table 2 on page 223 shows the Newport area school enrollment over the past 30 years. While the 1978-79 numbers represent the 30 year low, current enrollments equal the historical highs of the late 1960's. Enrollments track roughly with population trends, but

Table 1  
 Characteristics of Newport Schools  
 1978-79 compared to 1989-90

School	Grades Served	Number of Classrooms <sup>a</sup>	Student Capacity <sup>b</sup>	Enrollment	Bldg. Size (Sq. Ft.)	Year Built	Last Addition	Site Size (Acres)
<b>NEWPORT MIDDLE</b>								
1978-79	7-9	16	390	348	44,330	1950	1983	4.93
1989-90	6-8	18	440	402	48,550			
<b>NEWPORT HIGH</b>								
1978-79	10-12	18	440	365	66,563	1950	1987	8.35
1989-90	9-12	23	575	552	82,714			
<b>SAM CASE</b>								
1978-79	1-6	16	390	337	32,088	1958	1989	7.17
1989-90	K-5	23	575	549	46,054			
<b>YAQUINA VIEW</b>								
1978-79	1-6	16	390	332	25,730	1960	1988	8.42
1989-90	1-5	21	525	467	41,341			

a - Does not include special purpose rooms such as the library, gym, or multi-purpose rooms at elementary level and shop, I.M.C., art, home ec, band, gym, or auditorium rooms at secondary level. Has remained constant over the years.

b - Based on 25 students per general purpose classroom, except where special education students are enrolled. In this case, one classroom is assigned for every 15 students. Has remained constant over the years.

c - Enrollment projected for applicable school year.

Source: Lincoln County School District.

they are also influenced by the demographics of different age groups and changing cultural norms. Today, increasing enrollments and new educational programs (both mandated and desirable) are creating greater demands for both facilities and teachers. See Table 3 on page 225 for school enrollment projections through 1996.

### **Comprehensive Building Plan:**

In May of 1979, the school district adopted a comprehensive building plan which, at a district-wide level, had an estimated cost of approximately \$79 million. In reviewing that plan in 1987, the school board of directors shelved the comprehensive building plan due to the economic impact it would have on the district. They further directed staff to develop a new plan, and that planning process is currently underway with a facility appraisal to be



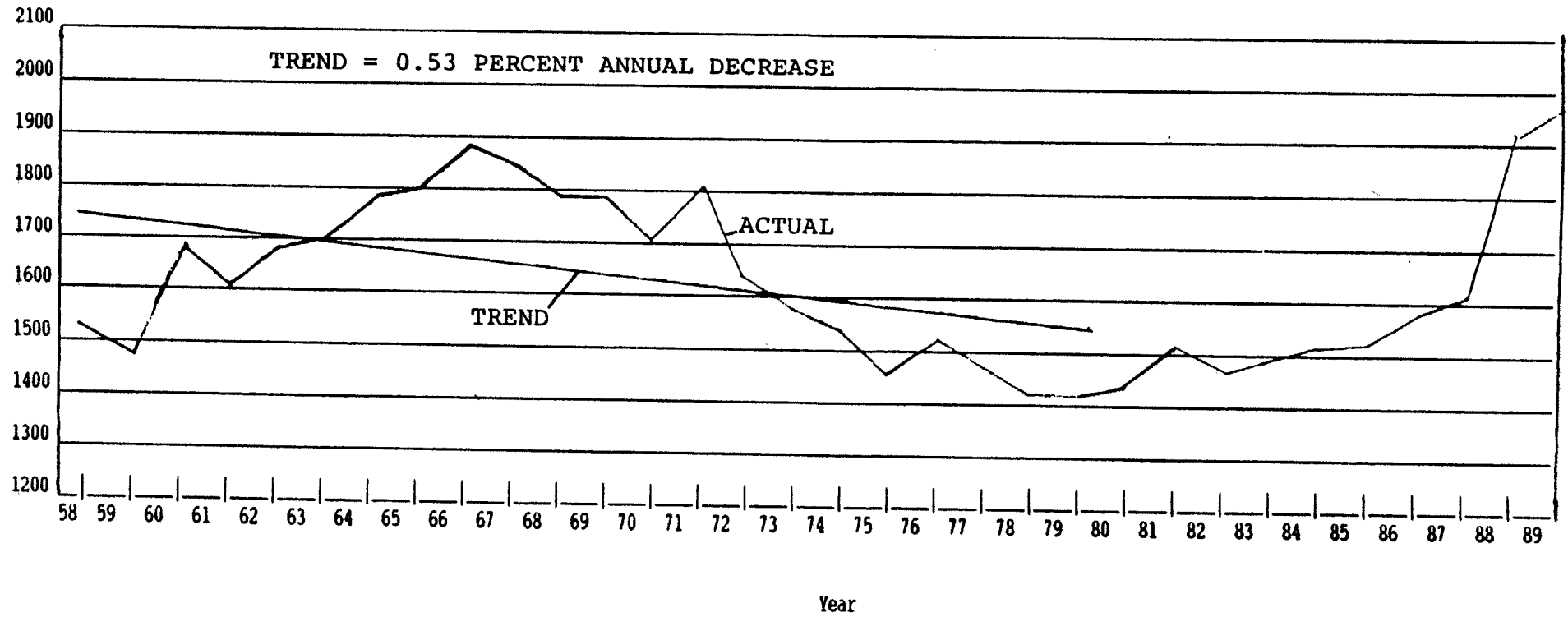
completed by each school and a physical assessment of all facilities rendered with professional architectural and engineering assistance. It is anticipated a plan will be finalized in 1991. In turn, it will be taken to the voters for implementation.

Major considerations to be looked at by the district include the following:

- > A detailed assessment of the physical condition, including structural stability, comprehensive life expectancy, fire safety considerations, handicap accessibility, mechanical and energy systems efficiency, and overall condition modernization needs.
- > Data for five year facility needs for capacity, considering current and projected enrollment.
- > Existing and proposed educational programs and functions, instructional material centers, service requirements for administrative instructional staff, students, and other personnel.
- > Community use of the facilities.
- > Board policies and goals as they affect curriculum and facility requirements, including grade organization, class size, and length of school year and day.

The district further intends to develop alternative proposals, including preliminary cost estimates for each alternative, and assess the suitability and the feasibility of those in coordination with city plans and facilities. Obviously, the primary focus in coordination with the city will be relative to land use, public facilities, and transportation.

Table 2  
Newport Area School Enrollment  
1958-89

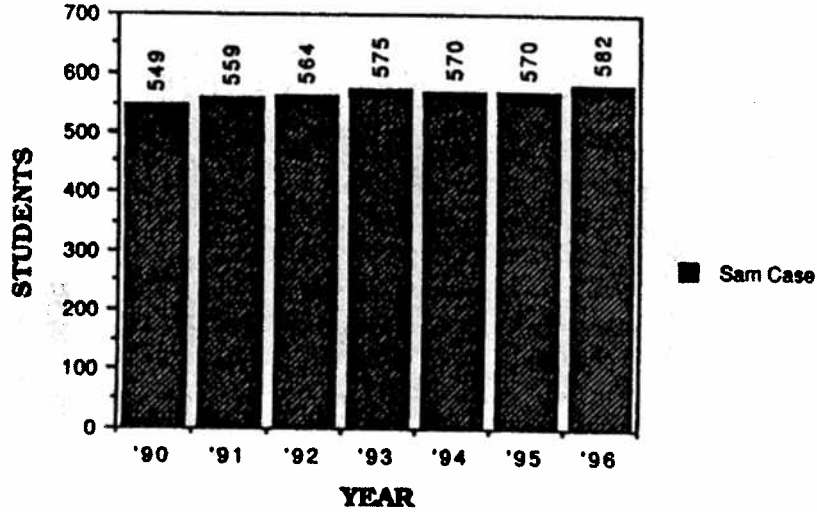


## CONCLUSIONS:

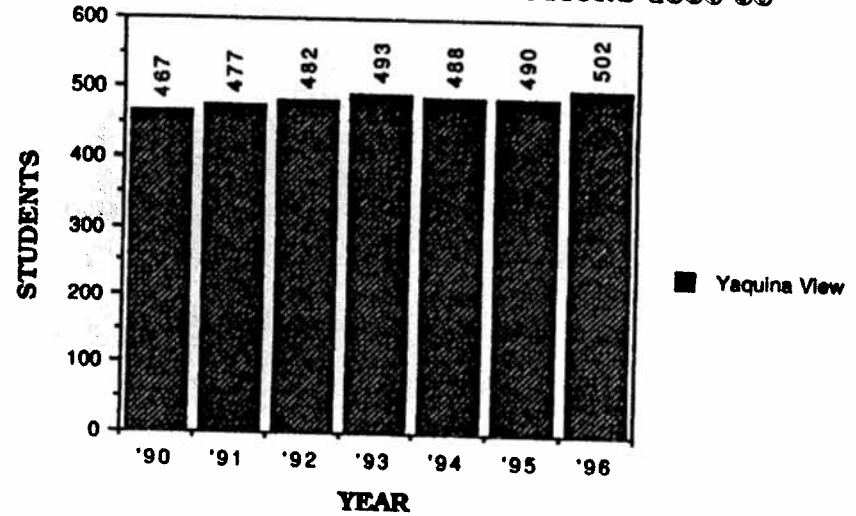
- 1.) The Lincoln County School District Board of Directors has set aside the modernization and renovation plan adopted in May of 1979, and instructed that a new facility plan be prepared by 1991.
- 2.) Generally, building and grounds space for the Lincoln County School District is marginally adequate.
- 3.) The Oregon Coast Community College Service District's student enrollment is expected to grow significantly, but adequate leased space is expected to be made available by the private sector to meet the needs over and above those satisfied through the use of public facilities.
- 4.) The Oregon Coast Community College Service District has adopted a policy of "education on demand" and will work with residents of the community to try and provide whatever instruction is desired.
- 5.) The entire educational system, with the possible exception of the high school, is currently expanding enrollment and is anticipated to do so over at least the next five years. The school district is on record as being committed to coordinating with City of Newport officials to insure compatibility with comprehensive land use plans and zoning regulations as they affect their facility expansion requirements.

Table 3  
 School Enrollment Projections  
 1990-1996

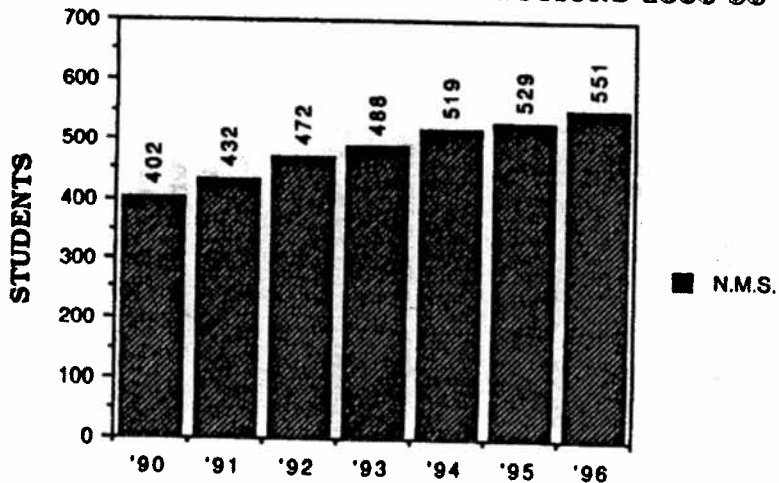
**SAM CASE ELEMENTARY**  
 STUDENT ENROLLMENT PROJECTIONS 1990-96



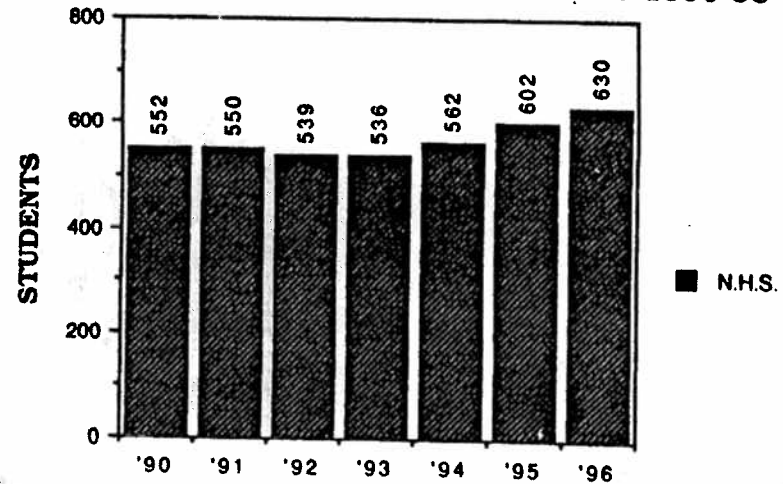
**YAQUINA VIEW ELEMENTARY**  
 STUDENT ENROLLMENT PROJECTIONS 1990-96



**NEWPORT MIDDLE SCHOOL**  
 STUDENT ENROLLMENT PROJECTIONS 1990-96



**NEWPORT HIGH SCHOOL**  
 STUDENT ENROLLMENT PROJECTIONS 1990-96



**GOALS/POLICIES**  
**SCHOOL SERVICES**

**Goal: To successfully integrate the needs and requirements for educational facilities within city neighborhoods where they can be appropriately served with utilities, transportation needs can be met, and other requirements for city services can be efficiently provided.**

Policy 1: The City of Newport shall work with Lincoln County School District officials to assure that planned development under their new facility plan shall be implemented in accordance with state and city land use regulations.

Policy 2: If the decision is made to expand or relocate the middle and high school facilities, the city will work cooperatively with both the school district and the county to effect such a change, in conformance with utility, transportation, and land use planning considerations.

Policy 3: The city shall cooperate in providing whatever planning information we have in order to aid the district in developing its facility plan and shall continue to monitor and report to the district trends in demographics, housing, and related data that will affect their planning and ability to meet the needs of future student populations.

Policy 4: The city shall coordinate with the Oregon Coast Community College Service District at their request in guiding expansion to appropriate areas within the city for their facilities.

Policy 5: The city shall be supportive where possible in expanding the scope of the OCCCS D's course offerings and look particularly at possibilities for training and education in support of local business expansion or relocations to the Newport area.

# YAQUINA BAY AND ESTUARY SECTION

## **Introduction:**

This chapter of the Comprehensive Plan has three parts: The first deals with the Yaquina Bay Estuary; the second summarizes information about the shorelands adjacent to Yaquina Bay; and the third discusses the development of the port and other built-up areas of the bay. Policies governing uses and activities that are specific to a particular area or management unit of the bay are included in the descriptions of the management units. Policies that apply more generally or to more than one management unit are found at the end of this chapter.

## **Yaquina Bay Estuary:**

Wilsey & Ham's Yaquina Bay Resource Inventory<sup>1</sup> provides the primary source for inventory information about the portion of the Yaquina Bay Estuary lying within Newport's urban growth boundary (UGB). That inventory contains specific and general data on the study area, which includes the Yaquina Bay Estuary and the surrounding shorelands.

### Important Natural Resources of Yaquina Bay

The estuarine ecosystem of Yaquina Bay includes a rich diversity of habitats, species, and physical features. The Oregon Department of Fish and Wildlife (ODFW), in a study prepared for the Oregon Land Conservation and Development Commission<sup>2</sup>, identified four major subsystems of Yaquina Bay. Those are the marine, bay, slough, and riverine subsystems. Of those four, only the marine and bay occur in the Newport UGB.

"The marine subsystem is a localized area near the estuary mouth. It is a high energy zone subject to frequent or constant wave and tidal surges. Salinities are generally high, although on large river systems values may be lower, particularly at low tide and during heavy winter flows. Sediments are generally coarse, clean sands of marine origin. Rocky substrates are also common, and in larger estuaries [such as Yaquina Bay], rock jetties have been constructed to stabilize the estuary mouth and ensure a navigable entrance. Usually only a small percentage of the marine subsystem is intertidal.

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<sup>1</sup> Wilsey & Ham, Yaquina Bay Resource Inventory, 1977.

<sup>2</sup> State of Oregon Department of Fish & Wildlife, Habitat Classification and Inventory Methods for the Management of Oregon Estuaries, 1979.

"Benthic invertebrates [organisms living on the bottom of the bay] in this zone may include species found along the outer coast, as well as those that require the slightly more protected environment found within the estuary mouth. Turbulent conditions in the marine subsystem often require plants and animals to have specialized adaptations for attaching themselves to hard, wave-battered substrates or for rapid burrowing in shifting sand. Kelp and other large algal species may be found on rocky substrates, but unconsolidated sediments are generally devoid of larger plants. Most fishes utilizing Oregon estuaries are marine species. This subsystem often harbors the most diverse assemblage of fishes in the estuary.

"Due to its proximity to the mouth and its relatively deep conditions compared to locations further up the estuary, the marine subsystem is often a preferred site for boat basins and marinas. Commercial and industrial development is also common where coastal towns are located adjacent to the estuary. Although flushing is usually rapid in this subsystem, crowded marinas, where sewage, fish wastes, and petroleum residues may concentrate, and boat basins with constricted entrances that reduce tidal exchange, potentially threaten water quality. Dredging of boat basins and ship channels commonly alters benthic habitats in the marine subsystems of many Oregon estuaries. The total impacts of these various disturbances are not easily predicted."<sup>3</sup>

The ODFW study also describes the bay subsystem in this manner: "The bay subsystem is a transition zone between marine and fresh water. In many estuaries it is characterized by a broad embayment between the constricted estuary mouth and narrow, upriver tidewater sectors. In some cases the bay system may be less conspicuous but identifiable by a relatively large percentage of intertidal land. Salinities in this region may be quite variable due to seasonal changes in river flow, although moderate to high salinity ranges are usual. As an intermediate environment, sediment types in the bay subsystem range from coarse marine sands to fine riverine materials. Bay subsystems are best represented by estuaries in the Coast Range province, where soft parent materials have eroded and been deposited to create broad intertidal flats.

"The bay subsystem is a relatively protected environment, isolated from turbulence near the mouth and strong currents during peak flows in the riverine portion of the estuary. The mixture of marine and riverine sediments and a variety of vegetation types provide a diversity of habitats for benthic species. In many Oregon estuaries, major clam and shrimp beds typically occur in productive intertidal flats of the bay environment. Extensive marsh and eelgrass habitats are also common in the larger Coast Range estuaries.

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<sup>3</sup> ibid, pgs. 19-21.

"Development in the bay subsystem is varied. Periodic dredging in larger estuaries has been necessary to maintain ship channels. In some areas dredged materials have been dumped in the bay, smothering benthic organisms. Marshes and flats have been filled to provide more area for development. As in the marine subsystem, commercial and industrial facilities are common along the bay shoreline of many estuaries and in the past have contributed pollutants from runoff or direct discharge. Because the bay subsystem is usually an area of very high biological productivity, it is also a favorite site for bird watching, clamming, and occasional crabbing and fishing."<sup>4</sup>

A more detailed description of the marine and bay subsystems is available in the ODFW document and in the description of each management unit below.

Both the marine and bay subsystems of the Yaquina estuary ecosystem have features ranging from relatively unaltered natural areas of varying size to the dredged navigation channel. This diversity within the ecosystem can be protected and maintained through limiting development to areas of existing facilities and applying standards to assure that these uses do not violate the integrity of the estuarine ecosystem.

### Land and Water Uses on Yaquina Bay

Lincoln County's adopted Estuary Management Plan<sup>5</sup> discusses the Newport subarea and the Sally's Bend subarea. These two subareas correspond closely to the marine and bay subsystems, respectively. The description of the character, major committed uses, and existing and potential conflicts for these subareas are provided below.

#### Newport Subarea:

> **Predominant Character.** The Newport subarea is a high intensity use area. It is the hub for commercial fishing, deep water shipping and tourist related commercial activities on Yaquina Bay. Adjacent shorelands are urban in character, and the shoreline is more or less continuously altered all throughout the subarea. As a fully serviced urban area in close proximity to the harbor entrance and with shoreland access to the deep water channel, the Newport subarea represents the most important portion of the estuary for water dependent development.

Important resource values within the subarea include eelgrass and algal beds, shellfish beds, and fish spawning and nursery areas.

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<sup>4</sup> ibid, pgs. 21-22.

<sup>5</sup> Lincoln County, Estuary Management Plan, adopted June of 1980.



- > Major Committed Uses. The subarea contains a mix of water- dependent, water-related and nonwater-related uses. Industrial uses are concentrated at McLean Point (Northwest Natural Gas LNG tank and deep water terminal facilities) and along the Newport waterfront. A commercial and a recreational marina and a number of nonwater-related tourist oriented commercial uses also occur along the Newport waterfront. Major uses in the South Beach area include the Oregon State University Mark O. Hatfield Marine Science Center, Oregon-Aqua Foods' salmon farming facility, the South Beach Marina recreational complex, and the Oregon Coast Aquarium (expected to open in the spring of 1992). The subarea takes in the entire authorized deep water channel, including the maintained jetties. Recreational use in the subarea, including sport fishing, crabbing, clamming, diving, and other activities, is heavy.
  
- > Existing and Potential Conflicts. Conflicts have developed between tourist oriented commercial uses and water-dependent marine commercial and industrial uses on the Newport waterfront. These conflicts involve both competition for available space, as well as use conflicts (examples include traffic and parking) between established uses. As demand accelerates for either or both types of uses, conflicts may worsen. In the past, competition between recreational and commercial vessels for moorage has been a problem. Development of some 600 moorage spaces designed to accommodate recreational vessels at the South Beach Marina and redevelopment of the existing commercial moorage areas to handle the newer, larger commercial fishing boats should do much to alleviate this conflict. The demand for major development in aquatic areas poses a potential conflict with the protection of natural resources throughout the subarea.

Sally's Bend Subarea:

- > Predominant Character. The Sally's Bend subarea represents one of the most important natural resource areas of Yaquina Bay. It is essentially undeveloped and includes eelgrass and algal beds, shellfish beds, fish spawning and nursery areas, and wildlife habitats, all of major significance. The area's intertidal flats represent the largest tract in the estuary.
  
- > Major Committed Uses. The predominant uses of the subarea are hunting, sport fishing, and recreational shellfishing. The subarea also includes a portion of the navigation channel that supports medium draft commercial traffic. Adjacent shoreland uses consist primarily of low density housing and commercial forest management. Industrial uses are adjacent (though they do not extend into the subarea) at McLean Point and South Beach. Portions of the subarea have historically been used for log storage, though no current activities are present.
  
- > Existing and Potential Conflicts. No major conflicts exist within the subarea, though potential for conflict is present at several locations. Demands for urban level development in the Idaho Point area (which is within the Newport UGB) may be

incompatible with preservation of natural values in the adjacent portion of the estuary. Industrial development at McLean Point and in the Coquille Point area may impact important resource areas at Sally's Bend. If increases in deep water shipping precipitate a demand for expansion of the current channel and turning basins, some loss of natural resource values would result from the required dredging. Owners of intertidal lands within the subarea have identified desires for future use of these areas that may conflict with the preservation of natural resource values.

### Estuarine Management Unit Classifications

As is required by Statewide Planning Goal 16, management units have been classified in order to maintain the diverse resources, values, and benefits of the estuary. Natural, conservation, and development management units have been established pursuant to the mandatory language in Goal 16.

Natural management units must include "...all major tracts of salt marsh, tidflats, and seagrass and algae beds."<sup>6</sup> Conservation management units "...shall include tracts of significant habitat smaller or of less biological importance..." than those in natural management units and recreational or commercial oyster and clam beds not included in the natural management units.<sup>7</sup> Partially altered areas or estuarine areas adjacent to existing development of moderate intensity, however, shall also be included in this (conservation) classification unless otherwise needed for preservation or development consistent with the overall Oregon Estuary Classification. Development management units "...shall include deep water areas adjacent or in proximity to the shoreline, navigation channels, subtidal areas for in-water disposal of dredged material and areas of minimal biological significance needed for uses requiring alteration of the estuary...."<sup>8</sup>

The full range of activities in Yaquina Bay is covered by these three main types of estuarine management units. While the general purpose and intent of the conservation/development classification is as described above, the application of this classification to specific areas may be adjusted by special policies applicable to individual management units in order to accommodate needs for natural preservation.

Two major tracts of eelgrass and salt marsh within the UGB were identified in the Yaquina Bay Resource Inventory (YBRI) as significant natural areas and are classified as

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<sup>6</sup> State of Oregon Department of Land Conservation and Development, Oregon's Statewide Planning Goals, 1974 (as amended), p. 16.

<sup>7</sup> Ibid., p. 16.

<sup>8</sup> Ibid., p. 17.

natural management units. These have been identified as Management Units 9-A and 10-A on the Yaquina Bay Estuary (YBE) Map on page 272.

The conservation management units include small tracts of limited estuarine habitat. Some areas are important, though of insufficient size to be considered as "major tracts." Each of the conservation management units is also a partially altered area and adjacent to development management units. Units 1, 2, 3, 6 and 8 on the YBE Map are the conservation management units.

The development management units include the authorized navigation channel and the port and marina areas on both the north and south sides of the bay. The development management units include units 4, 5 and 7.

The classification of estuarine areas into management units also took into account the four additional factors listed in Goal 16. This is evidenced in how the boundaries of the management units were drawn. Adjacent upland characteristics were used to distinguish Management Unit 1 from 5, 2 from 3, 3 from 7, 5 from 10, 7 from 8, and 8 from 9. Compatibility with adjacent uses was also considered. The consideration of energy costs and the benefits of deep water navigation are reflected in the classification of the authorized channel and port areas as development management units. Commitment of the water surface area of the estuary to different surface uses was limited by classifying most of the estuary in natural and conservation management units. Most of the total area within development management units will also be kept as open water for navigation.

The summaries of management units which follow describe and classify, then set a management objective and special policies for each estuarine management unit within the Newport UGB. The priorities of use and implementation standards are set forth in overall plan policies and the permitted use matrices in the Zoning Ordinance. The maps referred to in each management unit description are: (1) the maps of the Yaquina Bay Resource Inventory; (2) the "Habitat Map of Yaquina Estuary" by the Research and Development Section of the Oregon Department of Fish and Wildlife; (3) the maps in the Lincoln County Estuary Management Plan; and (4) the nautical chart of Yaquina Bay and River.<sup>9</sup>

The management objectives, as well as the special policies for each management unit, are comprehensive plan policies of the City of Newport. Boundaries of management units are shown on the Yaquina Bay Estuary Map on page 272.

The base map for the Yaquina Bay Estuary Map is the nautical chart for the Yaquina Bay and River, which exhibits significant navigational features. The Yaquina Bay Bridge

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<sup>9</sup> National Oceanic and Atmospheric Administration, Yaquina Bay and River, 1977.

and submerged crossing corridors are also shown, as well as new crossings from the sewer and water master plans. A cable crossing area lies on either side of the bridge. The city's sewer and water pipelines cross underneath the bay between the Embarcadero and Ore-Aqua. The Oregon State Division of State Lands has approved a subpipe route from the Northwest Natural Gas LNG tank to Idaho Point.

### **Management Unit 1:**

- > **Description:** Management Unit 1 consists of the area between the navigation channel and the north jetty west of the Yaquina Bay Bridge. Natural resources of importance include shellfish beds, fish spawning and nursery areas, and wildlife habitat. Of special importance are areas used by ling cod for spawning and a major algae bed. Primary uses in the area are medium and shallow draft navigation and recreation (angling, boating, and diving). Alterations include the north jetty, rip-rapped shoreline east of the jetty, and piling dolphins at the base of the bridge footings. (See the YBE Map on page 272 for location of resources and uses.)
- > **Classification:** Conservation. This unit has been classified as "conservation" in order to conserve the natural resources of the unit while allowing minor alterations similar to those now existing in the unit.
- > **Resource Capability:** The major algal bed in this unit is a sensitive habitat area of special value. Other habitats, while important, are less susceptible to disturbance from minor alterations. Low intensity alterations such as piling, dolphins, riprap, and piers have occurred in this area in the past without significant damage to resource values. Similar activities of this nature in conjunction with the existing uses will constitute minor alterations consistent with the resource capabilities of the area.

The Yaquina Bay Bridge will need to be replaced sometime in the future. The new bridge must be built immediately west of the existing one. This will require the placement of new bridge footings and pilings in this unit.

- > **Management Objective:** Management Unit 1 shall be managed to conserve shellfish beds, fish spawning and nursery areas, and other natural resources. Navigation improvements necessary for the maintenance of the harbor entrance and channel shall be provided for, as well as improvements necessary for the replacement of the Yaquina Bay Bridge.
- > **Special Policies:** The algal bed within Management Unit 1 as defined by the Oregon Department of Fish and Wildlife Classification map shall be preserved. It is recognized that navigation improvements (including jetty maintenance) and bridge construction will be required within this unit.

### **Management Unit 2:**

- > **Description:** Management Unit 2 contains the area between the south jetty and the

navigation channel west of the third (westernmost) groin. Natural resources of importance include shellfish beds, algal beds, fish spawning and nursery areas, and waterfowl habitat. Major uses in the unit are shallow draft navigation and recreational activities (fishing, diving, and boating). Alterations in the area include the south jetty, navigation aids, and a submerged crossing. (See the YBE Map on page 272 for location of resources and uses.)

- > **Classification:** Conservation. This unit has been classified as "conservation" in order to conserve the natural resources of the unit while allowing minor alterations similar to those now existing in the unit.
- > **Resource Capability:** Management Unit 2 is a predominantly subtidal area situated in a high energy marine environment. Substrates in this area are primarily coarse marine sands and rocks. Kelp and other algal species cover the rocky areas around the jetty and groins, though the unconsolidated sand areas are generally devoid of larger plants.

Development which threatens water quality or seriously disrupts benthic habitats, especially major dredging or filling, can have definite impacts in marine subsystems. Minor structural alterations such as piling, dolphins, and bank stabilization result in only short term disturbances and may enhance fish habitat by providing cover and substrate for algal species. Such minor alterations are consistent with the resource capability of Management Unit 2.

- > **Management Objective:** Management Unit 2 shall be managed to conserve shellfish beds, algal beds, fish spawning and nursery areas, and other natural resources. Navigation improvements necessary for the maintenance of the harbor entrance and channel shall be provided.
- > **Special Policies:** It is recognized that navigation improvements (including jetty maintenance) will be required within Management Unit 2.

### **Management Unit 3:**

- > **Description:** Management Unit 3 consists of the area between the navigation channel and the south shore from the third jetty groin to the South Beach Marina breakwater. The area has a number of important characteristics including tideflats, eelgrass beds, significant shellfish beds, important fish spawning and nursery areas, and important waterfowl habitat. Major uses within the unit are shallow draft navigation and recreation (clam digging, fishing, and boating). Some minor commercial shellfish harvest takes place in the unit. Alterations include the south

jetty, groins, the South Beach marina breakwater, piling, a pier structure, the bridge crossing, navigation aids, and riprapped shorelines. (See the YBE Map on page 272 for location of resources and uses.)

- > Classification: Conservation. This unit has been classified as "conservation" in order to conserve the natural resources of the unit while allowing minor alterations similar to those now existing in the unit.
- > Resource Capability: Management Unit 3 is similar in character to Management Unit 2, though it has a larger intertidal area and larger and more important shellfish beds. It is also more extensively altered as a result of jetty improvements, the bridge crossing, and construction on the South Beach Marina. These structural alternatives have created diverse fish habitat, as well as substrate for algal species. Further minor structural alterations such as piling, dolphins, recreational piers, or overhead crossing on the bridge would be consistent with the existing character and resource capability of the area.

The Yaquina Bay Bridge will need to be replaced sometime in the future. The new bridge must be built immediately west of the existing one. This will require the placement of new bridge footings and pilings in this unit.

- > Management Objective: Management Unit 3 shall be managed to conserve natural resources of importance. Navigation improvements necessary for the maintenance of the harbor entrance and channel shall be provided, as well as improvements necessary for the Yaquina Bay Bridge replacement.
- > Special Policies: Major clam beds are located within Management Unit 3. These clam beds shall be protected. It is recognized that navigation improvements (including jetty maintenance) and bridge construction will be required in this management unit.

#### **Management Unit 4:**

- > Description: Management Unit 4 is the U.S. Army Corps of Engineers authorized deep water channel and includes the turning basin up to the UGB. Natural resources within the unit consist of fish spawning and nursery areas and important shellfish beds. Major uses within the unit include navigation (shallow, medium, and deep draft), recreation (fishing, crabbing, and boating), and commercial harvest. Alterations include piling, submerged crossings, and the bridge crossing. Of special importance is the maintenance dredging of the federally authorized channel and turning basin. (See the YBE Map on page 272 for locations of resources and uses.)
- > Classification: Development. This unit has been classified as "development" because of the dredging required to maintain the deep water channel and turning basin.
- > Resource Capability: Management Unit 4 is an area of diverse marine influenced habitats, including some major shellfish beds. The area is periodically dredged for maintenance of the federally authorized channel, and resources present are subject to this regular disturbance. The shellfish beds south of the port breakwater as

defined by the publication "Subtidal Clam Populations: Distribution, Abundance and Ecology" (OSU Sea Grant, May 1979) are considered a resource of major importance.

- > **Management Objective:** Management Unit 4 shall be managed to protect and maintain the channel and turning basin for deep draft navigation.
- > **Special Policies:**\* Adverse impacts of mining, mineral extraction, or other dredging operations within Management Unit 4 on existing commercial clam harvest shall be minimized. Port facilities may extend into the deep water channel subject to approval by the US Army Corps of Engineers, which maintains jurisdiction, in part, to ensure that new development does not impede navigation.

### **Management Unit 5:**

- > **Description:** Management Unit 5 consists of the area along the north shore of the bay from the bridge to McLean Point. It includes the Port of Newport's moorage basins, the dredged water front in the Newport urban area, and the terminal facilities at McLean Point. This portion of the estuary is used intensively for shallow and medium draft navigation, moorage of small and large boats, and recreation.

Other significant uses include a terminal operation, research activities, and a U.S. Coast Guard Station. The shoreline and aquatic areas are significantly altered with riprap, bulkheads, piers and wharves, piling, floating docks, dredging, and other activities. (See the YBE Map on page 272 for location of resources and uses.)

The shellfish beds south of the port breakwater as defined by the publication "Subtidal Clam Populations: Distribution, Abundance and Ecology" (OSU Sea Grant, May 1979) are considered a resource of major importance.

- > **Classification:** Development. This unit is classified as "development" because of the port's development needs and the water-dependent uses along the waterfront.
- > **Resource Capability:** Management Unit 5 is the most extensively altered area in the estuary. Plans for redevelopment of existing facilities in this area call for further alterations, including major dredging, fill, riprap, and construction activities. Given the nature of existing development and resources in this area, continued development for water-dependent uses and overhead crossings on the bridge will be consistent with the capabilities of this unit.
- > **Management Objective:** Management Unit 5 shall be managed to provide for the development of port facilities and other water-dependent uses and water-related and nonwater-related uses in keeping with the scenic, historic, and unique characteristics of the area. Water-related and nonwater-related development shall be

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\* Amended by Ordinance No. 1995 (1/6/10)

consistent with the purpose of this unit and with adjacent shoreland designated as especially suited for water-dependent uses or designated for waterfront development.

Special Policies: Experimental shellfish beds were introduced in Management Unit 5 in the 1940's and 1950's. It is anticipated that these shellfish beds will be impacted by future development. Adverse impacts shall be minimized as much as possible while meeting these development needs.

Due to the limited water surface area available and the need for direct land to water access, alternatives (such as mooring buoys or dry land storage) to docks and piers for commercial and industrial uses are not feasible in Unit 5. Multiple use facilities common to several users are encouraged where practical.

Nonwater-related uses may be permitted within the estuarine area adjacent to the old waterfront from Bay Street to Pine Street, extending out to the pierhead line as established by the Corps of Engineers. Tourist related activities will be encouraged to locate on the landward side of S.W. Bay Boulevard. The bay side of S.W. Bay Boulevard should accommodate water-dependent and water-related types of uses. Some tourist related uses may locate on the water side but only upon the issuance of a conditional use permit. CH2M HILL's draft port development plan<sup>10</sup> identifies projects to enhance the water-related and tourist industries (see plan). These projects are consistent with the development classification of the unit and may be allowed. Future development that involves dredging and fill for non-water dependent uses will require an exception to Statewide Planning Goal 16.

### **Management Unit 6:**

- > Description: Management Unit 6 consists of the area between the navigation channel and the port breakwater, from the U.S. Highway 101 bridge east to the turning basin. It is a predominantly subtidal area with a number of important resource characteristics. These include eelgrass and shell fish beds, fish spawning and nursery areas, and waterfowl habitat. Major uses in the unit include recreation (fishing, boating, and crabbing), and medium and shallow draft navigation. Alterations within the unit include the port breakwater, pilings, navigation aids, and bridge footings. (See the YBE Map on page 272 for the location of resources and uses.)
  
- > Classification: Conservation. This unit has been classified as "conservation" in

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<sup>10</sup> CH2M HILL, Update of Port Development Element of Comprehensive Plan (draft), 1989.



order to conserve the natural resources of the unit while allowing minor alterations similar to those now existing in the units.

- > **Resource Capability:** Management Unit 6 is a subtidal area at the upper end of the marine subsystem. It supports a variety of resources which could be adversely impacted by major fill, removal, or other aquatic alterations. Important uses in the unit, such as navigation and recreation, require a largely unobstructed surface area. For these reasons, alterations consistent with the resource capability of this unit are limited to minor structural alterations such as pilings, dolphins, and bridge footings and overhead crossings on the bridge. The sewer and water master plans indicate a submerged crossing that will need to traverse this unit. The port development plan also calls for the relocation of the breakwater south into Management Unit 6. Any removal activities should be evaluated on a case-by-case basis.
- > **Management Objective:** Management Unit 6 shall be managed to conserve natural resources consistent with navigation, municipal, and recreation requirements.
- > **Special Policies:** A Goal 16 exception will be required to justify relocation of the breakwater as proposed in the port development plan.

### **Management Unit 7:**

- > **Description:** Management Unit 7 consists of the aquatic area between the navigation channel and the south shore and from the U.S. Highway 101 bridge east to the small boat pier at the OSU Marine Science Center. It includes the South Beach marina and the Marine Science Center facilities. The majority of the unit is subtidal and includes eelgrass and shellfish beds and fish spawning and nursery areas. Major uses in the area are medium and shallow draft navigation, moorage, aquiculture (salmon farming), commercial harvest, and recreation. Alterations include pilings, piers and wharves, breakwaters, floating docks, riprapped shorelines, dredging, and other activities. (See YBE Map on page 272 for location of resources and uses.)
- > **Classification:** Development. This unit has been classified as "development" because of the existing South Beach Marina, Ore-Aqua, and Marine Science Center facilities on and near the shore, as well as the proposed hotel resort, public park, and stern wheeler landing. Future development of this nature may involve dredging and fill for non-water-dependent uses. A Goal 16 exception will be required to justify any dredging or fill for non-water dependent uses.
- > **Resource Capability:** Management Unit 7 includes the developed area along the south shore of the Newport subarea, corresponding to Management Unit 5 on the north shore. Based on the nature of the resources present in this area and the level and intensity of existing development, continued development of water dependent uses and structural alterations such as piling, piers, shoreline stabilization, bridge footings, and submerged crossings, are consistent with the purpose of this area.

Major fill and removal activities should be evaluated on an individual basis.

- > Management Objective: Management Unit 7 shall be managed to provide for development compatible with existing uses and consistent with the resource capabilities of the area.
- > Special Policies: Eelgrass beds, shellfish beds, and fish spawning and nursery areas are located within Management Unit 7. Adverse impacts of future development on these resources shall be minimized consistent with allowed development.

Submerged crossings, bridge footings, pilings, dolphins, and other navigation and marina related development undertaken as part of the approved comprehensive plan shall be permitted, as well as docking and other facilities to serve proposed development.

Development of deep and medium draft port facilities shall be a permitted use only outside of the existing South Beach Marina boat basin.

Due to the limited water surface area available and the need for direct land to water access, alternatives to docks and piers for commercial and industrial uses (such as buoys and dry land storage) are not feasible in Unit 7. Multiple use facilities common to several users are encouraged where practical.

### **Management Unit 8:**

- > Description: Management Unit 8 is a subtidal area between the navigation channel and the intertidal flats of the Idaho Point/King's Slough area. It contains eelgrass and shellfish beds, fish spawning and nursery areas, and waterfowl habitat. Use within the unit consists of medium and shallow draft navigation, commercial harvest, and recreation. Existing alterations are limited to navigation aids. (See YBE Map on page 272 for location of resources and uses.)
- > Classification: Conservation. This unit has been classified as "conservation" in order to conserve the natural resources of the unit while allowing minor alterations similar to those now existing in the unit.
- > Resource Capability: Management Unit 8 is an important resource area. Shallow portions of this subtidal unit support eelgrass beds; major shell fish beds are also located in this area. Alterations in this area are limited to navigation aids (pile supported). Because of the area's proximity to the deep water turning basin, it may be needed as a site for temporary log raft anchorage. The piling and rafts should have no significant adverse impacts on resources in this area so long as they are sited to avoid grounding. This activity, if conducted under conditions to minimize occupation of surface area to minimize conflicts with recreational use and to avoid

grounding, will be within the resource capabilities of the area.

- > **Management Objective:** Management Unit 8 shall be managed to conserve natural resources such as eelgrass and shellfish beds. Navigation improvements found to be necessary for the maintenance of the deep water channel shall be provided.
- > **Special Policies:** Temporary moorage of log rafts in Management Unit 8 shall conform to the following standards:
  - (a) Whenever feasible, individual logs shall be bundled, but they shall always be held in rafts.
  - (b) The number of log rafts moored at any time shall be the lowest practical number for the shortest practical time considering log supply and tidal cycles.
  - (c) Water surface area occupied by temporary moorage shall not at any time exceed seven (7) acres.
  - (d) Dolphins shall be sited and moorage conducted so that log rafts will not ground at low water.
  - (e) As much as practical, shipment and movements of logs shall be timed to minimize conflicts with recreational uses in the area.
  - (f) A cobble/pebble dynamic revetment for shoreline stabilization may be authorized in Management Unit 8 for protection of public facilities (such as the Hatfield Marine Science Center facilities).

**Management Unit 9-A**<sup>11</sup>:

- > **Description:** Management Unit 9-A consists of the state-owned tideflats between the Marine Science Center and Idaho Point. The unit contains salt marsh, algae and eelgrass beds, shellfish beds, fish spawning and nursery areas, and waterfowl habitat. All of these resources are considered to be of major importance. Uses within this unit are limited to shallow draft navigation and recreational activities (hunting, fishing, and clamming). This unit is essentially unchanged, with the exception of limited areas of riprapped shorelines and the existing Idaho Point marina and channel. (See the YBE Map on page 272 for location of resources and uses.)

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<sup>11</sup> Management Unit 9-A includes only that part of Management Unit 9 identified by the Yaquina Bay Task Force that is within the Newport UGB. The existing marina is on the county side of the UGB. The description and special policies set forth above differ from those for Management Unit 9 as a whole only because they apply to a smaller, somewhat less diverse area. This subarea is classified, described, and planned for a manner wholly consistent with the remainder of Management Unit 9.

- > Classification: Natural. This unit has been classified as "natural" in order to preserve the natural resources of the unit.
- > Resource Capability: A sensitive area, Management Unit 9-A has resource values of major importance to the estuary ecosystem. In order to maintain resource values, alterations in this unit should be kept to a minimum. Minor alterations that result in temporary disturbances such as limited dredging for submerged crossings would be consistent with resource values in this area; other more permanent alterations should be reviewed individually for consistency with the resource capabilities of the area and the purposes of the management unit.
- > Management Objective: Management Unit 9-A shall be managed to preserve and protect natural resources and values.
- > Exceptions: The City of Newport is taking two exceptions to Goal 16/"Estuarine Resources." The first is for a seawater outfall line in conjunction with the Oregon Coast Aquarium. The second is for storm water drainage and outfall for the portion of South Beach that naturally drains into Management Unit 9-A.

- A. Seawater Outfall Line: Goal 2 and Oregon Administrative Rules 660-04-020 outline the criteria that must be addressed when considering an exception. This particular project's compliance with the standards follow.

Four Factors To Be Addressed When Taking an Exception:

- 1.) **Reasons justify why the state policy embodied in the applicable goals should not apply.**

The Oregon Coast Aquarium is being constructed on an upland area adjacent to the Yaquina Bay Estuary, which has been designated as a Natural Area (Management Unit 9-A) in accordance with Goal 16/"Estuarine Resources." The site for the aquarium is upland of the natural area and is located on a site designated in the Newport Comprehensive Plan as "Yaquina Bay Shorelands" (zoned W-2/"Water Related").

The aquarium meets the city's definition of a water-dependent use since it must have access to a continuous supply of seawater in order to keep marine animals and plants alive. Seawater will be drawn from the estuary and piped to a reservoir on the aquarium site where it will

be stored until needed. After seawater passes through exhibits, it will be released back into the estuary from which it came.

The state policy embodied in Goal 16 did not anticipate this situation. The removal and return of seawater to the estuary is a rare request and will have a very limited effect, if any, on existing plant and animal communities. If anything, the continuous discharge of seawater at the edge of a natural area may provide improved habitat for certain organisms.

Goal 16 allows certain uses in natural areas when consistent with resource capabilities of the area and purposes of the management area. These conditionally allowed uses include the following:

- \* Aquaculture (including incidental dredging and removable in-water structures such as stakes or racks).
- \* Communication facilities.
- \* Boat ramps for public use.
- \* Pipelines, cables, and utility crossings (including incidental dredging necessary for installation).
- \* Installation of tide gates in existing functional dikes.
- \* Temporary alterations.
- \* Bridge crossing support structures (including dredging necessary for their installation).

It is understandable from reading this list that it is not the intent of the state to prohibit all development within a natural area. Rather, it appears that the state adopted a reasonable position that some development is allowed and that the intent is to minimize environmental degradation.

Discharge of seawater back into the estuary where it came from will have less of an impact on the estuary than allowing fish farming or ranching, communication facilities, boat ramps, pipelines, cables, utility crossings, tide gates, and bridges to be constructed.

State policy, as interpreted by the City of Newport, severely limits activities allowed in Management Unit 9-A. Uses mentioned in the unit description are as follows:

- \* Shallow draft navigation.

- \* Recreational activities (hunting, fishing, clamming).
- \* Limited areas of riprap shorelines.
- \* Limited dredging for submerged crossings.
- \* Other more permanent alteration should be reviewed individually.

The amount of land that will be impacted by this proposal will be limited to less than about 500 square feet located where outfall pipe(s) penetrate the shoreline bank.

The aquarium property abuts Management Unit 9-A. Because of the slope of the land and the propensity of water to seek a lower level, a seawater discharge anywhere on the property (even if not directly into the estuary) will move overland and eventually enter one of the existing drainage ways that discharge into the estuary. It seems appropriate, therefore, to allow the discharge seawater directly back to the estuary.

2.) **Areas that do not require a new exception cannot reasonably accommodate the use.**

There are only five possible areas or locations where seawater from the site can be discharged after use. These areas or locations, and associated implications are discussed below:

- (a) Discharge to the estuary (Management Unit 9-A). This is the proposed approach and has already been discussed.
- (b) Discharge to a City of Newport sanitary sewer. This approach is unacceptable to the city. The introduction of seawater into the sanitary sewer system would cause the destruction of bacteria in the sewage treatment plant and lead to treatment failure.
- (c) Discharge to an on-site holding pond. This approach would work for occasional or intermittent discharges. However, continuous flow of seawater through the aquarium is required. Even a very large pond would eventually overflow and, because of gravity flow, seawater would return to the estuary.

- (d) Discharge near the intake point (Management Unit 7). The Marine Science Center's seawater intake is located on a pier at the northwest corner of the center. The center has allowed the aquarium's intake to be located on the same pier. Because of research projects underway at the center, researchers must have complete control of the water intake area so temperature and salinity can be controlled within tight tolerances. Water is drawn from varying depths to obtain desired temperature and salinity and pumps are started and stopped based on salinity levels and tidal action.

The discharge of seawater from the aquarium in this vicinity could alter temperature and/or salinity levels at the center's intake and could effect on-going research projects. Given that Goal 16 allows research as a permissible use, it seems inappropriate to propose an action that might jeopardize on-going research projects.

- (e) Discharge to the estuary near the Highway 101 bridge (Management Unit 7). This approach, while feasible, is costly both in terms of the initial construction and long term operational costs (maintenance and pumping). In addition, traffic on the access road from the bridge would be impacted during construction.

The added costs of this approach, over the costs of the proposed approach, are estimated as follows:

2700 lf- 10 inch PVC pipe @ \$24.00/lf	\$ 67,500
Pump station (wetwell, pump, piping, electrical supply)	25,000
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Construction subtotal	\$ 92,500
Engineering @ 10%	9,000
Contingency @ 20%	18,500
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Estimated project construction	\$120,000

Annual pumping costs (1500 gpm, 30 foot head, 15 HP pump, power costs at \$0.04 KWH)	\$ 4,800
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Annual maintenance at 3% of construction	3,600
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Estimated annual operation cost	\$ 8,400

The proposed seawater discharge facility, therefore, cannot be reasonably accommodated on non-resource land or on resource land that is already irrevocably committed to non-resource uses.

3.) **The long-term environmental, economic, social and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a Goal exception.**

Several alternative sites for the aquarium were considered before the selected site was chosen. As mentioned earlier, the aquarium is a water-dependent use and must be located near, if not adjacent to, Yaquina Bay. All sites considered would require discharge of seawater back into the estuary. Long term environmental consequences resulting from discharge at this site, as compared to discharge into a natural area from another site, are equal.

The typical positive and negative environmental consequences of discharging seawater at the proposed site, or any other site discharging into a natural area, are as follows:

> Positive Consequences:

\* The continuous discharge of seawater at the edge of a natural area may provide

improved habitat for some plant and animal species.

\* During winter storms when much fresh water is running into the estuary, the discharge of seawater may slightly increase salinity levels.

> Negative Consequences:

\* Continuous discharge of seawater may lead to the enlargement or modification of discharge channels through the mud flats. (Note: this negative impact can be minimized by



dividing the discharge stream into two parts, thereby reducing hydraulic energy available at a given location.)

\* Reduction of salinity level fluctuations near the discharge point may discourage plant and animal species which do better in areas where salinity levels fluctuate more widely.

Long term economic, social, and energy consequences resulting from discharge at this site, as compared to discharge into a natural area from another site, are difficult to evaluate. Sites located farther from the estuary than the selected site would require additional discharge piping, a short term economic detriment (added maintenance) to the aquarium. The selected site will allow discharge by gravity, obviating the need to pump seawater (energy cost avoidance). Sites located farther from the estuary or at lower elevations may require pumping, a long term economic detriment to the aquarium. It is unlikely that there would be any social consequences related to the discharge of seawater from the selected site or from any other site considered.

4.) **The proposed uses are compatible with other adjacent uses, or will be so rendered through measures designed to reduce impacts.**

The aquarium will be located south of the Marine Science Center, north of an industrial area, and east of a mostly vacant parcel that accommodates some mobile homes. The Yaquina Bay Estuary is directly to the east of the site. There will be a highly compatible relationship between the Marine Science Center and the aquarium. The center focuses on marine research and higher education, while the aquarium will focus on environmental education and recreation. The aquarium staff will look to the center staff for technical assistance, and the aquarium will unburden the center from its current heavy load of recreationists.

The aquarium and the industrial area should be reasonably compatible. The aquarium will need some services provided by industrial park tenants (e.g., pump repair, electrical equipment maintenance, and welding). Aquarium visitation will, however, cause some congestion along area roads. As a mitigating action, the City of Newport is improving and realigning Ferry Slip Road, which will improve access to both the aquarium and the industrial area.

Once the aquarium is complete and Ferry Slip Road is improved, the area west of the site is expected to become more valuable and will

likely be redeveloped. This action will have a positive economic effect on the South Beach area of Newport but a negative one on occupants of mobile homes on the property.

The placement of a seawater outfall into the estuary east of the aquarium will have no impact on the Marine Science Center, the industrial area, or residents of nearby mobile homes.

Reasons Necessary to Justify an Exception: The proposed use--seawater discharge into a natural area--is not specifically provided for in subsequent sections of this rule. Subsection (1) of 660-04-022 discusses this situation. The following comments are in response to subsection (1).

(a) There is a demonstrated need for the proposed use.

The aquarium will be built on a site which conforms to the Comprehensive Plan and Zoning Ordinance of the City of Newport. The aquarium is viewed by many as a development that will improve the economy of the central coast by creating jobs and increasing tourism. As of May, 1990, funds already committed included approximately \$3.3 million in federal monies, \$2.5 million in state economic development money, \$2.7 million from charitable foundations, and \$874,356.00 from other sources.

The proposed aquarium will help achieve Goal 9/"Economy of the State" in the following ways:

- \* The aquarium will help diversify the economy of the central coast.
- \* The aquarium will improve the economy of the central coast by generating jobs and providing services consistent with the long term availability of human and natural resources.
- \* The aquarium will help promote tourism both for in-state residents and out-of-state visitors.

(b) A resource upon which the proposed use or activity is dependent can be reasonably obtained only at the proposed exception site and the use or activity requires a location near

the resource.

- (c) The proposed use or activity has special features or qualities that necessitate its location on or near the exception site.

As discussed earlier, the aquarium must be located near a continuous supply of seawater. Once the seawater passes through exhibit areas, it must be discharged. It is essential that a seawater discharge be available to the aquarium, preferably close at hand and capable of operating by gravity.

- B. Storm Water Drainage and Outfall: Goal 2, Oregon Revised Statutes (ORS) Section 197.732, and Oregon Administrative Rules (OAR) Chapter 660, Division 4, provide guidance and establish criteria for taking an exception. The following addresses the applicable standards for the storm drainage outfall in South Beach:

Four Factors To Be Addressed When Taking an Exception:

- 1.) **Reasons justify why the state policy embodied in the applicable goals should not apply.**

The storm drainage system will be constructed and will serve an upland area adjacent to the Yaquina Bay Estuary. The property in the drainage basin to be served by the system is designated on the acknowledged Newport Comprehensive Plan for

residential, commercial, and industrial uses depending on the location. The zoning reflects those Comprehensive Plan designations.

Urban level development requires the provision of urban level services (Goals 11 and 14). The channeling and disposing of storm run-off is one of those services. The existing natural and constructed channels are used now for storm run-off from the upland areas in the drainage basin. The development of the storm drainage system will not alter those existing channels or add new channels.

Goal 16 deals primarily with development or alteration within the estuary. Development outside of the estuary but which affects the estuary is also a concern; however, it is not the primary focus of the goal. Because the issues involved in the development of the storm water drainage system concern those upland areas, the problems that would affect the estuary are controlled by the design and construction of those upland facilities. As Goal 16 does not control the upland development and storm drainage is a normal City service to the extent

Goal 16 can be found applicable to storm water run-off, it should not apply in this instance because it would conflict with the delivery of urban services as required by Goals 11 and 14.

2.) **Areas that do not require a new exception cannot reasonably accommodate the use.**

Storm drainage systems generally rely on existing natural drainage patterns and gravity to function. One option to a gravity system is to collect the storm water and pump it into another drainage basin. The nearest management unit that allows storm drainage is Management Unit 7, approximately 2,600 feet to the north. Another option would be to collect the storm water and release it into the natural management unit at a slow rate. Both would require the construction of detention and pumping facilities.

Any non-gravity collection system would have to be built with the capacity to manage run-off from current and future development in order to properly work. The City of Newport's engineering staff estimate that the current run-off during a 25 year design storm is about 20 cubic feet per second

(cfs). These engineers have also determined that at build-out of the subject drainage basin, a flow of 50 cfs could occur. That number is based on a storm design of a rainfall intensity of one (1) inch of rainfall over a one (1) hour period. That equals 108,000 cubic feet, or 2.5 acre feet of water that must be stored. There would, therefore, have to be some sort of detention system built that could accommodate that much water.

The most likely way to detain water would be a pond or some similar type of impoundment. To store 2.5 acre feet of water, a pond could be one acre in size and at least 3.0 feet deep. It would be preferable to build the pond deeper, at least 5.0 feet, so as not to cause flooding during extreme storms.

For the detention pond to work, it would have to be:

- > In low lying land below surrounding uses;
- > Centrally located so as to be capable of serving a large area; and
- > Easily developable.

The Newport Industrial Park in South Beach is at an elevation of 11 feet. This property is the lowest of the urban land in the area proposed to be affected by improved storm drainage. With that elevation in mind and the above stated depth of the detention facility, the bottom of the pond would be at six feet elevation.

It is not uncommon for high tides to be 8, 9, or 10 feet. If the detention pond were built at the suggested elevation, it would be within lands that are influenced by tidal action. Considering the other two factors of location and availability, the only place the pond could be built is in an area just south of the Newport Industrial Park. This area is partially within Management Unit 9-A and partially within a wetland. No lands are available out of either of these two natural resources. With that scenario, there would be a direct affect on the natural management unit rather than the secondary affect discussed below.

Another way to build the pond would be to construct it so that the bottom was at 12 feet or higher. This would involve large amounts of fill and a pumping system that could pump 25 cfs of future run-off into the pond. It would also have to be sited in an area consistent with the location criteria. Again, this would most likely be in the existing Management Unit 9-A or the abutting wetlands. This massive engineered selection in the management unit or adjacent wetlands is a greater divergence from the Goal 16 requirements than naturally channeled storm run-off.

Once in the pond, the water would either be released gradually into the natural management unit or pumped and released into a non-natural management unit. Either way would involve the construction of a pond and a pump that could dispense with the 50 cfs of water. City engineering staff estimates that the pond would cost about \$225,000. That assessment is based on the excavation of a hole five feet deep and other accessories associated with it, such as impermeable liners.

The engineering staff has also estimated that a variable speed pump of sufficient size and its accessory structures would cost \$262,000. In addition, there would have to be 200 feet of 24 inch pressure pipe at a cost of \$65.00 per foot for a total of \$13,000. The total cost of the ponding and pumping system would therefore total \$500,000. Such a

pump would not only be very expensive to install, but the ongoing operating costs would be a significant continued expense. (Engineering estimates the cost of operating the pumping system at

approximately \$60,000 per year.)

In addition, the pump would stand idle most of the time. The above-described system is based on a design storm that occurs once every 50 years; or, conversely, there is a two percent chance that the storm could occur in any given year. It is not cost effective to have such a system that large operate only occasionally, considering the negligible effect on Management Unit 9-A if the exception is granted.

Finally, sediments from the run-off would settle into a detention pond. This means that the pond would have to be periodically dredged. Again, the maintenance costs for a ponding system that is only occasionally used is prohibitive and not a wise use of public monies considering the impact on Management Unit 9-A.

- 3.) **The long term environmental, economic, social, and energy consequences resulting from the use at the proposed site with measures designed to reduce adverse impacts are not significantly more adverse than would typically result from the same proposal being located in other areas requiring a goal exception.**

Environmental: The state goal is to protect and, where feasible, enhance the natural management units. As mentioned above, the city is not proposing to construct any additional storm drainage facilities into the management unit but merely proposing to increase the amount of discharge through existing, natural channels.

City engineering staff has determined that discharge increase for the 50 year design would be from 20 to 50 cfs. Again, this is calculated for an intense storm. Storm drainage capacities are determined by the formula  $q=c*i*a$ , where "q" equals run-off in cubic feet per second, "c" equals the coefficient of permeability, "i" equals the intensity of rainfall, and "a" equals the area of the drainage basin in acres.

When the Engineering Department determined the 50 cfs, "i" equaled "1." That is a very intense storm and, again, according to the engineering staff, a more common figure would be .2. This would equal one-fifth of the design storm of 50 cfs. Consequently, a more common storm would generate only ten cfs. Those figures are based upon build out of the upland commercial, industrial, and residential land use.

Two potential adverse affects could result from that six cfs increase. One would be an increased amount of scouring in existing channels, especially below the high tide mark. Second, because of the increase

in the impervious soils in the drainage basin (probably asphalt), there could be an increase in the amount of pollutants such as oil, gas, or antifreeze.

The Engineering Department has examined both impacts. According to the preliminary studies, the existing channel bisecting the bay is of sufficient depth to accommodate the increased run-off without additional scouring.

Also, according to the Engineering Department, the increase in pollutants is mostly offset by an increase in water. This results in a greater amount of mixing and dilution of the pollutants. There would, then, be a measurable but not critical adverse impact on natural Management Unit 9-A.

Economic: As stated in the previous section, the cost of building and maintaining a drainage system that is only used intermittently is very high. By building a drainage system that operates by gravity, the public costs of development and maintenance are considerably less.

The South Beach area has been designated as high density residential, commercial, and industrial elsewhere in this plan. It is estimated herein that the City of Newport will need additional acres of commercial and industrial land to accommodate the anticipated growth. As noted in this plan, areas other than South Beach feasible for commercial development are very limited. The acknowledged Comprehensive Plan stated that the area is needed for the future expansion of the city's economic base. The ability of the city to expand its economic base is necessary for the economic well being of the community and the region. The State of Oregon has recognized this by adopting Goal 9/"Economy of the State" as an important element of mandated comprehensive plans.

Storm drainage facilities must be available for any development, but it is even more critical for commercial and industrial areas. That type of development requires the construction of large parking lots. To be functional, efficient storm drainage is required because lots cannot be developed in accordance with the acknowledged designations if there is the possibility of flooding. This is compounded in the South Beach area because it is relatively flat and low lying.

Social: The South Beach area has a large amount of the future high density residential lands. Other high density areas in the city are either small or are in areas difficult to develop. The South Beach area is, therefore, one of the few areas in town that can accommodate

larger multi-family developments. The lack of a sanitary sewer system in the area has prevented any large projects from locating there, but the extension of

the sewer system into the area is almost complete, and development can now occur.

As with commercial and industrial development, apartments usually involve large amounts of impervious surfaces. This means that storm water must be collected on site and fed into an area-wide storm drainage system. The cost of that system has a direct relationship to the cost of housing because of added development costs. Infrastructure, therefore, must be as cost efficient as possible, yet still provide an adequate service. If the storm drainage system designed for South Beach can take advantage of natural outfall into the bay, the cost of providing that service can be greatly reduced not only in the initial construction but in the long-term maintenance. Conversely, if the cost is high, that added cost will be passed on to the consumer.

The housing element of this plan has identified a need for additional housing, especially for low income persons. The more costs that are required in residential building, the more expensive and less affordable are the homes. This social concern has been identified by the state in Goal 10/"Housing" and the Housing rule as an important goal. Considering the potential great expense of any of the alternatives to the natural gravity system for storm drainage, the availability of cost effective housing for lower income persons could be hampered.

Energy: If the city builds the storm drainage system as proposed, it will work totally on gravity; consequently, once constructed, no energy consumption will be required except for periodic maintenance. If, on the other hand, one of the alternative methods is employed, a considerable amount of energy will be used pumping water. In addition, maintenance demands will increase because of the pump and detention systems. This will also increase the amount of energy consumed.

- 4.) **The proposed uses are compatible with other adjacent uses or will be so rendered through measures designed to reduce adverse impacts.**

The proposal is to drain storm water into a natural management unit via a natural swale. There will be no additional outfall lines or



drainage ditches constructed in Management Unit 9-A.

Natural drainage ways are a common feature for any body of water into which land drains.

Other adjacent uses include salt marshes, algae and eelgrass beds, shellfish beds, fish spawning and nursery areas, and waterfowl habitat. All of these uses have developed at or near the existing drainage way, and no adverse impacts have been identified. Because this proposal does not intend to alter that natural drainage channel but only insignificantly affect the management unit, the proposal is not inconsistent with the above uses.

Other non-natural uses include submerged crossings, navigation improvements, and aquaculture facilities. Submerged crossings and navigation improvements may involve minor alterations, resulting in temporary disturbances (see Goal 16 of the Statewide Planning Goals). It is then evident that some alteration and disturbance is allowed as long as it is temporary. This proposal is to use existing natural drainage with no alterations at all within the management unit.

The storm drainage proposal subject to this exception, consequently, is compatible with other uses that may result in minor, temporary alterations.

5.) **There is a demonstrated need for the proposed use.**

As stated before, the subject drainage is and will continue to be a high density residential, commercial, and industrial area. Storm drainage facilities are needed in urban areas, especially in those on the coast that can receive over 80 inches of rain a year.

In addition to the overall rainfall amount, the coastal areas can experience intense rain storms, with an intensity of one inch an hour not uncommon. Even if the ground is vacant, the soil quickly becomes saturated, so water begins to run off. In urban areas, run-off that is not channeled can result in serious water damage to property and structures. Adequate storm drainage facilities, then, are needed in built up areas. This has also been identified as a needed public service under Goal 11.

6.) **A resource upon which the proposed use or activity is dependent can be reasonably obtained only at the proposed exception site, and the use or activity requires a location near the resource.**

The "resource" upon which the use is dependent is water run-off on the Management Unit 9-A area. No other location is reasonable.

7.) **The proposed use or activity has special features or qualities that necessitate its location on or near the exception site.**

As discussed previously, in order to provide a needed storm water drainage system in the South Beach area in the most timely, orderly, and efficient manner, the existing, natural drainage facilities must be used. This requires flow into a natural management unit.

Special Policies: Management Unit 9-A shall be managed to preserve natural amenities. Active restoration activities are limited to fish and wildlife habitat and water quality and estuarine enhancement. There are two exceptions:

- > The waste seawater outfall for the Oregon Coast Aquarium; and
- > The storm water run-off through a natural, existing drainage system.

Both of these uses are permitted in Management Unit 9. The Idaho Point Marina and the channel that serves it are existing uses within the natural management unit, and they may be maintained as allowed under the existing Corps of Engineers permit. Repair of existing structures and facilities would be considered maintenance, as well. Any new dredging in excess of what is currently allowed under the existing Corps of Engineers permit, or any new development or expansion of existing in-water structures and facilities could require a Goal 16 exception. A cobble/pebble dynamic revetment for shoreline stabilization may be authorized in Management Unit 9-A for protection of public facilities (such as the Hatfield Marine Science Center facilities).

**Management Unit 10-A<sup>12</sup>:**

> Description: Management Unit 10-A includes part of the Sally's Bend area between Coquille Point and McLean Point. The unit consists of a major tideflat which supports eelgrass, shellfish and algal beds, fish spawning and nursery areas, and wildlife habitat, all of major significance. Uses in the area are limited to shallow and medium draft navigation, recreational use, and some minor commercial harvest. A number of incidental alterations are present, including pilings, dredging, and ripped shorelines. (See map for location of resources and uses.)

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<sup>12</sup> Management Unit 10-A includes only that part of Management Unit 10 identified by the Yaquina Bay Task Force that is within the Newport UGB. The description and special policies set forth above differ from those for Management Unit 10 as a whole only because they apply to a smaller area. This subarea is classified, described, and planned for in a manner wholly consistent with the remainder of Management Unit 10.

> Classification: Natural. This unit has been classified as "natural" in order to preserve the natural resources of the unit.

- > Resource Capability: Management Unit 10-A is similar in character and resource values to Management Unit 9-A. Due to the importance and sensitive nature of the resources in this area, permitted alterations should be limited to those which result in only temporary disturbances. (Several submerged crossings have been located in this area.) More permanent alterations should be reviewed for consistency with the resource capabilities of the area.
- > Management Objective: Management Unit 10-A shall be managed to preserve and protect natural resources and values.
- > Special Policies: Active restoration activities necessary to preserve and protect the natural resources and values of the management unit are limited to fish and wildlife habitat and water quality and estuarine enhancement. A portion of Management Unit 10-A has been identified as a potential future development site. Development of this area within the "resource line" shown in the Lincoln County Estuary Plan shall require a clear demonstration of need, evaluation of alternative sites, consideration of long-term consequences, and a finding of compatibility with the adjacent uses in order to justify the needed plan amendment and Goal 16 exception.

#### Estuary Plan Coordination and Implementation

The Lincoln County Estuary Management Plan will be implemented within the Newport urban growth boundary. Lincoln County has primary responsibility for implementation in those parts of Yaquina Bay outside the city limits, while the City of Newport has primary responsibility for implementation within the city limits. The applicable portions of the Lincoln County Estuary Management Plan, adjusted as needed to produce equivalent results, are incorporated into the Newport Comprehensive Plan and Zoning Ordinance.

#### Review Procedures

Section 2-2-13 of the city's Zoning Ordinance defines, in terms of a permitted use matrix, the development, conservation, and natural management units and describes appropriate uses, activities, and structures. Any use, structure, or alteration in

any management unit must comply with procedures established in that section of the Zoning Ordinance.

#### State and Federal Agency Coordination

The Lincoln County Estuary Management Plan and the Newport Comprehensive Plan and Zoning Ordinance are designed to provide for the review of proposed uses and the application of performance standards in conjunction with the Division of State Lands waterway project permit review procedure (which in turn is integrated into the Corps of Engineers Section 10 and Section 404 review procedures).

Through this process, all state and federal resource agencies that participate in the review of waterway permits will be apprised of actions taken and findings made under the provisions of the management plan.

Similarly, each local government will be able to take advantage of the resource agencies' participation in this process for acquiring technical information and assessments relative to the review of waterway projects.

### **Yaquina Bay Shorelands:**

This section summarizes inventory information about the shorelands adjacent to Yaquina Bay. Identification of the shorelands boundary was based upon consideration of several characteristics of the bay and adjacent uplands. Resources shown on the Yaquina Bay Shorelands Map within the bay-related portion of the shorelands boundary include:

- > Areas subject to 100-year floods as identified on the Flood Insurance Rate Map (FIRM).
- > Significant natural areas, adjacent marsh, and riparian vegetation along the shore.
- > Points of public access to the water.
- > Areas especially suited for water-dependent uses.
- > Dredged material disposal sites (for a more detailed discussion of dredged material disposal sites, see the amended Yaquina Bay and River Dredged Material Disposal Plan<sup>13</sup>).

Several of the Goal 17 inventory topics for coastal shorelands do not appear in the legend for the Yaquina Bay Shorelands Map either because they do not occur (coastal headlands) or are not directly associated with it (geologic hazards). However, the report

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<sup>13</sup> Wilsey & Ham, Yaquina Bay and River Dredged Material Disposal Plan, 1977.

and mapping of hazards by RNKR Associates is included in the Newport Comprehensive Plan inventory.<sup>14</sup> The historic and archaeological resources of the Yaquina Bay Shoreland have been identified in the historical section of this document.

The Yaquina Bay Bridge is the major aesthetic landmark on Yaquina Bay. Views associated with the ocean have relegated the river scenes to secondary importance.<sup>15</sup> The Visual Resource Analysis of the Oregon Coastal Zone classified the whole of Yaquina Bay as an area with a "less obvious coastal association" than the ocean beaches or Yaquina Head.<sup>16</sup>

### Flooding

Areas of 100-year floods along Yaquina Bay (Zone A), as shown on the Flood Insurance Rate Map for the City of Newport (effective April 15, 1980), are included on the Yaquina Bay Shorelands Map. This line represents base flood elevation of 9 or 10 feet, depending upon the location.

The City of Newport has adopted flood plain management regulations that have been approved by the Federal Emergency Management Agency (FEMA). The regulations include provisions that meet the requirements of the National Flood Insurance Program.

### Significant Natural Areas

The Oregon Natural Heritage Program identified two significant natural areas on Yaquina Bay within the Newport UGB. These areas are mostly within the boundaries of Estuarine Management Units 9-A and 10-A. However, the shore adjacent to these management units also contains riparian vegetation and marshland.<sup>17</sup> These significant shoreland and wetland habitats and adjacent wetlands, including riparian vegetation, are shown on the Yaquina Bay Shorelands Map on page 272.

### Public Access Points

The Yaquina Bay Shorelands Map identifies points of public access to the water for

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<sup>14</sup> RNKR Associates, Environmental Hazard Inventory: Coastal Lincoln County, Oregon, 1978.

<sup>15</sup> Wilsey & Ham, Yaquina Bay Resource Inventory, 1977.

<sup>16</sup> Walker, Havens, and Erickson, Visual Resource Analysis of the Oregon Coastal Zone, 1979.

<sup>17</sup> Wilsey & Ham, Yaquina Bay Resource Inventory, 1977.

purposes of boating, clamming, fishing, or simply experiencing the bay environment. In addition to those points, there are several points identified in the Inventory of Coastal Beach Access Sites published by Benkendorf and Associates.<sup>18</sup> That document is hereby

included within this Plan by reference.

### Areas Especially Suited for Water-Dependent Uses

There are several shoreland areas in the Newport UGB that are especially suited for water-dependent uses (ESWD). The shoreland areas especially suited for water-dependent recreational uses within the Newport UGB are virtually all on the ocean as described in the Ocean Shorelands Inventory. Suitable sites for water-dependent commercial and industrial uses exist on both the north and south shores of Yaquina Bay. Some of the water-dependent commercial areas, such as the marina sites, also have a recreational aspect. The port development section of this element will discuss the ESWD sites in more detail.

The factors which contribute to special suitability for water-dependent uses on Yaquina Bay Shorelands are:

- > Deep water (22 feet or more) close to shore with supporting land transport facilities suitable for ship and barge facilities;
- > Potential for aquaculture;
- > Potential for recreational utilization of coastal water or riparian resources;
- > Absence of steep slopes or other topographic constraints to commercial and industrial uses next to the water;
- > Access or potential for access to port facilities or the channel from the shorelands unobstructed by streets, roads or other barriers.

The first three factors are stated in Goal 17. Protected areas subject to scour that would require little dredging for use as marinas do not exist in Newport. The last two factors are based upon analysis of the characteristics of Yaquina Bay and its shorelands.

There are three areas within the Yaquina Bay Shorelands that have been identified as ESWD based on the five factors listed above. The degree and nature of the suitability for water-dependent uses varies both within and among these areas; consequently, a

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18 Benkendorf and Associates, Inventory of Coastal Beach Access Sites, 1989.

flexible approach to evaluate proposed uses in these areas on a case-by-case basis will be necessary.

The ESWD areas are noted below with applicable factors from the above list in parentheses, beginning with the east end of the original plat of Newport and proceeding clockwise around the bay. (See the Yaquina Bay Shorelands Map on page 272 for locations.)

- 1.) The Port of Newport's commercial boat basin facilities and parking lot/storage area lie between the bayfront on the west and the Embarcadero Marina and parking area on the east. This area lies entirely to the south of Bay Boulevard (factors 3, 4 and 5).

This area is largely developed or committed to port facilities, including docks, port offices, and a parking area. This is the port area devoted to berthing commercial fishing boats. There is development potential for changes in the port's facilities to meet the changing needs of the commercial fishing industry. While the total number of vessels has declined, their size and diversity is increasing. Some vessels in the 70 to 100 foot class routinely fish as far away as the north Alaskan coast. Uses outside or on the fringes of the port area that do not conflict or interfere with commercial fishing needs could be acceptable and appropriate.

- 2.) The other area on the north side of the bay especially suited for water dependent uses is part of the McLean Point fill area, including Sunset Terminals and the LNG tank. Only that land with close proximity to the deep water channel is included. This area is entirely south of the western portion of Yaquina Bay Road (factors 1, 4 and 5).

This area has existing facilities and future development potential for a variety of water-borne transportation, shipping and storage activities in conjunction with fish processing, marine industry, and bulk shipping of limestone, logs, and lumber, liquefied natural gas, or other commodities. A variety of industrial uses would be desirable on the landward side of the terminal facilities.

- 3.) On the south side of the bay, the OSU Marine Science Center's dock facilities, the Ore-Aqua commercial salmon hatchery, and the land immediately adjacent to the South Beach Marina are especially suited for water-dependent uses (factors 2, 3, 4 and 5), and will also serve the needs of workers and visitors to the area.

This area is only partly developed. Additional water-related and nonwater-related developments associated with the existing South Beach Marina, the OSU Marine Science Center, and port development as identified in the port development plan are envisioned for the areas landward of this ESWD area. These facilities further

the public's enjoyment and understanding of the coastal environment, and resources are most desirable.

## Port Development Plan:

The City of Newport's Urban Renewal Agency and the Port of Newport contracted with CH2M HILL of Corvallis to prepare an update of the port development element of the city's Comprehensive Plan (already mentioned in this section).

The first part of the port development plan is an executive summary of the entire plan. That section is repeated here.

### Executive Summary

Industry Demands: The waterfront property bordering historic and scenic Yaquina Bay is used for a wide variety of activities. This diversity of uses contributes to the vibrancy of the Newport area. However, there is a tension between the various industries using the waterfront property as they compete for space to grow and expand their respective activities. The primary industries vying for use of bay front property are:

- Commercial shipping
- Commercial fishing
- Research and education
- Tourism

Commercial shipping provides the justification for continued federal participation in harbor and navigation channel maintenance activities. The channels not only provide access to the deep draft shipping lanes of the Pacific Ocean but also make Yaquina Bay a favored harbor for a large commercial fishing fleet, which in turn attracts many tourists to the bay front to observe off-loading and processing of the catch. Research and education activities support the commercial fishing industry and also attract visitors to the area. The combined presence of the Hatfield Marine Science Center and the deep draft navigation channel draws large ocean research vessels into the harbor for supplies, repairs, and to provide floating exhibitions open to the public. Thus, these major industries are all linked together.

Two hundred and fifty acres along the estuary are zoned for water-related or water-dependent use, and it is important to balance the needs of all to provide balanced growth in the local economy. The current needs of each of these industries are discussed below.

- > The commercial shipping industry requires additional staging areas and needs to reserve room for future expansion. Additions of a dedicated shipper or a second export commodity, such as wood chips or other forest products, is the type of activity that could generate the need for additional berths.



- > Commercial fishing activities are restricted by lack of moorage, service and work docks, and upland support area for storage and repair work. Competition between ports often leads to marketing support facilities at rates that do not meet debt service in the name of economic development and job creation. This is done to attract commercial fishing vessels to a port because of the financial impact one of these boats can make on the local economy. Each boat is, in essence, an independent business, and the boats are increasingly being operated in a business-like manner.
- > Research and education requirements are fairly straightforward: room for expansion and maintenance of the environmental parameters upon which they depend (e.g., water quality in the vicinity of seawater intake facilities).
- > The tourism industry relies on the continued presence of the fishing fleet and access to the variety of activities that may be enjoyed along the waterfront, in addition to room for expansion.

Potential Development of Bay Front Areas: Parking is in short supply. Retail merchants, tourists, and commercial fisherman alike put this shortage at the forefront of their needs. Access to the bayfront could be enhanced by a multi-level parking structure with a capacity for approximately 400 vehicles. This would not solve all parking shortages nor completely eliminate congestion; however, construction of such a facility would provide the opportunity to establish one-way traffic along the bay and restrict all but commercial and emergency vehicles from the lower reach of Bay Boulevard.

The lower bayfront offers the potential for cold storage facilities, ice making and selling facilities, receiving docks and buying stations, and transient moorage space. If the now vacant Snow Mist site is not used for these activities, then it may be appropriate to allow other short-term uses. This should be permitted only if the short-term use allows easy conversion to the proposed primary use upon demonstrated need and demand for such a facility.

The area from Port Dock 5 to the Embarcadero should be dedicated, primarily, to the needs of the commercial fishing industry. However, some current uses, such as long term storage for crab pots and cod pots, are not appropriate considering the limited amount of upland area along the waterfront. The potential for major redevelopment of this area has been identified. This would enhance public enjoyment of the waterfront in addition to expanding facilities for the commercial fishing fleet.

The project requires filling of public tidelands between Port Docks 3 and 5. This would provide space for a waterfront park area with a good view of the commercial fishing activities at Port Dock 5. Bay Boulevard could also be widened to provide additional street-side parking and one-way traffic lanes along this section. The remaining land would

be converted to more efficient gear staging and short term storage, parking dedicated to the commercial fishermen, and marine retail lease space. A boardwalk running from Port Dock 3 to the Embarcadero would also allow tourists visual access to the activities of the fleet while maintaining the physical separation necessary for public safety.

Other elements of the overall development of this area's potential include relocating the U.S. Army Corps of Engineers' breakwater to expand the commercial fishing moorages. Realignment of the Port docks would also be considered, along with replacing the original Port Dock 3 transient moorage facility.

The benefits of this major redevelopment project will be limited if more moorage and long term gear storage facilities are not developed elsewhere. The Fishermen's Investment Company site offers the necessary land for long term gear storage, service and work docks, permanent and transient moorage for boats up to 300 feet in length, and marine industrial lease facilities. Developing this facility would be strategic for the Port. Then, the Port Dock 7 fill area could be completely redeveloped for more appropriate uses.

The port's International Terminals facility has the capability for minor expansions of cargo staging areas, or possibly for the addition of facilities for barges or commercial fishing vessels. However, available land limits the potential for growth at this location.

McLean Point has the largest parcel of undeveloped property on the lower bay. This property is privately owned, and plans for development have not been announced. It would be well suited for a wide variety of uses such as:

- Boat haulout and marine fabrication
- Gear storage and staging
- Service and work docks
- Fish receiving, buying and processing facilities
- Moorage
- Commercial shipping terminals
- Surimi processing

This undeveloped parcel of land is critical to the overall development of the lower bay. If it is not developed, then the Port of Newport should consider buying or leasing the property with the intent to develop it to meet the needs of the shipping or fishing industries.

The South Beach peninsula serves as the home for many recreational boaters and for the research and education community. Potential developments that are attractive to the long term use of this area include moorages for research vessels, continued expansion of the Marine Science Center, and continued development at the Newport Marina at South Beach complex.

Idaho Point offers limited potential for development. Possibly a small boat haulout facility servicing the smaller commercial fishing boats could be developed. The shallow

channel to the area, its small land area suitable for development, and its isolation from other businesses and support facilities severely limit the potential for developing a major haulout facility.

Development Restrictions: Limited funding and environmental regulations will be the most likely restrictions to developing the identified projects. Projects that should be developed in the next five years are those without major environmental restraints or that are fairly small in scale. Other projects should be developed later, as market conditions dictate or as funds become available. Construction on the waterfront is not inexpensive, and foundation conditions along the north side of Yaquina Bay are complicated by a very dense Nye mudstone formation, locally called "hardpan."

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## **GOALS AND POLICIES** **YAQUINA BAY AND ESTUARY**

**Goal: To recognize and balance the unique economic, social, and environmental values of the Yaquina Bay Estuary.**

Policy 1: Balanced Use of Estuary. The City of Newport shall continue to ensure that the overall management of the

Yaquina Bay Estuary shall provide for the balanced development, conservation, and natural preservation of the Yaquina Bay Estuary as appropriate in various areas.

Policy 2: Cooperative Management. The city will cooperate with Lincoln County, the State of Oregon, and the Federal Government in the management of the Yaquina Bay Estuary.

Policy 3: Use Priorities. The general priorities (from highest to lowest) for management and use of Yaquina Bay Estuary resources as implemented through the management unit designation and permissible use requirements listed below shall be:

- a.) Uses which maintain the integrity of the estuarine ecosystem;
- b.) Water-dependent uses requiring estuarine location, as consistent with the overall Oregon Estuarine Classification;
- c.) Water-related uses which do not degrade or reduce the natural estuarine

resources and values;

- d.) Nondependent, nonrelated uses which do not alter, reduce, or degrade estuarine resources and values.

Policy 4: Riparian Vegetation. Riparian vegetation shall be protected along the Yaquina Bay shoreland where it exists. The only identified riparian vegetation within the UGB is that shoreland vegetation adjacent to Management Unit 9-A. This vegetation shall be protected by requiring a fifty (50) foot setback from the high water line for any development in the area. Adjacent public roads may be maintained as needed.

Policy 5: Dredged Material Disposal Sites. Dredged material disposal sites identified in the Yaquina Bay and River Dredged Material Disposal Plan, which are located within the Newport urban growth boundary, shall be protected. Development that would preclude the future use of these sites for dredged material disposal shall not be allowed unless a demonstration can be made that adequate alternative disposal sites are available.

Policy 6: Protection of Mitigation Sites. The city shall work with Lincoln County, the Port of Newport, and state and federal agencies to assure that potential mitigation or restoration sites are protected from new uses of activities that would prevent their ultimate use for mitigation or restoration. No potential mitigation sites have been identified or designated within Newport's urban growth boundary.

Policy 7: Bayfront Uses. The city shall encourage a mix of uses on the bayfront. Preference shall be given to water-dependent or water-related uses for properties adjacent the bay. Nonwater-dependent or related uses shall be encouraged to locate on upland properties.

Policy 8: Water-Dependent Zoning Districts. Areas especially suited for water-dependent development shall be protected for that development by the application of the W-1/"Water-Dependent" zoning district. Temporary uses that involve minimal capital investment and no permanent structures shall be allowed, and uses in conjunction with and incidental to water-dependent uses may be allowed.

Policy 9: Solutions To Erosion and Flooding. Nonstructural solutions to problems of erosion or flooding shall be preferred to structural solutions. Where flood and erosion control structures are shown to be necessary, they shall be designed to minimize adverse impacts on water currents, erosion, and accretion patterns. Additionally, or cobble/pebble dynamic revetments in MU 8 and 9-A to be allowed, the project must demonstrate a need to protect public facility uses, that land use management practices and nonstructural solutions are inadequate, and the proposal is consistent with the applicable management unit as required by Goal 16.

Policy 10: Impact Assessment. Actions in the estuary which--by their size, duration, or location relative to important natural resources--would potentially alter the estuarine ecosystem shall be preceded by a clear presentation of the impacts of the proposed alteration. Such activities include dredging, fill, in-water structures, riprap, log storage, application of pesticides and herbicides, water intake or withdrawal and effluent discharge, flow-lane disposal of dredged material, and other activities which could affect the estuary's physical processes or biological resources.

The impact assessment need not be lengthy or complex, but it should enable reviewers to gain a clear understanding of the impacts to be expected. It shall include information on:

- a.) The type and extent of alterations expected;
- b.) The type of resource(s) affected;
- c.) The expected extent of impacts of the proposed alteration on:
  - (1) Water quality and other physical characteristics of the estuary,
  - (2) Living resources,
  - (3) Recreation and aesthetic use, and
  - (4) Navigation and other existing and potential uses of the estuary; and
- d.) The methods which could be employed to avoid or minimize adverse impacts.

Policy 11: Dredge and Fill. Dredge and fill activity shall be allowed only:

- a.) If required for navigation or other water-dependent uses that require an estuarine location, or if specifically allowed by the applicable management unit;
- b.) If a need (i.e., a substantial public benefit) is demonstrated and the use or alteration does not unreasonably interfere with public trust rights;
- c.) If no feasible alternative upland locations exist;
- d.) If adverse impacts are minimized; and
- e.) If in intertidal or tidal marsh areas, the effects shall be mitigated by creation, restoration, or enhancement of another area to insure that the integrity of the estuarine ecosystem is maintained.

Policy 12: Alteration of the Estuary. Uses and activities other than dredge and fill activity which could alter the estuary shall be allowed only:

- a.) If the need (i.e., a substantial public benefit) is demonstrated and the use or alteration does not unreasonably interfere with public trust rights;
- b.) If no feasible alternative upland locations exist; and
- c.) If adverse impacts are minimized.

Policy 13: Resource Capability Determinations - Natural Management Units. Within Natural Management Units, a use or activity is consistent with the resource capabilities of the area when either the impacts of the use on estuarine species, habitats, biological productivity, and water quality are not significant or the resources of the area are able to assimilate the use and activity and their effects and continue to function in a manner to protect significant wildlife habitats, natural biological productivity, and values for scientific research and education. In this context, "protect" means to save or shield from loss, destruction, injury, or for future intended use.

Policy 14: Resource Capability Determinations - Conservation Management Units. Within Conservation Management Units, a use or activity is consistent with the resource capabilities of the area when either the impacts of the use on estuarine species, habitats, biologic productivity, and water quality are not significant or the resources of the area are able to assimilate the use and activity and their effects and continue to function in a manner which conserves long term renewable resources, natural biologic productivity, recreational and aesthetic values, and aquaculture. In this context, "conserve" means to manage in a manner which avoids wasteful or destructive uses and provides for future availability.

Policy 15: Temporary Alterations in Natural and Conservation Management Units. A temporary alteration is dredging, filling, or other estuarine alteration occurring over no more than three years which is needed to facilitate a use allowed by the Comprehensive Plan and the Permitted Use Matrices of the Zoning Ordinance. The provision for temporary alterations is intended to allow alterations to areas and resources that would otherwise be required to be preserved or conserved.

Temporary alterations include:

- > Alterations necessary for federally authorized navigation projects (e.g., access to dredged material disposal sites by barge or pipeline and staging areas or dredging for jetty maintenance);

- > Alterations to establish mitigation sites, alterations for bridge construction or repair, and for drilling or other exploratory operations; and
- > Minor structures (such as blinds) necessary for research and educational observation.

Temporary alterations require a resource capability determination to insure that:

- > The short-term damage to resources is consistent with resource capabilities of the area; and
- > The area and affected resources can be restored to their original condition.

Implementation Measure 1: All development within the Yaquina Bay Estuary shall be consistent with the management units contained in Newport's Comprehensive Plan and Zoning Ordinance.

Implementation Measure 2: The city shall continue to maintain the management unit classification system delineated in this plan and the Zoning Ordinance. The permitted use matrices contained in the Zoning Ordinance shall be maintained as is unless sufficient evidence can be presented to warrant change. Any change in the permitted uses matrices shall be considered an exception to Statewide Planning Goal 16 and shall be processed as such.

Implementation Measure 3: The Port of Newport and the city shall cooperate in the implementation of the Port Development Plan (dated July of 1989) or any other plan adopted by the port and consistent with the city's Comprehensive Plan.

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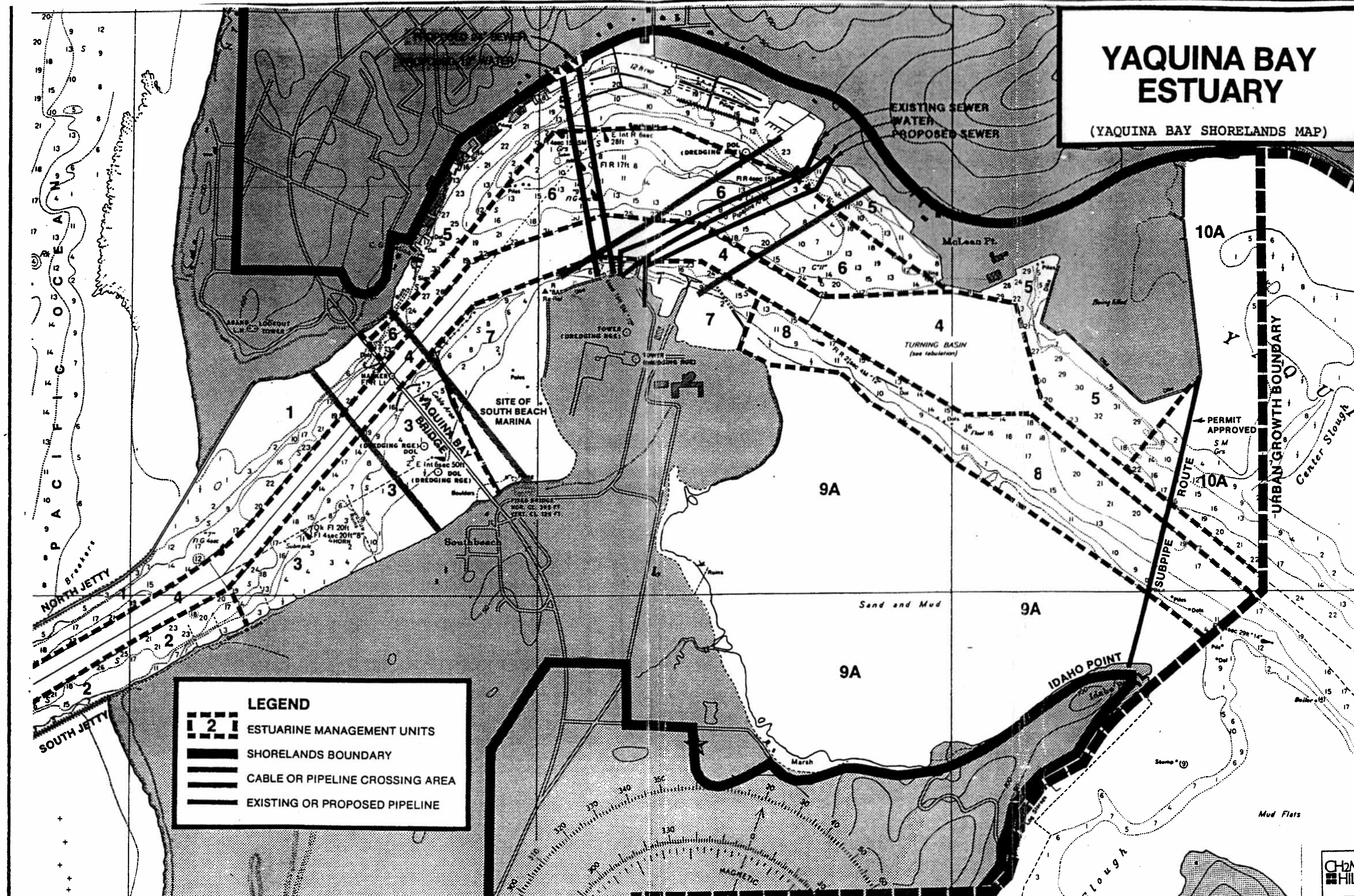
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# YAQUINA BAY ESTUARY

(YAQUINA BAY SHORELANDS MAP)

**LEGEND**

-  ESTUARINE MANAGEMENT UNITS
-  SHORELANDS BOUNDARY
-  CABLE OR PIPELINE CROSSING AREA
-  EXISTING OR PROPOSED PIPELINE



# **URBANIZATION\***

The Newport urban area includes lands within the city limits. It becomes necessary, however, to identify lands outside those limits that will become available for future growth. With that in mind, the City of Newport and Lincoln County have agreed upon a site specific boundary that limits city growth until the year 2031.

The urban growth boundary (UGB) delineates where annexations and the extension of city services will occur. Converting those county lands within the UGB requires coordination between the county, the property owners, and the city. This section provides the framework and the policies for those conversions and service extensions. The decision makers can also use this section as a guide for implementation of the urbanizing process.

The city and county made the policies of this section as part of a coordinated effort. Involved in the process were the governing bodies and planning commissions of both jurisdictions. The Citizen's Advisory Committee, concerned citizens, and other affected agencies also participated in the process.

## **Newport Urban Growth Areas:**

Land forms are the most important single determinant of the directions in which Newport can grow. Newport is bounded on the west by the Pacific Ocean and on the east by the foothills of the Coast Range. In addition, the city is divided by Yaquina Bay. The only suitable topography for utility service and lower cost urban development is along the narrow coastal plain. Some development has occurred in the surrounding foothills and along the Yaquina River and creek valleys, but this is generally rural development of low density without urban utilities. The following inventory describes areas evaluated as to their suitability to accommodate expected growth.

### **A. Agate Beach Area (North Newport/390 Acres):**

**Inventory.** This study area consists of both urbanized and undeveloped land (see map on page 283). Of the 390 acres available for residential development, 225 lie within the unincorporated area of the UGB, and 165 acres are within Newport's city limits. (The urbanized area contains approximately 60 acres.)

The urbanized area was platted in the 1930's, with growth occurring gradually since that time. The area is primarily residential and has a mixture of houses, mobile homes, trailers, and some limited commercial uses along U.S. Highway 101. The area was previously served by the Agate Beach Water System, which frequently failed to meet federal water quality standards and had inadequate line size and pressure to serve existing customers and projected growth. The City of Newport rebuilt the water system and installed a sewer system at the cost of approximately \$1.4 million.

The unincorporated portions of this study area have been included in Newport's UGB

to help meet anticipated need for residential land. The land is relatively level, water services and road access are immediately adjacent, and sewer is available. The area has been urbanized to a degree already and is suitable for continued residential development. Much of this area has been platted into 5,000 square foot lots, which are both suitable for mobile home placement and "buildable" as sewer is extended.

**Analysis.** Because most of this area has been previously platted into 50 x 100 foot lots, land costs can be expected to be lower than in newly platted areas of the city. Many mobile homes and trailers currently exist in this area, and smaller lots are appropriate for mobile homes.

**Finding.** This area is suitable for continued residential development and is designated residential. In addition, because of the smaller lot sizes and the existence of many mobile homes in the area, a mobile home overlay zone is desirable and compatible with existing uses. Areas of larger acreage on both the east and west side are suitable for high density residential use with the mobile home overlay so that new mobile home parks may be built in the area as outright uses, as well as allowing apartments. Existing commercial development along U.S. Highway 101 should be allowed to remain.

**B. Agate Beach Golf Course and Little Creek Drainage Area (North Newport/93 acres):**

**Inventory.** This area lies south and east of the golf course, west of the west line of Section 33, and east of Highway 101, all of which is within the city limits (see map on page 283). The area is generally undeveloped, and it slopes steeply toward Little Creek.

The area has been planned to be served by city water and sewer and a major new road. It is zoned for low and high density residential development.

**Analysis.** Because of the steep slopes, this is the type of area where a planned development is often appropriate. It borders a mobile home park to the south and is geographically well separated from other areas of conventional housing; therefore, mixed residential development can be considered for the property with little possible conflict.

**Finding.** Because of the topography, either low density residential development with a planned development overlay or high density residential development would be appropriate designations. However, the former would insure more open space in the long range.

**C. West Big Creek Drainage Area (North Newport/40 acres):**

**Inventory.** This area lies south of the Pacific Beach Club, east of U.S. Highway 101, and west of Lakewood Hills (see map on page 283). It has not yet been developed.

**Analysis.** Much of the area is in a flood plain. However, it has been studied for a planned development and is suitable for high density residential use.

**Finding.** High density residential will be the designation for this property. The land may be suitable for a planned unit development.

**D. East Big Creek Drainage Area (City Reservoir):**

**Inventory.** This area drains into the city reservoir, and the city owns the majority of the land (see map on page 283). There are several smaller private parcels with houses and livestock.

**Finding.** This area could eventually be used as a large city park or residential area once the reservoir is no longer used for the city water supply. During the planning period, this area should be protected from further residential development.

That land which is not needed for public park land shall be considered for return to the private sector for housing.

**E. Jeffries Creek Drainage Area (Northeast Newport/220 Acres):**

**Inventory.** This area is south of the city reservoir, north of Old Highway 20, east of Harney Street, and west of the eastern half of Section 4 (see map on page 283). This area contains the Terrace Heights, Virginia Additions, Kewanee Addition, and the Beaver State Land property. There is very little development in the area as yet. Fifty-five acres lie within Newport's city limits.

**Analysis.** Platted around the turn of the century, this area has long been planned for low density residential development. Little has occurred so far due to more accessible development closer to Newport. This is no longer the case, and this land is now needed for housing.

**Finding.** This area has steep slopes, no existing utilities as yet, and will be expensive to develop. However, much of the property will have ocean or bay view. The area is appropriate for low density development.

**F. Harbor Heights Area (Southeast Newport/267 Acres):**

**Inventory.** This study area lies east of Harbor Heights to the urban growth boundary and north of Bay Road to the urban growth boundary (see map on page 283). Of its 267 acres, approximately 44 are within Newport's city limits.

**Analysis.** This is an area where lot sizes might well be raised to a higher minimum to encourage the maintenance of the vegetation that helps stabilize the entire area. This would be a high cost housing area with very low density development.

**Finding.** The area is steep with some slide potential. Dotted with residential uses, the area commands a view of the bay and is in heavy demand. A low density residential designation is appropriate for this area.

### **G. Idaho Point Area (South Beach/120 Acres):**

**Inventory.** This area stretches from South Bay Street to the Idaho Point Marina and from S.E. 32nd Street south to the forest lands (see map on page 283).

**Analysis.** The existing water system is inadequate and is being replaced, along with city sewer. Some of the area is in demand for its bay view, and much of the land could be developed for medium to high cost housing. The topography varies from flat to steeply sloping, with most in the in between category; therefore, development costs will vary.

**Finding.** The topography in the area varies from flat to steeply sloping, with most of it moderately sloping. The existing water system is inadequate and sewer is not yet available. Some low density residential uses currently exist, and the area has been planned for a mix of low and high density residential.

### **H. South Beach (South of Newport/560 Acres):**

**Inventory.** The area extends from S.E. 32nd Street to the southern boundary of the Newport Municipal Airport and from the southerly extension of Bay Street to U.S. Highway 101 (see map on page 283).

**Analysis.** The area has long been planned for urban development and is currently coming along in that manner. Newport has planned for many years to encourage industrial development in South Beach.

**Finding.** It is the only area for which the city has planned industrial development that would allow non-water related or non-water dependent industrial development. The area will need city sewer and other city services.

### **I. Wolf Tree Destination Resort (South of Newport/1,000 Acres):**

**Inventory.** The city extended its urban growth boundary and the city limits to include about 1,000 acres for the Wolf Tree Destination Resort consistent with Goal 8 (see map on page 284). The area includes about 800 acres south of the Newport Municipal Airport, with another 200 acres lying east of the airport. The region has a special plan and zoning designation that limits the land for a destination resort.

**Analysis.** Currently undeveloped except for a few scattered residences, the area has been planned for a destination resort since 1987. The south area is presently in the city limits, but the easterly 200 acres is not. The Wolf Tree property was brought into the UGB and annexed to the city only after a Goal 8 Destination Resort analysis and a limitation on

the property to the development of a destination resort. Many state and federal agencies were involved in the process that brought this property into the UGB and the city limits.

**Finding.** The project complies with Goal 8/"Destination Resort." The property cannot be developed except as a destination resort consistent with state and city law.

**Finding.** The City of Newport has established its urban growth boundary as indicated on the city's Comprehensive Plan Map (available in the city's Planning Department office), in accordance with the following findings and as demonstrated in the inventory:

- > The projected population growth requirements of the City of Newport, as demonstrated in the inventory, cannot be met within the existing city limits.
- > In order to provide adequate housing opportunities and needed employment and to plan for a livable environment, there is a need for additional acreage beyond that currently available within the Newport city limits.
- > The City of Newport has planned for the urbanization of the UGB area based upon the city's long-range plan and capacity to extend needed facilities and service during the planning period.
- > In determining the most appropriate and efficient land uses and densities within the UGB, the City of Newport has considered current development pattern limitations posed by land forms, as well as the city's needs during the planning period.
- > In establishing its UGB, the City of Newport has considered and accounted for environmental, energy, economic, and social consequences as demonstrated in the inventory.
- > There are no agricultural lands adjacent to the Newport urban growth boundary.
- > What alternative locations within the area have been considered for the proposed needs.

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**GOALS/POLICIES/IMPLEMENTATION MEASURES**  
**URBANIZATION**

**Goal: To promote the orderly and efficient expansion of Newport's city limits.**

Policy 1: The City of Newport will coordinate with Lincoln County in meeting the requirements of urban growth to 2031.

Implementation Measure 1: The adopted urban growth boundary for Newport establishes the limits of urban growth to the year 2031.

- 1.) City annexation shall occur only within the officially adopted urban growth boundary.
- 2.) The official policy shall govern specific annexation decisions. The city, in turn, will provide an opportunity for the county, concerned citizens, and other affected agencies and persons to respond to pending requests for annexation.
- 3.) Establishment of an urban growth boundary does not imply that all included land will be annexed to the City of Newport.

Policy 2: The city will recognize county zoning and control of lands within the unincorporated portions of the UGB.

Implementation Measure 2: A change in the land use plan designations of urbanizable land from those shown on the Lincoln County Comprehensive Plan Map to those designations shown on the City of Newport Comprehensive Plan Map shall only occur upon annexation to the city.

- 1.) Urban development of land will be encouraged within the existing city limits. Annexations shall address the need for the land to be in the city.
- 2.) Urban facilities and services must be adequate in condition and capacity to accommodate the additional level of growth allowed in the city's plans. Those facilities must be available or can be provided to a site before or concurrent with any annexations or plan changes.

Policy 3: The city recognizes Lincoln County as having jurisdiction over land use decisions within the unincorporated areas of the UGB.

Implementation Measure 3: All such decisions shall conform to both county and city policies.

- 1.) Unincorporated areas within the UGB will become part of Newport; therefore, development of those areas influences the future growth of the city. Hence, the city has an interest in the type and placement of that growth. Lincoln County shall notify the city of any land use decision in the UGB lying outside the city limits. The county shall consider recommendations and conditions suggested by the city and may make them conditions of approval.
- 2.) The city shall respond within 14 calendar days to notifications by the county of a land use decision inside the adopted UGB. The county may assume the city has comments only if they are received inside of that 14 days.



Policy 4: The development of land in the urban area shall conform to the plans, policies, and ordinances of the City of Newport.

Implementation Measure 4a: The City of Newport may provide water and wastewater services outside the city limits consistent with the policies for the provision of such services as identified in the applicable Goals and Policies of the Public Facilities Element of the Comprehensive Plan.

Implementation Measure 4b: Amendments to UGB Boundaries or Policies. This subsection delineates the procedure for joint city and county review of amendments to the urban growth boundary or urbanization policies as the need arises.

1.) Major Amendments:

a.) Any UGB change that has widespread and significant influence beyond the immediate area. Examples include:

- (1) Quantitative changes that allow for substantial changes in the population or development density.
- (2) Qualitative changes in the land use, such as residential to commercial or industrial.
- (3) Changes that affect large areas or many different ownerships.

b.) A change in any urbanization policy.

2.) Minor Boundary Line Adjustments: The city and county may consider minor adjustments to the UGB using procedures similar to a zone change. Minor adjustments focus on specific, small properties not having significant impact beyond the immediate area.

3.) Determination of Major and Minor Amendments: The planning directors for the city and county shall determine whether or not a change is a minor or major amendment. If they cannot agree, the planning commissions for the city and county shall rule on the matter. The request shall be considered a major amendment if the planning commissions cannot agree.

4.) Initiation, Application, and Procedure: Individual or groups of property owners, agencies that are

affected, the planning commissions, or the city or county governing bodies may initiate amendments. Applicants for changes are responsible for completing the necessary application and preparing and

submitting the applicable findings with the application. The planning commissions for the city and county shall review the request and forward recommendations to the Newport City Council and the Lincoln County Board of Commissioners.

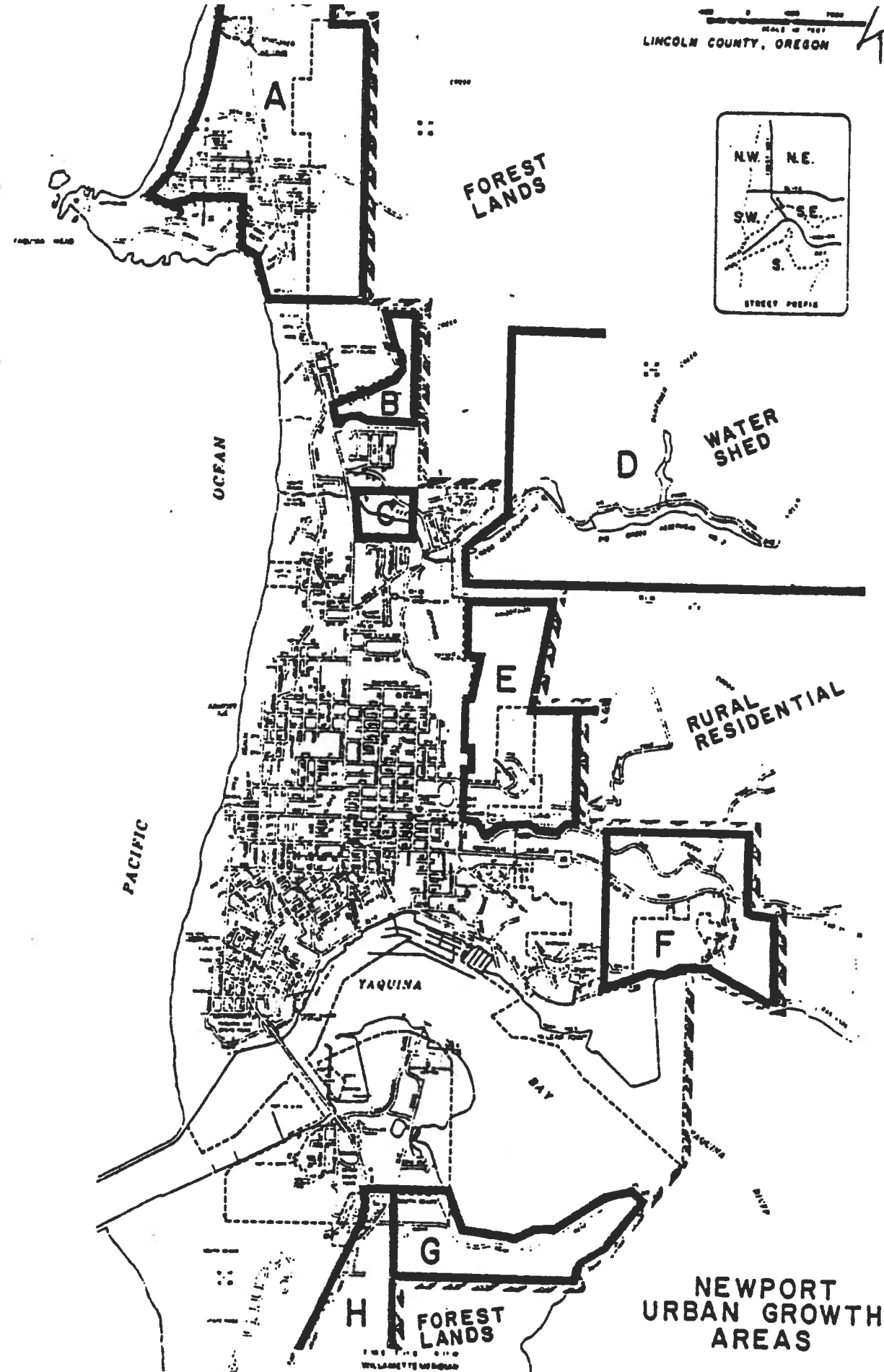
The city and county governing bodies shall hold public hearings on the request. Amendments become final only if both bodies approve the request.

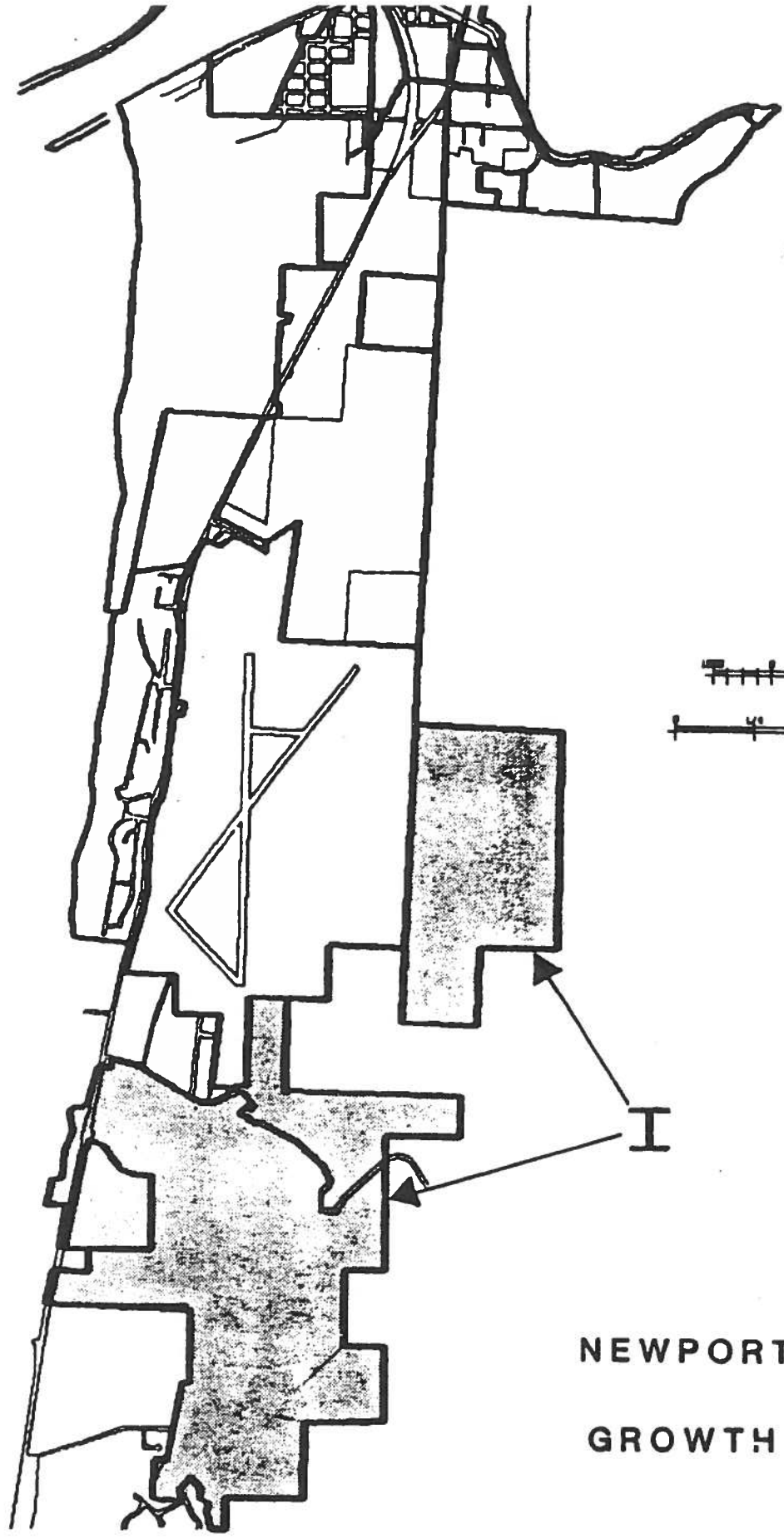
- 5.) Findings shall address the following:
  - a.) Land Need: Establishment and change of urban growth boundaries shall be based on the following:
    - 1.) Demonstrated need to accommodate long range urban population, consistent with a 20-year population forecast coordinated with affected local governments; and
    - 2.) Demonstrated need for housing, employment opportunities, livability or uses such as public facilities, streets and roads, schools, parks and open space, or any combination of the need categories in this subsection;
  - b.) 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.
  - c.) Compliance with applicable Statewide Planning Goals, unless an exception is taken to a particular goal requirement.
- 6.) Correction of Errors: Occasionally an error may occur. Errors such as cartographic mistakes, misprints, typographical errors, omissions, or duplications are technical in nature and not the result of new information or changing policies. If the Newport City Council and the

Lincoln County Board of Commissioners become aware of an error in the map or text of this adopted urbanization program, either body may cause an immediate amendment to correct the error. Both bodies must, however, agree that an error exists. Corrections shall be made by ordinance after a public hearing. The governing bodies may refer the matter to their respective planning commissions, but that is not required.

Policy 5: The city is responsible for public facilities planning within its urban growth boundary.

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**NEWPORT URBAN  
GROWTH AREAS**

## ADMINISTRATION OF THE PLAN

### **Introduction:**

Planning is a process. Because conditions change, the planning process should remain dynamic. Oregon's statewide planning program addresses this need in two ways: First, a post acknowledgement review process exists to assure that local amendments to a state acknowledged plan or implementing ordinance comply with the statewide planning goals; second, a periodic review program mandates the maintenance of local comprehensive plans. Cities must submit their plans every four to seven years to the state, who in turn reviews the plans for consistency and compliance with new rules and statutes.

In addition to state requirements, local jurisdictions should have a well defined review and amendment process. That process should attempt to strike a balance between changing circumstances and the need to provide certainty in the rules. This section presents such a process.

There are two types of comprehensive plan changes, text and map.

#### Text Amendments

Changes to the text of the plan shall be considered legislative acts and processed accordingly. These include conclusions, data, goals and policies, or any other portion of the plan that involves the written word.

#### Map Amendments<sup>1</sup>

There are three official maps within this plan. They are (1) the General Land Use Plan Map (commonly called the "Comp Plan Map"), (2) the Yaquina Bay Estuary and Shorelands Map (page 272), and (3) the Ocean Shorelands Map (page 50).

Three types of amendments are possible to each of these maps. The first involves wide areas of the map and many different properties, and these are considered major, legislative changes (see the urbanization section on page 273 for definitions). The second usually involves small areas and affects only a few pieces of property. These amendments are considered minor (again, see the urbanization section for definitions), and are quasi-judicial in nature. The third amendment is an amendment based on a demonstrated error in a map designation of a property or the establishment of

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<sup>1</sup> Map Amendments Section amended by Ordinance No. 1868 (February 17, 2004).

boundaries on one of the maps. Errors may include, but are not limited to cartographic mistakes, scrivener's errors in a description of a designation or boundary, incorrect map designations of property based on an erroneous assumption of property ownership, the need to reconcile conflicts between a comprehensive plan map designation and a zoning map designation of a property, or the need to adjust comprehensive plan designations or boundaries based on the correction of errors in the Urban Growth Boundary under the Newport Comprehensive Plan process for resolution of errors in the Urban Growth Boundary.

Major, minor, and error amendments to any of the three maps shall be processed consistent with the procedure established in 2-6-1/"Procedural Requirements" of the Zoning Ordinance (No. 1308, as amended). Major, minor, and error amendments to the maps shall be accompanied by findings addressing the following:

A. Major Amendments:

- 1.) A significant change in one or more goal or policy; and
- 2.) A demonstrated need for the change to accommodate unpredicted population trends, to satisfy urban housing needs, or to assure adequate employment opportunities; and
- 3.) The orderly and economic provision of key public facilities; and
- 4.) Environmental, energy, economic, and social consequences; and
- 5.) The compatibility of the proposed change with the community; and
- 6.) All applicable Statewide Planning Goals.

B. Minor Amendments:

- 1.) A change in one or more goal or policy; and
- 2.) A demonstrated need to accommodate unpredicted population trends, housing needs, employment needs or change in community attitudes; and
- 3.) The orderly and economic provision of key public facilities; and
- 4.) The ability to serve the subject property(s) with city services without an undue burden on the general population; and
- 5.) The compatibility of the proposed change with the



surrounding neighborhood and the community.

C. Error Amendments:

- 1.) An error was made in the establishment of a map designation or boundary; and,
- 2.) The correction of the error by the amendment of a map designation or boundary is necessary to resolve an issue created by the error.

**Initiation:**

A comprehensive plan text revision may be initiated by the Newport City Council, the Newport Planning Commission, the owner (or his/her authorized representative) of any property included in the urban growth boundary, or any resident. Changes proposed by a property owner or resident shall be initiated by the filing of an application for such change. The application shall be on a form prescribed by the City of Newport. Accompanying the application shall be a fee. The City Council shall from time to time set, by resolution, the fees for comprehensive plan changes.

All modifications initiated by a motion of the City Council or an application from a property owner or resident shall be forwarded to the Planning Commission for review and recommendation, who shall review the request and send a recommendation back to the City Council.

**Hearings and Notification:**

All changes shall be considered by the Planning Commission and City Council at public hearings. Notices and other procedural requirements shall be made in accordance with Section 2-6-1 of the Zoning Ordinance.

The City Council shall hear the matter at a regularly scheduled meeting. If the Council approves the request, they shall pass an ordinance reflecting the change. Denial may be made upon a motion duly seconded and passed by a majority of the Council voting.

**Findings of Fact:**

All requests for amendments to the data, text, inventories, graphics, conclusions, goals and policies, or implementation strategies shall be accompanied by findings that address the following:

- A. Data, Text, Inventories or Graphics:

1.) New or updated information.

B. Conclusions:

1.) A change or addition to the data, text, inventories, or graphics which significantly affects a conclusion that is drawn for that information.

C. Goals and Policies:

1.) A significant change in one or more conclusion; or

2.) A public need for the change; or

3.) A significant change in community attitudes or priorities; or

4.) A demonstrated conflict with another plan goal or policy that has a higher priority; or

5.) A change in a statute or statewide agency plan; and

6.) All the Statewide Planning Goals.

D. Implementation Strategies:

1.) A change in one or more goal or policy; or

2.) A new or better strategy that will result in better accomplishment of the goal or policy; or

3.) A demonstrated ineffectiveness of the existing implementation strategy; or

4.) A change in the statute or state agency plan; or

5.) A fiscal reason that prohibits implementation of the strategy.

**Interpretations:**

It may become necessary from time to time to interpret the meaning of a word or phrase or the boundaries of a map. Whenever such an interpretation involves the use of factual, policy, or legal discretion, a public hearing before the Planning Commission consistent with the procedural requirements contained in Section 2-6-1 of the Zoning Ordinance (No. 1308, as amended) shall be held.

A ruling for an interpretation shall be approved only if findings are presented that comply with the following:

- > The interpretation does not change any conclusion, goal, policy, or implementation strategy.
- > The interpretation is based on sound planning, engineering, or legal principles.
- > The interpretation is consistent with the Comprehensive Plan.

**Additional Map Information:**

The official maps shall be identified by the City Council and shall be on file with the City of Newport's Department of Community Planning and Development. A correct and up-to-date original of each map shall be maintained by the planning department. Regardless of the existence of copies of the official maps that may be made or published, the official maps shall be the final authority for determining boundaries for various districts and features.

In the event that an official map becomes damaged, destroyed, lost, difficult to interpret, or outdated, the City Council shall, by ordinance, adopt a new official map, which shall supersede the old one. Adoption of a new official map shall be a legislative matter and shall be processed as such.

Where uncertainty exists as to the boundaries of districts shown on the official maps, the following rules shall apply:

- A. Boundaries indicated as approximately following the center line of streets, highways, or alleys shall be construed to follow such center lines.
- B. Boundaries indicated as approximately following platted lot lines shall be construed as following such lot lines.
- C. Boundaries indicated as approximately following city limits shall be construed as following city limits.
- D. Boundaries indicated as following shore lines shall be construed to follow the mean higher high water line of such shore lines. In the event of change in the shore line, the boundary shall be construed as moving with the actual shore line.
- E. Boundaries indicated as approximately following the center lines of streams, rivers, canals, lakes, or other bodies of water shall be construed to follow such center lines.
- F. Areas below the mean higher high water line or the line of non-aquatic vegetation, whichever is most landward in the

estuarine area, shall be considered to be in the estuarine management unit rather than the adjacent shoreland zone.

- G. Boundaries indicated as parallel to or extensions of geographic features indicated in subsections 1 through 6, above, shall be so construed.
- H. Distances not specifically indicated on the official maps shall be determined by the scale of the map.

### **Citizen Involvement:**

It is important to involve a cross section of the citizens of Newport in the development and execution of this Comprehensive Plan and its implementing ordinances. For this purpose, a process must be established to assure that citizen involvement is effective. This section is designed to outline such a procedure for the City of Newport.

The City of Newport contains a wide variety of people with many different interests. When developing new plan policies and implementing laws, it is vital to consider the various view of the community or neighborhood that will be affected by the proposal.

Timing is crucial. Too often citizens do not become involved in the planning process until a specific project is proposed. By then it is frequently more difficult to have an affect on the outcome of the project. This is compounded by the legal requirements of quasi-judicial hearings. The complicated criterion and procedural mandates are not "user friendly" and add to the frustration of persons not familiar with the process. As a result, citizens may feel that the planning does not work and they are left with a bad experience.

For developers, the perception is similar. Public hearings place an element of uncertainty in their projects. Sometimes seemingly arbitrary decisions are made, discouraging investment and innovation. Once again, planning is seen as an impediment, a necessary and expensive paper hoop that must be jumped through.

How then can a citizen involvement program be effective? For Newport, with a strong tradition of community pride and awareness, the answer lies in citizen participation in the planning of the community rather than the administration of the plan and ordinances. That means the emphasis should be placed in citizen participation in the legislative, rather than the quasi-judicial, aspect of the planning process.

When the emphasis for citizen involvement is shifted from the quasi-judicial to the legislative, the adversarial nature of the program is reduced. It is no longer the neighborhood versus the

developer but a group of concerned citizens who want a well planned community. The accent is also changed from the strict, legal procedures to more informal fact finding. All voices are encouraged. People have the freedom to explore all the alternatives and consider them fully.

Once a neighborhood or community consensus can be built, ordinances can be formulated that offer clear direction for development. As long as a developer is willing to comply with the community goals, s/he can be assured that approval will be given. Innovation can be considered on a case-by-case basis and looked at in light of objective policy.

With this system, there is a unified approach to community development. This can save the general public and development community a great deal of time and money, not to mention frustration. Planning can then be a positive.

This is not to say that problems and conflicts will not arise. It would be foolish to assume that all community goals and policies will be without ambiguity and that all developers will voluntarily comply with those standards. But the point is to shift the priority away from the antagonistic view of planning and more to the cooperative.

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**GOALS/POLICIES/IMPLEMENTATION**  
**FOR CITIZEN INVOLVEMENT**

**Goal 1: To involve citizens in the development and implementation of the city's Comprehensive Plan and its implementing ordinances.**

Policy 1: The city shall develop methods of community outreach that encourage participation in the planning process.

Implementation Measure #1: The Planning Commission shall serve as the official citizens' advisory committee to the City Council. Whenever a major change (as determined by the Commission) to the Comprehensive Plan or an implementing ordinance is under consideration, three persons from the community at large shall be designated by the Planning Commission as a Citizens' Advisory Committee.

Implementation Measure #2: The city may promote or assist neighborhood organizations to assist in decision making. When appropriate, the Planning Commission and/or City Council may hold meetings in neighborhoods affected by the issues under consideration.

Implementation Measure #3: If an important issue needs study, then the Planning Commission or the City Council may call for the formation of an ad hoc committee. The committee shall be appointed by the Mayor and confirmed by the City Council. Effort shall be made to select persons from different sides of the issue.

Policy 2: The city will encourage the participation of citizens in the legislative rather the quasi-judicial stage of plan development and implementation.

Implementation Measure #1: The city will make reasonable attempts to contact and solicit input in the formulation of comprehensive plan elements and ordinance provisions. The city may use the neighborhood organizations to discuss specific proposals. The media will be used as much as possible to make citizens aware of city policy and actions.

Implementation Measure #2: The city will develop clear and objective standards by which to review development proposals. Those standards should be developed only after a concerted effort by the city to involve citizens in the formulation process.

Implementation Measure #3: The city will rely on its staff to administer the plan and ordinances if clear and objective standards can be developed. If, however, administration of a plan or implementing ordinance provision involves a legal, factual, or policy decision, the decision shall be made by the Planning Commission and/or the City Council after adequate public notice to interested or affected persons.

Implementation Measure #4: The Planning Commission shall serve as the official Committee for Citizen Involvement (CCI). On matters of neighborhood or city-wide significance, the Planning Commission shall make an effort to solicit the input of citizens.

**CITY OF NEWPORT  
RESOLUTION 3486**

**RESOLUTION SETTING FEES FOR LAND USE ACTIONS  
AND REPEAL THE PREVIOUS LAND USE FEE RESOLUTION**

**Findings:**

1. The City of Newport has established fees for land use actions to cover expenses incidental to the cost of reviewing such requests, including costs related to publishing notices for hearings, mailing notices to affected property owners/agencies, preparing and copying staff reports, and other responsibilities as required by state law and city ordinances.
2. Fees for land use actions were last updated in August of 2003 (Resolution No. 3319) and were not established for the purpose of recovering a specific percentage of the costs incurred by the city.
3. A Comprehensive Use Fee Study for the City of Newport, by FCS Group, dated September of 2009, considered the direct and indirect costs the City incurs in reviewing land use requests, including estimates for each permit type in today's dollars. The FCS Study found that the city is currently recovering about 15% of its direct costs through land use fees.
4. The FCS Study provides guidance for establishing a cost recovery policy, including weighing the public benefit versus private benefit when determining the level of full cost of services that should be recovered through fees. Considering this guidance, and the direct and indirect costs detailed in the FCS Study, it is appropriate to set a target of collecting 50% of the direct cost of administering land use actions through fees.
5. Given the length of time since the city last amended its fees, and the amount of increase needed to achieve 50% recovery of direct costs, it is appropriate to phase in fee adjustments over a four (4) year period, adjusted for inflation using the Bureau of Labor Statistics Consumer Price Index for Urban Consumers (CPI-U).
6. Once the fees increases are phased in, land use fees shall be adjusted annually effective January 1<sup>st</sup> of each year to account for changes in the CPI-U, and such adjustments are to be placed in a resolution on the consent calendar of the Newport City Council at a December meeting to allow for public awareness of the fee changes.
7. A cost recovery policy for land use fees was considered by the City of Newport Planning Commission at an October 12, 2009 public meeting, and the approach outlined herein is consistent with their recommendation. The Newport City Council considered the Commission's recommendation on December 7, 2009. Appropriate public notification was provided for both the Planning Commission and City Council meetings.

8. The prior land use fee ordinance (Resolution No. 3319), being no longer current, should be repealed. Those sections of Resolution No. 3319, which are still applicable, have been incorporated into this ordinance.

Based on these findings,

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

**Section 1. Land Use Fees.** Fees for land use actions shall be increased over a four (4) year period as reflected in Exhibit A, beginning on January 1, 2010.

**Section 2. Annual Fee Adjustments.** Once the fee increases in Exhibit A have been implemented, land use fees shall be adjusted annually on January 1<sup>st</sup> of each year. Fee adjustments are to be calculated by multiplying the fee as of November 2013 by a fraction, the numerator of which is the CPI Index Figure for the month of November proceeding the January in which the fee is to be adjusted and the denominator of which is to be the "Base CPI Index Figure." As used in this section, "Index" refers to the All Urban Consumers (CPI-U), U.S. City Average, CPI Index published by the Bureau of Labor Statistics of the United States Department of Labor. The Base CPI Figure will be the index figure for the month of November 2012.

**Section 3. Fees Relating to ORS 227.186 Notifications.** The applicant for a land use application requiring notification under ORS 227.186 (Measure 56 notification) shall pay, in addition to the land use application fee, the cost of preparing and mailing the notification. The city shall prepare an estimate of the cost and shall notify the applicant of the estimated cost. The estimated cost shall be paid within five (5) business days after notification of such determination or the application shall be subject to dismissal. In the event that actual costs exceed estimated costs, the applicant shall be billed the difference and payment of the difference is due within 30 days after notice is provided to the applicant. In the event that the amount of such estimated payment exceeds the actual cost of notification, the difference shall be refunded to the applicant.

**Section 4. Fees Relating to Appeal Transcripts.** For appeals of land use actions, the appellant shall pay the actual cost of preparing a verbatim written transcript up to \$500. If there is more than one appellant, each such appellant shall pay an appeal fee and the cost of preparing a written transcript. All of the appellants shall be jointly and severally liable for the cost and charges of such transcripts, and any or all appeals pending in any matters may be dismissed by the Newport City Council in the event of failure to make payment of the transcript fees. Upon filing an appeal, the city shall determine the estimated cost of such transcript, and the amount of such estimated cost shall be paid to the city within five (5) business days after notification of such determination, or the appeal shall be subject to dismissal. In the event that actual costs of preparing the transcript exceed the amount of the estimate, the appellant(s) shall be billed the difference and payment of the difference is due within 30 days after notice is provided. Failure of appellant(s) to make payment within 30 days will subject the appeal to dismissal. In the event that the amount of such estimated payment exceeds the actual cost of the transcript, the amount so paid shall be refunded, prorated, to those parties actually having paid



them. As provided by ORS 227.180, in lieu of a transcript prepared by the city and the fee thereof, parties to an appeal held on the record may prepare a transcript of relevant portions of the proceedings conducted at a lower level at the party's own expense. If an appellant prevails at a hearing or on appeal, the transcript fee shall be refunded.

Section 5. Fees Relating to Withdrawal of Annexations. Withdrawals are administered as annexations. In addition to the filing fee, the owner of each parcel of property to be so withdrawn shall, as a condition of such withdrawal action, and prior thereto, pay or make arrangements satisfactory to the city for the payment of any bonded indebtedness or any other charges attributable to such property which may become a debt, obligation, or liability of the City of Newport by reason of such withdrawal. Nothing herein contained shall be construed to prevent the Newport City Council from initiating and carrying out the withdrawal proceedings on its own motion and the assumption of such obligations pursuant to the applicable state law if the City Council determines that to do so is in the best interest of the city.

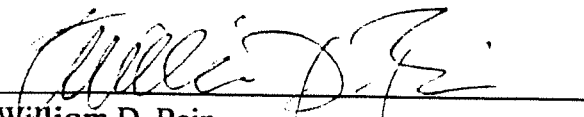
Section 6. Additions or Amendments to Land Use Fee Categories. In the event there is a need to make changes to the categories of fees charged for land use actions, the city may put such changes into effect by amending Exhibit A to this resolution. For new fees, the Base CPI Figure will be the index figure for the month of November proceeding the date the fee was adopted.

Section 7. Repeal of Prior Resolution. Resolution No. 3319 is repealed in its entirety.

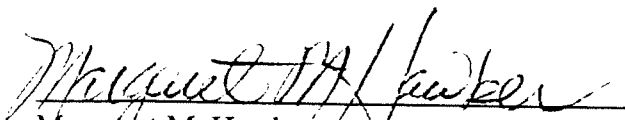
Section 8: Effective Date. The effective date of this resolution is January 1, 2010.

Adopted by a 7 – 0 vote of the Newport City Council on , 2009.

Approved by the Mayor on 12/22, 2009.

  
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William D. Bain  
Mayor

ATTEST:

  
\_\_\_\_\_  
Margaret M. Hawker  
City Recorder



Permit Type	Current Fee	Direct Unit Cost	50% of Direct Cost	50% Cost Adjusted	Fees Effective:		
					1/1/10	1/1/11	1/1/12
Annexation	\$700	\$1,126	\$563	\$638	\$700	\$700	\$700
Each additional parcel in separate ownership	\$20	\$77	\$39	\$44	\$26	\$32	\$38
Appeals*	\$150	\$515	\$258	\$292	\$185	\$221	\$256
Comprehensive Plan Amendment:							
Text	\$325	\$2,079	\$1,040	\$1,178	\$538	\$752	\$965
Map	\$325	\$2,079	\$1,040	\$1,178	\$538	\$752	\$965
Conditional Use Permit:							
Planning Commission	\$195	\$1,322	\$661	\$749	\$334	\$472	\$611
Staff	\$150	\$1,058	\$529	\$600	\$262	\$375	\$487
Estuarine Use Permit	\$0	\$1,018	\$509	\$577	\$144	\$288	\$433
Design Review - Nye Beach	\$0	\$1,064	\$532	\$603	\$151	\$301	\$452
Encroachment - right-of-way	\$100	\$822	\$411	\$466	\$191	\$283	\$374
Exception to Statewide Goal	\$325	\$0	\$325	\$368	\$336	\$347	\$358
Geologic Permit	\$65	\$355	\$178	\$201	\$99	\$133	\$167
Interpretation	\$150	\$730	\$365	\$414	\$216	\$282	\$348
Land Use Compatibility Signoff	\$0	\$94	\$47	\$53	\$13	\$27	\$40
Minor Partition	\$50	\$550	\$275	\$312	\$115	\$181	\$246
Nonconforming Use Permit	\$195	\$1,322	\$661	\$749	\$334	\$472	\$611
Partition	\$50	\$550	\$275	\$312	\$115	\$181	\$246
Planned Destination Resort:							
Conceptual Master Plan	\$325	\$2,306	\$1,153	\$1,307	\$570	\$816	\$1,061
per acre charge	\$2	\$83	\$42	\$47	\$13	\$25	\$36
Preliminary Development Plan	\$130	\$2,000	\$1,000	\$1,133	\$381	\$632	\$883
per charge per each lot	\$13	\$83	\$42	\$47	\$22	\$30	\$39
Final Development Plan	\$130	\$1,818	\$909	\$1,030	\$355	\$580	\$805
Planned Unit Development:							
Tentative Plan	\$260	\$2,000	\$1,000	\$1,133	\$478	\$697	\$915
charge per each unit	\$10	\$83	\$42	\$47	\$19	\$29	\$38
Final Plan	\$260	\$1,818	\$909	\$1,030	\$453	\$645	\$838
charge per each unit	\$10	\$83	\$42	\$47	\$19	\$29	\$38
Property Line Adjustment	\$50	\$528	\$264	\$299	\$112	\$175	\$237
Shoreland Impact Permit	\$0	\$877	\$439	\$497	\$124	\$248	\$373
Signs:							
One temporary/portable sign	\$25	\$119	\$60	\$67	\$36	\$46	\$57
each additional	\$10	\$0	\$10	\$11	\$10	\$10	\$10
Other signs	\$100	\$205	\$103	\$116	\$104	\$108	\$112

Permit Type	Current Fee	Direct Unit Cost	50% of Direct Cost	50% Cost Adjusted	Fees Effective:			
					1/1/10	1/1/11	1/1/12	1/1/13
<b>Subdivisions:</b>								
Tentative Plan	\$230	\$1,670	\$835	\$946	\$409	\$588	\$767	\$946
charge per each unit	\$10	\$83	\$42	\$47	\$19	\$29	\$38	\$47
Final Plat	\$230	\$728	\$364	\$413	\$276	\$321	\$367	\$413
charge per each unit	\$10	\$63	\$42	\$47	\$19	\$29	\$38	\$47
<b>Urban Growth Boundary Amendment</b>								
Vacations**	\$325	\$2,497	\$1,249	\$1,415	\$598	\$870	\$1,143	\$1,415
Variances/Adjustments:	\$500	\$1,335	\$668	\$757	\$564	\$628	\$692	\$757
Planning Commission	\$195	\$1,018	\$509	\$577	\$290	\$386	\$481	\$577
Staff	\$150	\$877	\$439	\$497	\$237	\$323	\$410	\$497
<b>Zoning Ordinance Amendments:</b>								
Text	\$325	\$2,079	\$1,040	\$1,178	\$538	\$752	\$965	\$1,178
Map	\$325	\$2,079	\$1,040	\$1,178	\$538	\$752	\$965	\$1,178
Other staff level permits requiring public notice	\$50	\$831	\$416	\$471	\$155	\$260	\$366	\$471

\* plus cost of producing a verbatim transcript.

\*\* plus appraisal cost and damages.

## APPENDIX B

### LIST OF AMENDING ORDINANCES NOTING SECTIONS AMENDED

**Ordinance No. 1621 (10-7-91)/Periodic Review Amendment:** Repeals Ordinance No. 1217.

**Ordinance No. 1633 (6-1-92)/Map Amendment:** Lots 1, 2, and 3, Block B, CASE & BAYLEY'S 2ND ADDITION (Tax Map 11-11-8BD, Tax Lot 800/517 S.W. Hurbert Street); changed from medium density multi-family residential (R-3) to retail and service commercial (C-1).

**Ordinance No. 1645 (9-21-92)/Map Amendment:** Tax Map 10-11-32AB, Tax Lot 4400 (3821 N.W. Ocean View Drive); changed from low density residential (R-1) to high density residential (R-4).

**Ordinance No. 1655 (12-21-92)/Map Amendment:** Lots 11 and 12, Block 146, AGATE BEACH NO. 2 (Tax Map 10-11-29BD, Tax Lot 2100; 115 N.E. 54th Street) changed from retail and service commercial (C-2) to low density residential (R-2).

**Ordinance No. 1660 (1-4-93)/Map Amendment:** Amends #1655; scrivener's error.

**Ordinance No. 1664 (3-15-93)/Map Amendment:** Blocks 45, 46, and 47 or BEACH PARK ADDITION; changed from low density residential to commercial (Wal-Mart).

**Ordinance No. 1665 (3-15-93)/Map Amendment:** Tax Map 11-11-30DD, Tax Lot 6100; changed from public to commercial; corrects error done at time of Wolf Tree.

**Ordinance No. 1649 (4-6-93)/Map Amendment:** Tax Map 11-11-4D, Tax Lots 1500 and 1502; changed from county to city's low density residential.

**Ordinance No. 1677 (7-6-93)/Text Amendment:** Adds Newport Peninsula Urban Design chapter to Section 4/"Socioeconomic Characteristics" (page 136b).

**Ordinance No. 1684 (9-20-93)/Map Amendment:** Tax Map 11-11-20, Tax Lots 201, 203, 206, 207, and portions of 200 and 202 **deleted** from urban growth boundary and Comprehensive Plan Map; back to the county.

**Ordinance No. 1686 (10-4-93)/Text Amendment:** Amends Parks and Recreation Section (Section 6/"Public, Cultural, and Educational Services") and adopts the Parks System Master Plan.

**Ordinance No. 1691 (11-15-93)/Text and Map Amendments:** Adds "Aggregate and Mineral Resources" chapter to Environment section.

**Ordinance No. 1700 (3-21-94)/Map Amendment:** Previously annexed Gates property (see #1-AX-90) on northeast corner of N.E. Avery and N.E. 73rd Streets (10-11-20--902) changed from county timber conservation to city industrial.

**Ordinance No. 1701 (3-21-94)/Text and Map Amendments:** Adds to Goal 5 overlay (Ordinance No. 1691) by addition of 10-11-20--900 and 902.

**Ordinance No. 1703 (4-18-94)/Text:** Amends pages 107-108 of Housing Section and adds Policy 9, reflecting changes brought about by House Bill 2835.

**Ordinance No. 1708 (7-5-94)/Text and Map Amendments:** Amends Ordinance No. 1701 (scrivener's error).

**Ordinance No. 1711 (11-9-94)/Map:** Amends Comprehensive Plan Map by addition of 10-11-20--900;

designated "Industrial"; was previously annexed by Ordinance No. 1587 on 9-16-91.

**Ordinance No. 1713 (10-17-94)/Map:** Subject properties annexed and designated as follows: Shoreland (W-2) – 11-11-9CA—2500 and 2600/Industrial (I-1) – 11-11-9CA—1400, 11-11-9D west half of Tax Lot 200/Low Density Residential – 11-11-9CA—100, 102, 103, 104, 105, 190, 191, 192, 300, 500, 700, 701, 800, 900, 1000, 1100, 1200, 1300, 1600, 1700, 2100, 3000, 3100, 3200, 3300, 3400, 3500 and 11-11-9D east half of 200, and 11-11-9DB—101, 1800, 2000, 2001, 2100, 2200, 2300, 2400, 2500, 2600, 2700, 2800, 2900, 3000, 3100, 3200, 3300, 3400, 3500, and 3600.

**Ordinance No. 1714 (10-17-94)/Map:** Tax Map 11-11-9B—1514 and 1516 annexed and designated Low Density Residential.

**Ordinance No. 1715 (10-17-94)/Map:** Tax Map 10-11-20—westerly 440 feet of Tax Lots 1401, 1402 and 1403 annexed and designated Low Density Residential.

**Ordinance No. 1716 (10-17-94)/Map:** Subject properties annexed and designated as follows: Low Density Residential – 10-11-29BC—2700, 2701, 2800 and 10-11-30AD—1101 and 1103/Public – 10-11-30—200, 300 and 10-11-29BC—2500, 2600, 2900, 3000 and 10-11-30AD—1200, 1400, 1500, 1600.

**Ordinance No. 1723 (4-3-9)/Map:** Amends Comprehensive Plan Map by changing 10-11-32DC--400, 600, 700, 900, and 1000 from low density residential (R-1) to commercial (R-2).

**Ordinance No. 1724 (6-19-95)/Map:** Lots 9 and 10, Block 15, OCEANVIEW (Tax Map 11-11-5CA, Tax Lot 2800); changed from commercial (C-3) to low density residential (R-2).

**Ordinance No. 1741 (2-5-96)/Map:** Involves Tax Lot 1900 of Tax Map 11-11-4CB and Tax Lot 1700 of Tax Map 11-11-4CC (3 parcels); first 100 feet on the west side (Parcels 1 and 2) changed from county to low density residential; rest (Parcel 3) changed from county to public (P-1).

**Ordinance No. 1742 (5-6-95)/Map:** Tax Lots 301 and 400 of Tax Map 11-11-8BA (151 N.W. 3rd Street) amended from commercial (C-1) to high density residential (R-4).

**Ordinance No. 1751 (8-22-96)/Map:** Involves west 40 acres of Tax Lot 200 of Tax Map 11-11-4; portion went from Low Density Residential to Public (new middle school).

**Ordinance No. 1753 (10-7-96)/Map:** Tax Lot 801 of Tax Map 11-11-17DC amended and designated Industrial (I-1).

**Ordinance No. 1755 (11-18-96)/Text:** Revises Economic Section of the Comprehensive Plan (Yaquina Bay Economic Foundation Study).

**Ordinance No. 1757 (12-16-96)/Map:** Tax Lot 1800 of Tax Map 11-11-17DB amended from Public (P-1) to Commercial (C-1).

**Ordinance No. 1765 (5-5-96)/Map:** Urban Growth Boundary amended and subject property annexed and designated Industrial (I-1).

**Ordinance No. 1767 (4-7-97)/Map:** Tax Lots 2400 and 2401 of Tax Map 11-11-8CA amended from Public (P-1) to Shorelands (W-2).

**Ordinance No. 1768 (4-7-97)/Map:** Tax Lot 1000 of Tax Map 11-11-8CA amended from High Density Residential (R-4) to Commercial (C-3).

**Ordinance No. 1771 (4-21-97)/Map:** Urban Growth Boundary amended and Tax Lot 200 of Tax Map 11-11-4 annexed and designated Low Density Residential (R-1).

**Ordinance No. 1772 (6-2-97)/Map:** Tax Lot 500 of Tax Map 11-11-9BA amended from Low Density Residential to High Density Residential.

**Ordinance No. 1774 (8-4-97)/Map:** Tax Lot 11100 and 12900 of Tax Map 11-11-5CC amended from High Density Residential (R-4) to Commercial (C-2).

**Ordinance No. 1792 (7-6-98)/Text:** Adds Section 13 "Neighborhood Plans" and adopts the Agate Beach Neighborhood Plan.

**Ordinance No. 1799 (4-19-99)/Map:** Tax Lot 801 of Tax Map 11-11-17DC amended and designated Industrial (I-1).

**Ordinance No. 1800 (9-21-98)/Map:** Tax Lot 5000 and 5001 of Tax Map 11-11-8BA amended from High Density Residential (R-4) to Public (P-1).

**Ordinance No. 1802 (1-4-99)/Text:** Repeals existing Roadway Transportation Facilities and the Transportation Goals and Policies and adds a Newport Transportation System Plan.

**Ordinance No. 1809 (5-17-99)/Map:** Urban Growth Boundary amended to add Tax Lot 200 of Tax Map 11-11-30AD and designate Low Density Residential.

**Ordinance No. 1810 (6-7-99)/Map:** Urban Growth Boundary amended to add Tax Lot 2700 and the easterly portion of 2501 of Tax Map 11-11-20 and Tax Lot 1600 of Tax Map 11-11-21 and designated Public (P-1).

**Ordinance No. 1811 (7-6-99)/Text:** Adding the Bay Front Plan to Section 13.

**Ordinance No. 1814 (8-16-99)/Map:** Amends Ord. 1810/Corrects legal description.

**Ordinance No. 1837 (8-6-01)/Map:** Tax Lot 9700 of Tax Map 11-11-8CB amended from Low Density Residential (R-2) to High Density Residential (R-4).

**Ordinance No. 1840 (10-1-01)/Text:** Amends the Bay Front Plan (Section 13/"Neighborhood Plans").

**Ordinance No. 1842 (2-5-02)/Map:** Changes zoning designations of a portion of Tax Lots 500 and 12800 of Assessor's Map 11-11-8-AC from a combination of Shoreland and Low Density Residential to High Density Residential and Low Density Residential.

**Ordinance No. 1858 (9-2-03)/Text & Map:** Adopts South Beach State Park Master Plan.

**Ordinance No. 1868 (2-17-04)/Text:** Adds procedure for correction of errors on comprehensive plan map.

**Ordinance No. 1869 (3-2-04)/Map:** Corrects map to establish zone designation for an unzoned property (Assessor's Map 11-11-17, Tax Lot 1400) to Commercial (C-1/"Retail and Service Commercial").

**Ordinance No. 1870 (3-1-04)/Text & Map:** Adopts the revised Economic Section, expands the UGB, and adopts map designations for property included within the expanded UGB (Assessor's Map 10-11-17, Tax Lots 1300 & 1305; Assessor's Map 10-11-20, Tax Lots 200, 300, 301, 400, 500 & 501).

**Ordinance No. 1876 (7-19-04)/Map:** Amends Ord. No. 1870/Corrects illustrations included as Exhibits C & E.

**Ordinance No. 1878 (10-18-04)/Text:** Amends Aggregate and Mineral Resources Section.

**Ordinance No. 1883 (3-21-05)/Text:** Amends Noise Section.

**Ordinance No. 1891 (6-5-06)/Text:** Revises Economic Section, Appendix C, and Bibliography.

**Ordinance No. 1894 (11-15-06)/Map:** Amends the existing Comprehensive Plan Ocean Shorelands Map by removing the “Park and Outstanding Natural Resource Boundary” designation on the Ocean Shorelands Map from the subject property currently identified as Lincoln County Assessor’s Map 11-11-17-DB, Tax Lot 1800.

**Ordinance No. 1895 (12-6-06)/Map:** Corrects map to establish the designation of “Public” (rather than Commercial) for 5.7 acres of property used in conjunction with South Beach State Park (Assessor’s Map 11-11-18-D—100).

**Ordinance No. 1897 (12-6-06)/Map:** Amends the zone designation to establish a “Commercial” designation on that portion of Assessor’s Map 11-11-8-CA Tax Lot 16300 that became part of Tax Lot 800 as a result of a property line adjustment; and establish a “Residential” designation for the west half of SW Alder Street that became part of Assessor’s Map 11-11-8-CA Tax Lots 16300 and 17000 as a result of a street vacation.

**Ordinance No. 1899 (12/4/06)/Map & Text:** Adopts the 2006 revised South Beach Neighborhood Plan (SBNP) generated by the Newport Employment Lands & Conceptual Land Use Planning Project.

**Ordinance No. 1905 (1-16-07)/Text:** Adds the following amendments to the Yaquina Bay and Estuary Section: 1) an additional policy under the “Special Policies” section for Management Unit 8; 2) an additional policy under the “Special Policies” section for Management Unit 9-A; and additional language to the end of Policy 9 of the Yaquina Bay and Estuary Section.

**Ordinance No. 1907 (4/4/07)/Map:** Amends the zone designation to establish a “Commercial” designation for property described as Lots 1-4 of Block 48, Case & Bayley’s Second Addition to Newport (also currently identified as 810 SW Alder Street and as Lincoln County Assessor’s Map 11-11-08-BD Tax Lots 10400, 10500, and 10600).

**Ordinance No. 1909 (4/2/07)/Map:** Establishes a “High Density Residential” designation for property consisting of Lots 7, 8, 9, and 10 of Block 34, AGATE BEACH (currently identified as Lincoln County Assessor’s Map 10-11-29-BD Tax Lots 13200, 13400, and 13500) fronting on NW Agate Way, NW Gilbert Way, and NW Circle Way except for a 2-foot portion of property to be left as a “Commercial” designation along both: 1) the entire frontage of the subject property along both NW Agate Way and NW Circle Way, and 2) the northeasterly property line (that being the common property line between the subject property and Lots 6 and 11 of Block 34, AGATE BEACH).

**Ordinance No. 1933 (9/4/07)/Text:** Amends Policies of the Public Facilities and Urbanization Sections.

**Ordinance No. 1942 (1/7/08)/Map:** Changes designation of Tax Lots 600, 601 & 90000 (Supp. Map No. 1) of Lincoln County Assessor’s Map 11-11-08-CC) (1012 & 1022 SW 8<sup>th</sup> St. & pkg. lot on SW 8<sup>th</sup> St.) from low density residential to commercial.

**Ordinance No. 1963 (8/18/08)/Text:** Amends the Newport Transportation System Plan summary (currently beginning on page 152a) to adopt changes to the Newport Transportation System Plan.

**Ordinance No. 1968 (12/1/08)/Map:** Changes designations of Tax Lots 100 & 101 of Lincoln County Assessor’s Map 11-11-20 (Parcels 1 & 2 of Partition Plat 2007-39) and a portion of Tax Lot 700 of Map 11-11-21 by increasing the “Low Density Residential” designation from 33.7 acres to 47.0 acres, decreasing the “High Density Residential” designation from 16.9 acres to 9.8 acres, decreasing the “Commercial” designation from 9.2 acres to 4.9 acres, and decreasing the “Public” designation from 26.2 acres to 24.3 acres.

**Ordinance No. 1969 (12/15/08)/Map:** Changes designation of an approximately 1.5 acre portion of property that is currently designated as “High Density Residential” in the southeast corner of a 1.5 acre property



(currently identified as Tax Lot 100 of Lincoln County Assessor's Map 11-11-20-AB) to "Industrial" designation.

**Ordinance No. 1978 (4/20/09)/Text:** Amends the Public Facilities Section and adopts the 2008 Water System Master Plan.

**Resolution No. 3486 (1/1/10)/Text:** Amends Appendix "A", which sets fees for land use actions and repeals the previous land use fee resolution.

**Resolution No. 3488 (1/1/10)/Text:** Amends Appendix "A-1", which amends the System Development Charge Rates.

**Ordinance No. 1994 (1/6/10)/Map:** Changes designation of Tax Lot 3100 of Lincoln County Assessor's Map 10-11-29-CD from a split designation of "Low Density Residential" and "High Density Residential" to entirely "High Density Residential".

**Ordinance No. 1995 (1/6/10)/Text:** Amends Yaquina Bay and Estuary Provisions of the Comprehensive Plan by amending the Special Policies Subsection of Management Unit No. 4.

**Ordinance No. 2015 (7/21/11)/Text:** Replaces in their entirety the Population Growth and Characteristics section and the Housing section; adds Appendix "D" (Final Report: Newport Housing Needs Analysis, 2011 to 2031).

**Ordinance No. 2017 (8/17/11)/Text:** Amends the Shoreland Hazards section of the Natural Features chapter and amends Goal 1, Policy 3 of the Natural Features chapter.

**Ordinance No. 2042 (11/1/12)/Text:** Repeals the Economic section of the Socioeconomic Characteristics chapter and replaces it with a new Economy section. Also repeals Appendix C entitled "Employment Lands and Conceptual Land Use Planning Project: Economic Planning" and replaces it with Appendix C entitled "Commercial and Industrial Buildable Lands Inventory and Economic Opportunity Analysis".

**Ordinance No. 2045 (12/5/12)/Text:** Repeals and replaces the Transportation System Plan element of Chapter 5 "Public Facilities".

**Ordinance No. 2049 (3/21/13)/Text:** Repeals and replaces the Goals and Policies section of the Public Facilities element and repeals and replaces the Urbanization element.

**Ordinance No. 2056 (9/5/13)/Text:** Replaces in its entirety the Port Facilities element of the Public Facilities Section and adds the Port of Newport subsection to the Goals and Policies section of the Public Facilities element.

**Ordinance No. 2066 (7/17/14)/Text:** Replaces in its entirety the Library Services section of the Public, Cultural, and Educational Services element.

**Ordinance No. 2076 (3/20/15)/Text:** Amends the Goals, Policies, and Implementation Measures of the Housing element to include Policy 9 and Implementation Measures. Also amends Appendix D to include the document titled, "Newport Student Housing – Expansion of the Hatfield Marine Science Center in Newport," prepared by ECONorthwest, dated November 2014.

**Ordinance No. 2093 (5/19/16)/Text:** Amends the Goals & Policies section of the Public Facilities element to put in place policies to provide guidance for when and how LIDs are to be used to fund public facilities (added Policies 6 & 7 under General).

**Final**

**Commercial and Industrial  
Buildable Lands Inventory and  
Economic Opportunities  
Analysis**

**Prepared for Newport**

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

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Page \_\_\_\_\_ CITY OF NEWPORT  
COMPREHENSIVE PLAN:  
APPENDIX 'C'

July 2012



## **Disclaimer**

ECONorthwest completed this report on behalf of the City of Newport. This report is an economic opportunities analysis (EOA), which the City will use as a factual basis as part of the City's Comprehensive Plan update.

Throughout the report we identify the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECONorthwest has made every effort to check the reasonableness of the data and assumptions, and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO acknowledges that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.



# Acknowledgements

Numerous people contributed to the completion of this project. We would like to acknowledge the hard work of the project Technical Advisory Committee, State of Oregon Staff, and consultants.

This project was partially funded by a Department of Land Conservation and Development Technical Assistance Grant and in-kind contributions of participating jurisdictions.

## Technical Advisory Committee (TAC)

The Technical Advisory Committee (TAC) provided technical input in the economic opportunities analysis. The TAC included the following people:

**Caroline Bauman**, Economic Development Alliance of Lincoln County  
**George Boehlert**, Hatfield Marine Science Center  
**Chris Chandler**, Central Lincoln PUD  
**John Clark**, Whaler Motel  
**Lorna Davis**, Greater Newport Chamber of Commerce  
**Will Emery**, Industrial Property Owner  
**Guy Faust**, Oregon Coast Community College, Small Business Development Center  
**Mike Larimer**, Samaritan Pacific Communities Hospital  
**John Lavrakas**, Advanced Research Corporation  
**Mark McConnel**, Newport Mayor  
**Don Mann**, Port of Newport  
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**Bonnie Serkin**, Industrial Property Owner  
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# Executive Summary

This report presents an economic opportunities analysis consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as “an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends” and states that “a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located.”

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within the Newport Urban Growth Boundary (UGB) between 2012 and 2032, (2) evaluate the existing employment land supply within the Newport UGB to determine if it is adequate to meet that need, and (3) to fulfill state planning requirements for a twenty-year supply of employment land. This project included preparation of an economic development strategy which is presented in a separate document.

## **How much buildable employment land does Newport currently have?**

Table S-1 shows commercial, industrial, shoreland, and public land with development capacity (lands classified vacant, partially vacant, or destination resort) by constraint status. The results show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that make the land unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

**Table S-1. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012**

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
<b>Commercial</b>					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
<b>Subtotal</b>	<b>113</b>	<b>113</b>	<b>2</b>	<b>49</b>	<b>62</b>
<b>Industrial</b>					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
<b>Subtotal</b>	<b>78</b>	<b>479</b>	<b>9</b>	<b>270</b>	<b>199</b>
<b>Shoreland</b>					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
<b>Subtotal</b>	<b>10</b>	<b>131</b>	<b>71</b>	<b>18</b>	<b>42</b>
<b>Public</b>					
Vacant	20	206	0	102	104
<b>Subtotal</b>	<b>20</b>	<b>206</b>	<b>0</b>	<b>102</b>	<b>104</b>
<b>TOTAL</b>	<b>221</b>	<b>928</b>	<b>81</b>	<b>439</b>	<b>408</b>

Source: City of Newport GIS data; analysis by ECONorthwest

## How much growth is Newport planning for?

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the 2012-2032 planning period. Table S-2 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032.

Table S-2 shows Newport's employment base in 2012, with about 10,060 employees, and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

**Table S-2. Forecast of employment growth in by building type, Newport UGB, 2012–2032**

Land Use Type	2012		2032		Change 2012 to 2033
	Employment	% of Total	Employment	% of Total	
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
<b>Total</b>	<b>10,060</b>	<b>100%</b>	<b>12,276</b>	<b>100%</b>	<b>2,216</b>

Source: ECONorthwest

Note: Green shading denotes an assumption by ECONorthwest

## Can some employment growth be accommodated on underutilized land?

Some new employment can be accommodated on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. The analysis estimates in Table S-3 assume that some employment will locate on underutilized lands, including: (1) employment that can locate in existing built space (e.g., through filling vacancies or through making more efficient use of existing office space) and (2) employment can be accommodated on land with unused capacity, through infill development or redevelopment of an existing structure.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

**Table S-3. New employment locating on underutilized land or vacant land, Newport, 2032**

Land Use Type	New Employment	Employment on Underutilized Land		Emp. on Vacant Land
		Existing Built Space	Land with Additional Capacity	
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
<b>Total</b>	<b>2,216</b>	<b>211</b>	<b>199</b>	<b>1,805</b>

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

## How much land will be required for employment?

The forecast of growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land and 63 gross acres of commercial land.

## Does Newport have enough land to accommodate employment growth?

Table S-4 compares the supply of suitable employment land with the demand for employment land:

- **Industrial.** Newport has a supply of nearly 200 acres of suitable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the**

**20-year period, with a surplus of 113 gross acres of industrial land.**

- **Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City’s zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

**Table S-4. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032**

<b>Land Use Type</b>	<b>Land Supply (Gross Acres)</b>	<b>Land Demand (Gross Acres)</b>	<b>Land Surplus (Deficit)</b>
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

While Newport has an overall surplus of commercial and industrial land, some issues exist with the city’s land supply. Specifically, Newport has a limited number of larger (5+ acre) commercial sites.

## **What types of business does Newport want to attract?**

To identify target industries and economic development strategies, the City appointed a Technical Advisory Committee (TAC) to guide staff and the City’s consultant. The following industries are targeted for employment growth in Newport based, in part, on the Community’s aspirations for economic development, as articulated in the vision. In addition, the TAC considered Newport’s competitive and comparative advantages that make it attractive to specific industries. The industries that fit with the Community’s aspirations for growth and identified as having growth potential in Newport are:

- **Marine and ocean observing research and education.** The relocation of the NOAA fleet to Newport creates a significant opportunity to expand this cluster. Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. Key economic development opportunities in the ocean-observing industry cluster include: (1) operations and maintenance of marine research vessels, (2) development of facilities to support marine research operations and maintenance, (3) Development of

facilities and programs to support marine education, (4) Instrument design, manufacturing, deployment, sales, and service, and (5) expanded marine research.

- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port completing renovation of the International Terminal of the Port.
- **Fishing and seafood processing.** Newport is one of Oregon’s largest commercial fishing port, accounting for about one-third of the State’s commercial fishing activity.
- **Tourism.** Tourism plays an important role in Newport’s economy. In 2010, about 36% of Newport’s employment was in sectors most related to tourism: accommodation and food service, arts and recreation, and retail trade.

## **What are the implications of the key economic development issues in Newport?**

Following are several key issues identified in the economic opportunities analysis:

- **Identify and manage opportunity sites for the target industries.** The community’s aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

Businesses in all of these clusters compete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in

the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright – which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

A core element of the economic development strategy is to establish an urban renewal district (URD) to facilitate redevelopment north of Yaquina Bay.

The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 2-2 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway 101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

The Economic Development Strategy includes an action to evaluate creating an urban renewal district north of Yaquina Bay. The purpose of the District is to address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, to spur new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing

funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

The Strategy also includes actions for maintaining and improving infrastructure to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.





This report presents an Economic Opportunities Analysis (EOA) for the City of Newport consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as “an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends” and states that “a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located.”

## BACKGROUND

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The City of Newport is updating the Economy chapter of the City’s Comprehensive Plan. This update includes two related parts: (1) determining whether Newport has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Newport. These documents: (1) are informed by recent data, (2) consider the viewpoints of various stakeholder groups in the community, (3) express an economic development vision for Newport, and (4) clearly articulate the city’s role in implementing the strategy.

The impetus for this project is the economic activity and opportunities created by the relocation of the National Oceanic and Atmospheric Administration’s (NOAA) Pacific Marine Operations Center. The Center, dedicated in August 2011, increased marine research related employment in Newport from 300 to 500 jobs.

The relocation of the Pacific Marine Operations Center creates an opportunity to position Newport as a world-class marine research hub. The National Science Foundation’s (NSF) Global Ocean Observatory Initiative will pour millions of dollars into marine research in the coming decades. Newport is ideally positioned to attract substantial funding from NSF and other organizations.

Newport’s ability to capitalize on NOAA and NSF is not guaranteed. Newport needs to better understand the needs of marine research and develop strategies that will make Newport attractive to researchers in the field. Development of this strategy is on-going: a local nonprofit organization – the Yaquina Bay Ocean Observing Initiative (YBOOI) – initiated an effort to develop a vision for marine related research. Moreover, the Greater Newport Chamber of Commerce is engaging the

broader business community in discussions about Newport's opportunities. Finally, the Port of Newport will begin updating its strategic plan in 2012.

The City last evaluated economic development opportunities in 2005 as part of the South Beach Neighborhood Plan. That process, however, was not community wide, and relied on 2003 data. Considerable changes in the economies of Newport and Oregon have occurred since 2003.

This report presents the results of the economic opportunities analysis (EOA). The purpose of the EOA is to identify economic opportunities (and challenges), inventory buildable lands, and determine whether Newport has a sufficient supply of buildable lands designated for employment to accommodate growth forecast for the 2012 to 2032 period.

A separate document, presents the second product of this project: the Newport Economic Development Strategy. The Strategy articulates Newport's vision and goals for economic development and actions to implement the community's aspirations.

## **FRAMEWORK FOR ECONOMIC DEVELOPMENT PLANNING IN OREGON**

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The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in January 2007.<sup>1</sup> The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to 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; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate

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<sup>1</sup> The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at <http://www.oregon.gov/LCD/econdev.shtml>.

the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020).* Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025).* Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

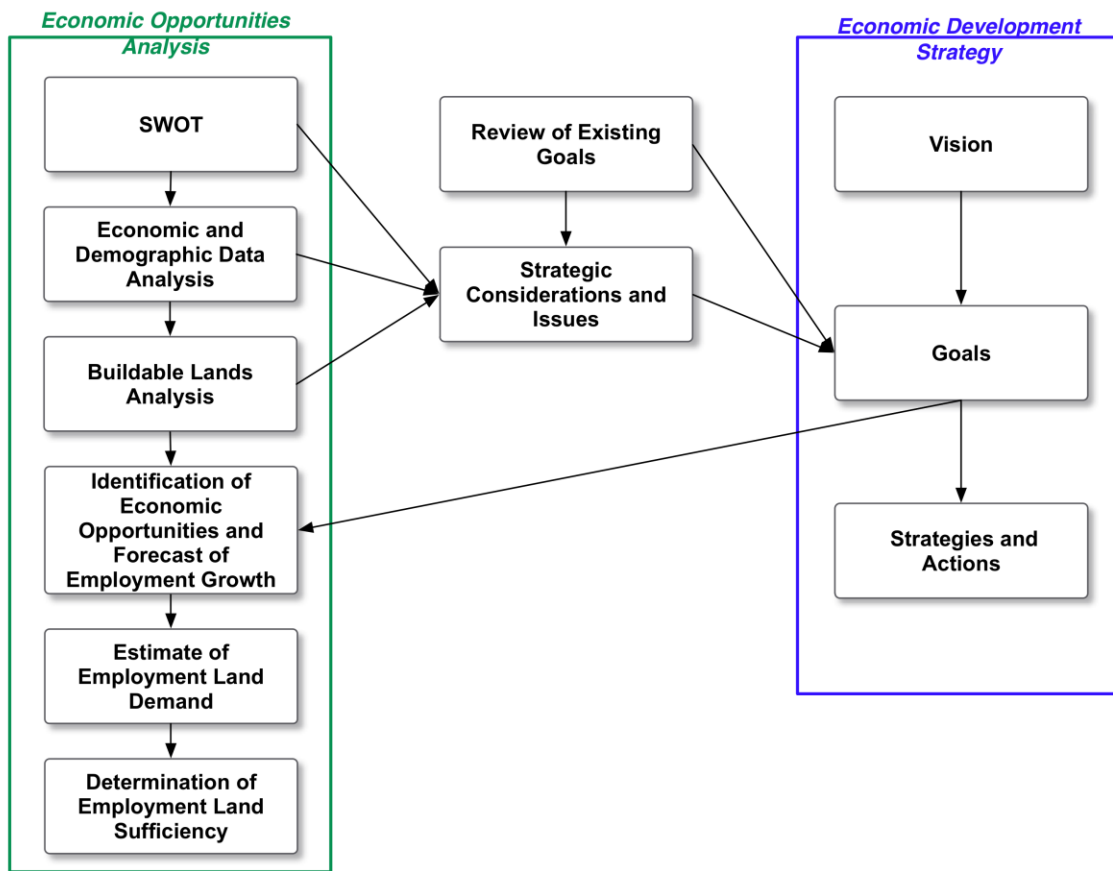
This report is an Economic Opportunities Analysis, the first key element required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. It also includes an inventory of buildable commercial and industrial land in Newport.

This project included developing an EOA and a strategy for economic development. Figure 1-1 shows the relationship between the EOA and the economic development strategy for Newport. The purpose of each product is:

- **Economic Opportunities Analysis.** The EOA is intended to determine whether Newport has enough employment land. The EOA requires inventorying existing employment lands and identifying economic opportunities, an analysis that is guided by Goal 9.

- **Economic Development Strategy and Action Plan.** This document articulates a community economic development vision and includes specific actions for how to achieve that vision. The economic development vision and goals are intended to: (1) provide direction about economic development policy for the City, especially policy relating to land use and (2) coordinate economic development efforts among the organizations in Newport that work on economic development issues.

**Figure 1-1. Newport process for economic development analysis**



Source: ECONorthwest

## ORGANIZATION OF THIS REPORT

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The remainder of this report is organized as follows:

- **Chapter 2, Land Available for Industrial and Other Employment Uses** presents a regional inventory of industrial and other employment lands.
- **Chapter 3, Land Demand and Site Needs in Newport** presents the employment forecast for Newport and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Newport.
- **Chapter 4, Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.

This report also includes four appendices:

- **Appendix A, Review of National, State, Regional, County, and Local Trends** describes national, state, and local economic trends that will influence the regional economy. Appendix A presents detailed information about economic trends that may affect Newport, which is summarized in Chapter 3.
- **Appendix B, Economic Development Vision, Objectives, and Implementation Strategies** presents the City's policy approach to economic development.
- **Appendix C, Employment Forecast and Site Needs for Industrial and other Employment Uses** presents the forecast for employment growth in Newport and the characteristics of sites likely to be needed by employers in the future
- **Appendix D, Buildable Lands Inventory Methodology** describes the approach and definitions used to develop the inventory of buildable land.



# Land Available for Industrial and Other Employment Uses

## Chapter 2

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Newport UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the City of Newport. The results are based on analysis of GIS data by ECONorthwest and review by City staff. The remainder of this chapter summarizes key findings of the draft buildable lands inventory. This chapter includes tabular summaries and narrative descriptions. The results also include several series of maps that are available from the City's Community Development Department. The methods used to conduct the inventory are summarized in Appendix D of this report.

## LAND BASE

Table 2-1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

**Table 2-1. Acres in Newport UGB and City Limit, 2012**

Area	Tax Lots	Total Acres	Acres in Tax Lots
City Limits	7,066	7,151	8,060
Urban Growth Area	602	1,028	3,808
<b>Total</b>	<b>7,668</b>	<b>8,179</b>	<b>11,868</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
Note: Table includes all areas within the UGB, including non-residential areas  
Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 2-1 summarizes all land in the Newport UGB. The next step was to identify the employment land base (e.g., lands with plan designations that allow employment). The land base includes traditional employment



designations – Commercial, Industrial, and Shoreland) – as well as public lands (including the Newport Airport which is presented as a separate category). Most lands in the Public plan designation are considered committed, however, a review of lands designated Public with City Staff identified some lands with development capacity.

Table 2-2 shows that about 3,424 acres within the Newport UGB is included in the employment land base (including lands in Airport and Public designations). Thus, about 42% of land within the Newport UGB is included in the employment land base. The land base includes all land in tax lots that have any portion that is in an employment or public plan designation.

**Table 2-2. Lands designated for employment uses, Newport UGB, 2012**

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Employment Land	
Tax Lots in Employment Designations (Comm/Ind/Shoreland)	1,919
Acres in Land Base in Employment Designations	1,570
Newport Airport Land	
Tax Lots in Airport	3
Acres in Airport	541
Newport Public Land	
Tax Lots in Public	207
Acres in Public	1,326

Source: City of Newport GIS data; analysis by ECONorthwest

The third step in the inventory was to classify lands into mutually-exclusive categories that relate to their development status. The categories include:

- Vacant land
- Partially vacant land
- Undevelopable land
- Developed land
- Public land
- Semi-public land
- Destination resort land

See Appendix D for detailed definitions of these categories. ECO used the rules described in Appendix D to perform a preliminary classification. The next step was to show the results in map form overlaid on a 2009 aerial photo to validate the classifications. After validating the classifications, City staff reviewed and commented on the draft maps.

Table 2-3 shows all employment land in the Newport UGB by classification and plan designation. The results show that of the 3,437 acres in the UGB, about 2,639 acres are in classifications with no development capacity, and the remaining 915 acres have development capacity.

Analysis by plan designation shows that about 11% (404 acres) of the employment land in the Newport UGB is designated Commercial, 17% (573 acres) is designated Industrial, and 29% (594 acres) are in Shoreland. A total of 1,867 acres (nearly 50%) are in Public plan designations (note that the Airport is in the Public plan designation). The majority of land in the Public plan designation is committed, but a few sites owned by the city and port were considered available for development during the planning period. These lands are both in the Public plan designation and public ownership. These lands were classified as Vacant (approximately 206 acres).

**Table 2-3. Employment acres by classification and plan designation, Newport UGB, 2012**

Classification	Plan Designation											
	Commercial		Industrial		Shoreland		Airport		Public		Total	
	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
Developed	907	263	102	82	549	62	2	537	44	250	1,604	1,194
Semi-Public	21	9	5	12	4	61	0	0	12	4	42	87
Public	47	12	1	0	37	317	1	4	116	859	202	1,192
Unbuildable	32	7	1	0	12	22	0	0	15	7	60	37
Vacant	107	55	71	441	6	1	0	0	20	206	204	703
Partially Vacant	4	7	7	38	4	130	0	0	0	0	15	174
Destination Resort	2	51	0	0	0	0	0	0	0	0	2	51
<b>Total</b>	<b>1,120</b>	<b>404</b>	<b>187</b>	<b>573</b>	<b>612</b>	<b>594</b>	<b>3</b>	<b>541</b>	<b>207</b>	<b>1,326</b>	<b>2,129</b>	<b>3,437</b>
<b>Total</b>	<b>53%</b>	<b>12%</b>	<b>9%</b>	<b>17%</b>	<b>29%</b>	<b>17%</b>	<b>0%</b>	<b>16%</b>	<b>10%</b>	<b>39%</b>	<b>100%</b>	<b>100%</b>

Source: City of Newport data; analysis by ECONorthwest

Note: Areas in shown as Airport are in the Public plan designation. They are shown separately here because of economic activities at the airport.

Table 2-4 shows employment acres by classification and constraint status for the Newport UGB in 2012. Analysis by constraint status (the table columns) shows that about 1,674 acres are classified as built or committed (e.g., unavailable for development), 1,355 acres were classified as constrained, and 408 were classified as vacant and suitable for employment uses.

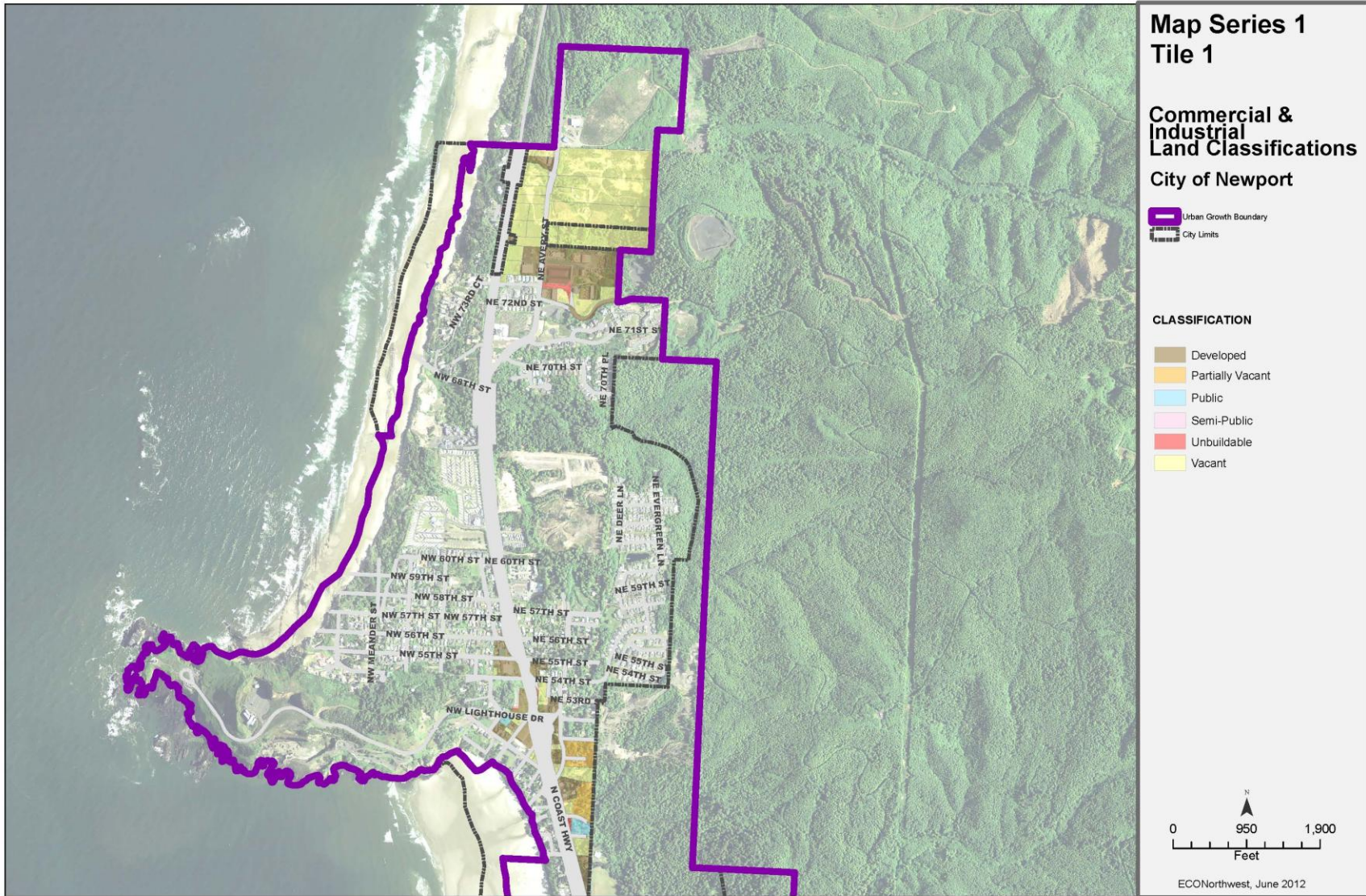
**Table 2-4. Employment acres by classification, Newport UGB, 2012**

Classification	Tax Lots	Total Ac	Land not suitable for new Employment		Land suitable for Employment
			Developed Ac	Constrained Ac	Suitable Ac
<b>Land with no development capacity</b>					
Developed	1,604	1,194	814	381	0
Semi-Public	42	87	74	12	0
Public	202	1,192	679	513	0
Unbuildable	60	37	26	11	0
<b>Subtotal</b>	<b>1,908</b>	<b>2,509</b>	<b>1,592</b>	<b>917</b>	<b>0</b>
<b>Land with development capacity</b>					
Vacant	204	703	0	372	331
Partially Vacant	15	174	81	40	53
Destination Resort	2	51	0	27	24
<b>Subtotal</b>	<b>221</b>	<b>928</b>	<b>81</b>	<b>439</b>	<b>408</b>
<b>Total</b>	<b>2,129</b>	<b>3,437</b>	<b>1,674</b>	<b>1,355</b>	<b>408</b>

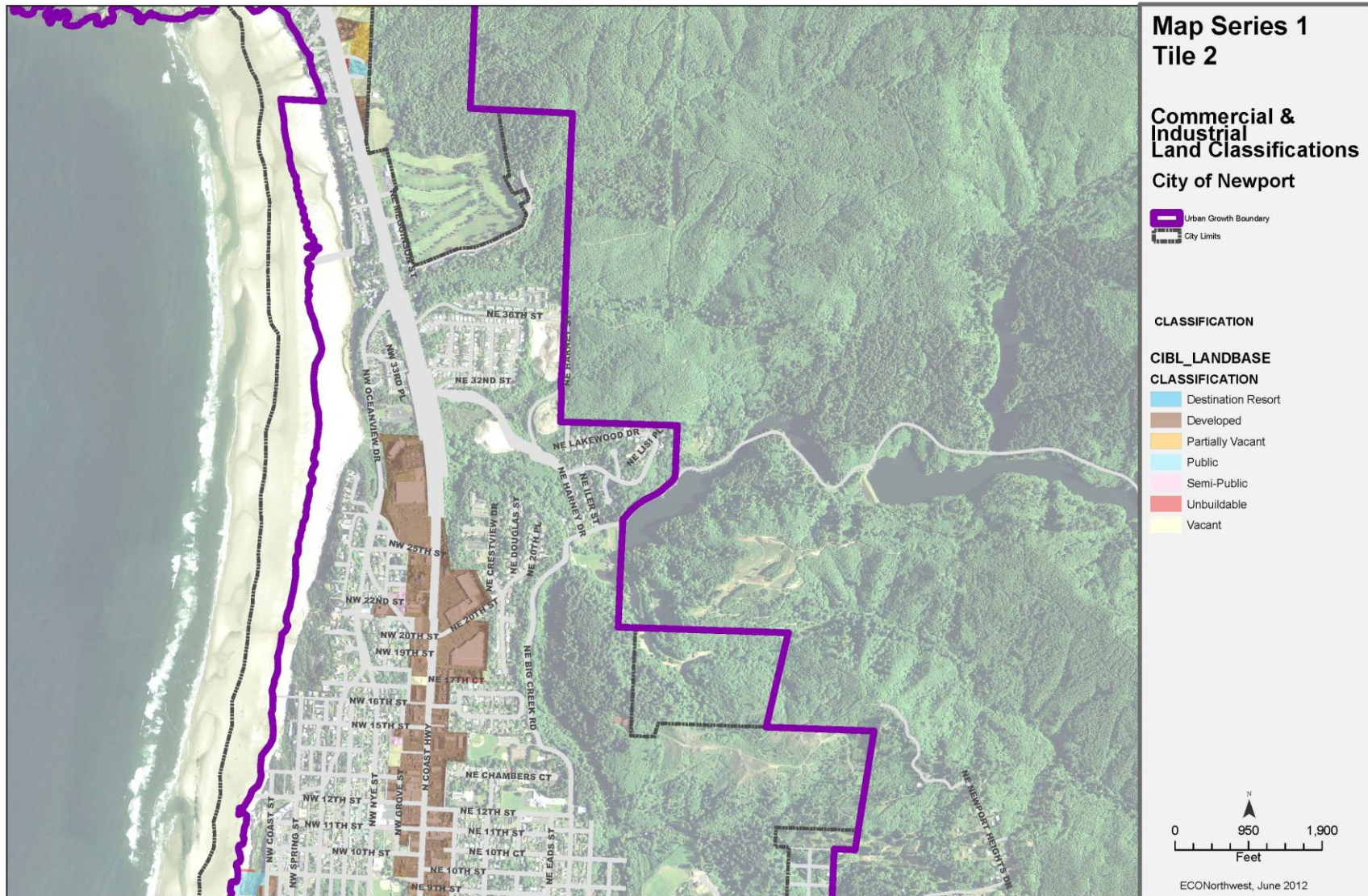
Source: City of Newport data; analysis by ECONorthwest

Maps 2-1 through 2-6 show commercial and industrial land in Newport by development status. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

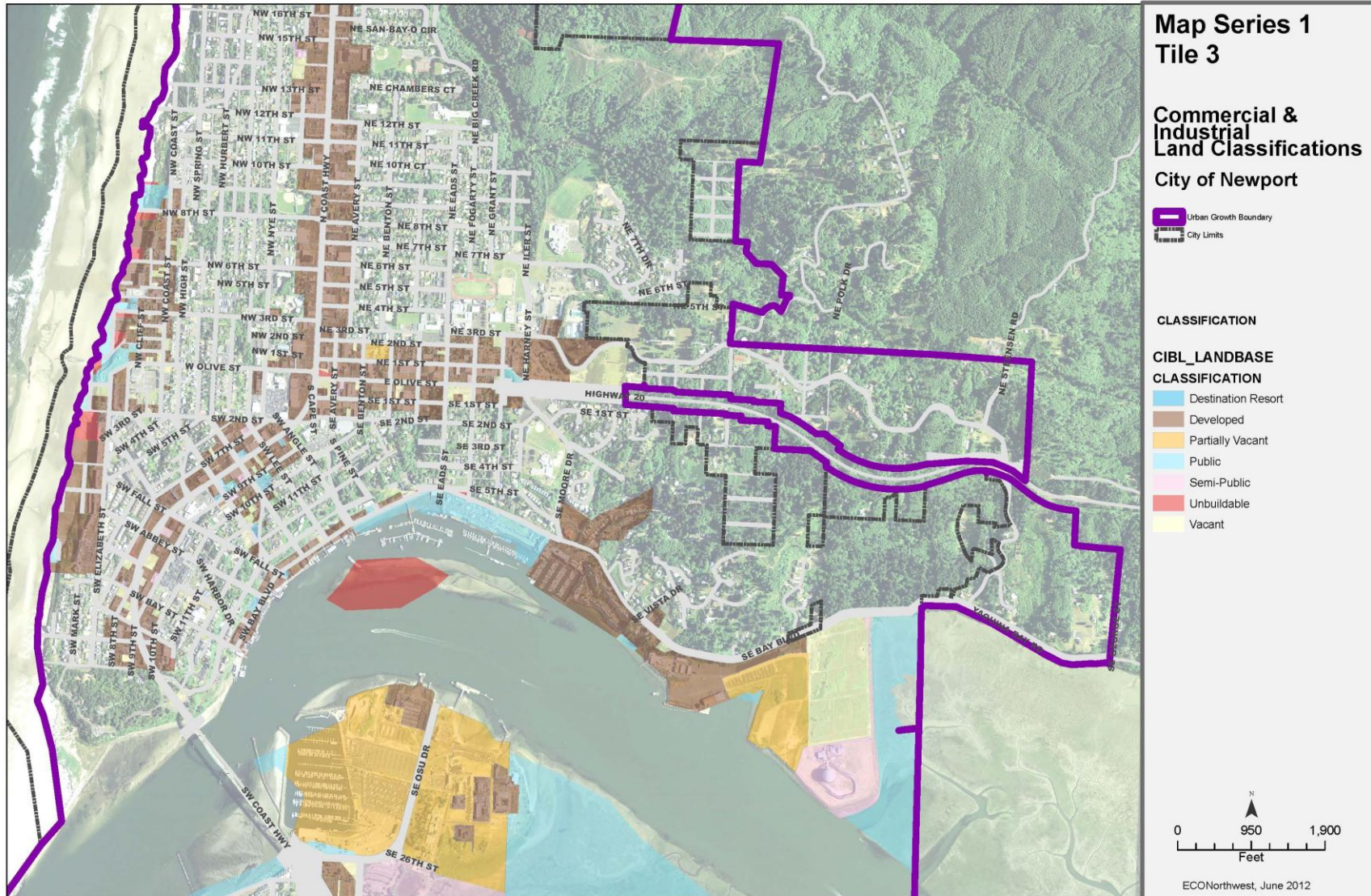
Map 2-1. Employment land by classification, Tile 1, Newport UGB, 2012



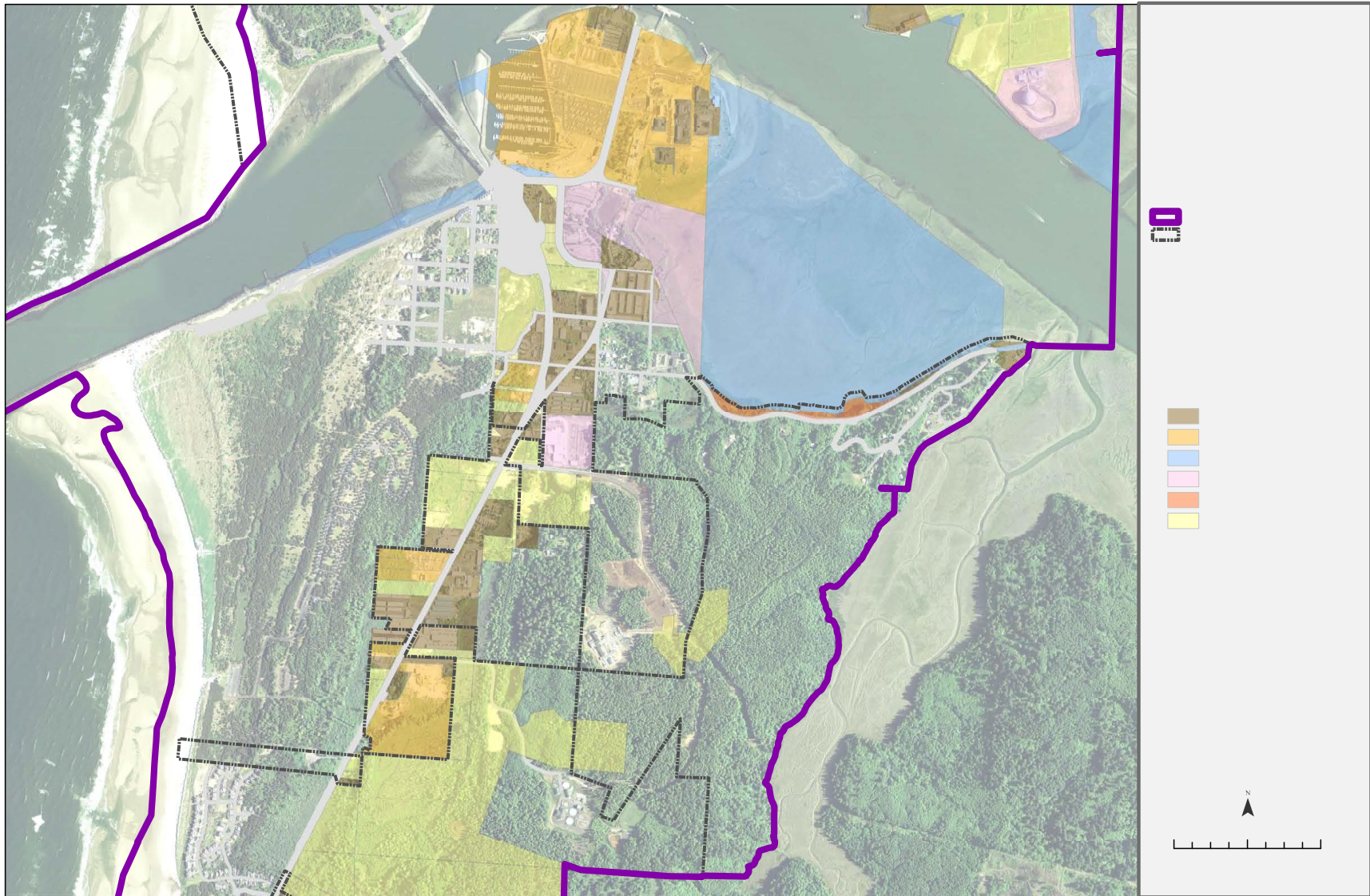
Map 2-2. Employment land by classification, Tile 2, Newport UGB, 2012



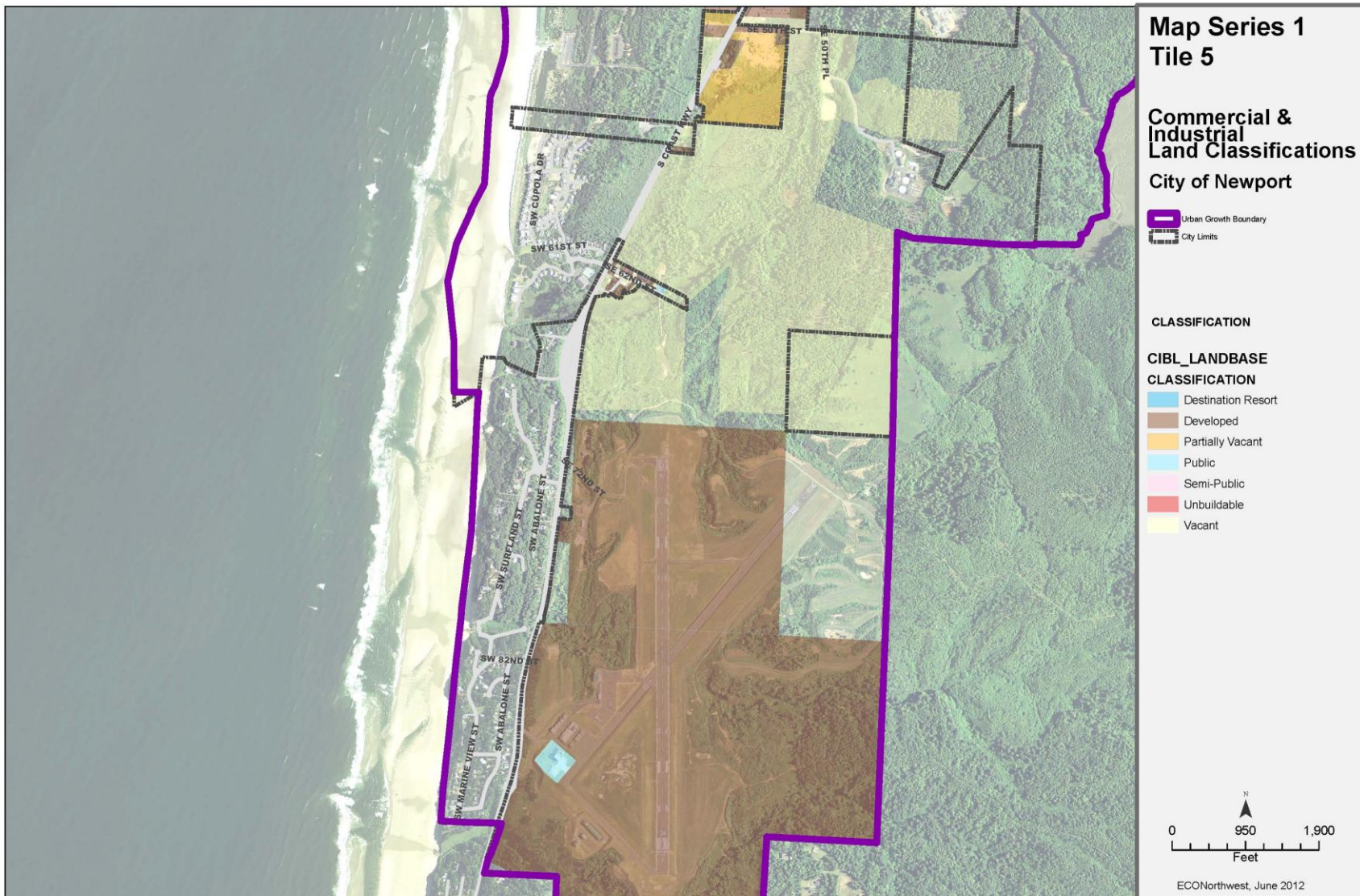
Map 2-3. Employment land by classification, Tile 3, Newport UGB, 2012



Map 2-4. Employment land by classification, Tile 4, Newport UGB, 2012

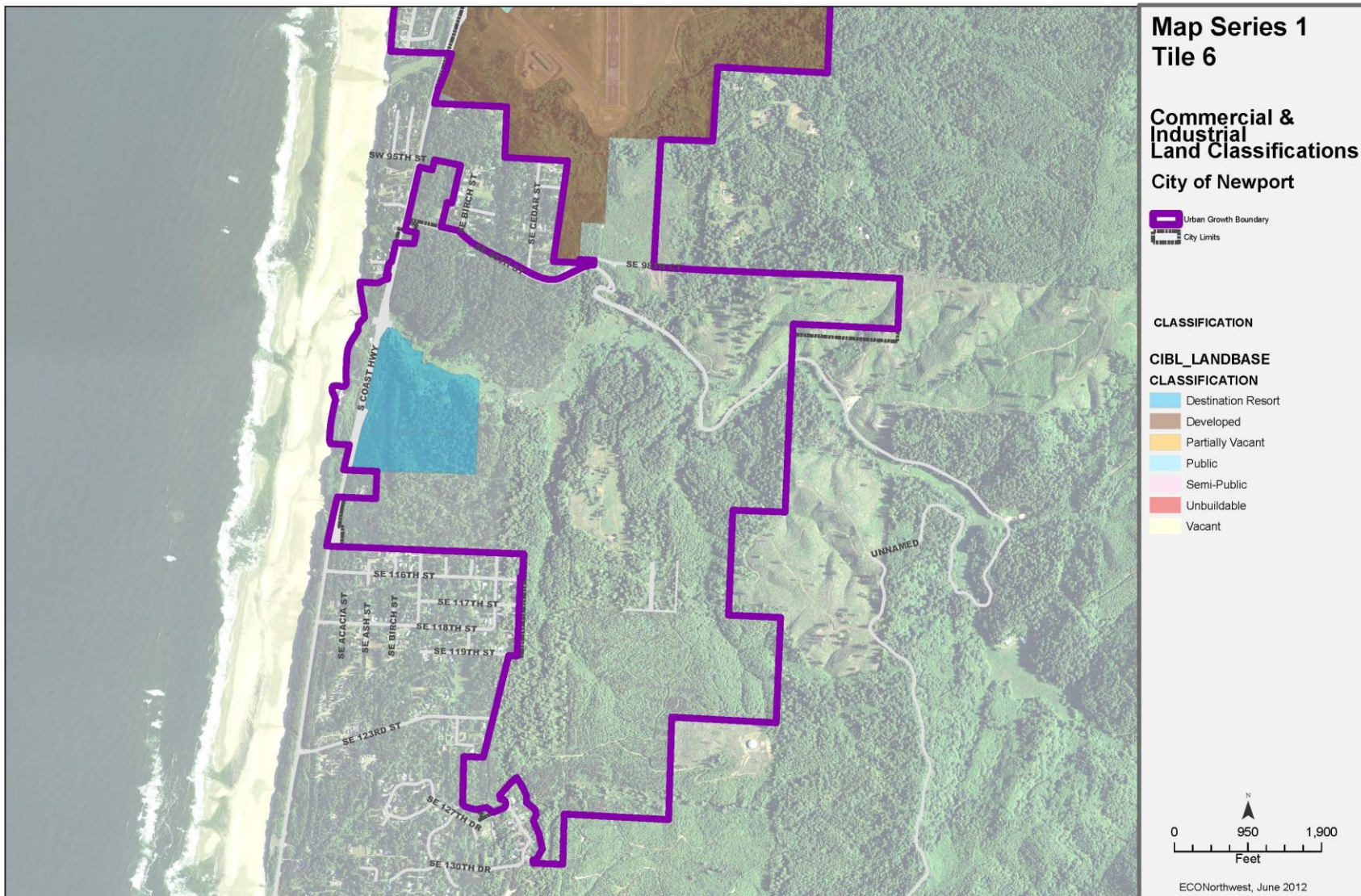


Map 2-5. Employment land by classification, Tile 5, Newport UGB, 2012





Map 2-6. Employment land by classification, Tile 6, Newport UGB, 2012



## VACANT BUILDABLE LAND

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with physical constraints (in this instance areas with shoreline buffers, wetlands, geologic buffers, or floodways), or (3) lands that are already committed to a use (public/quasi-public or private open space).

Table 2-5 shows land with development capacity (e.g., lands classified as vacant, partially vacation, or destination resort) by constraint status. The data show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that are unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

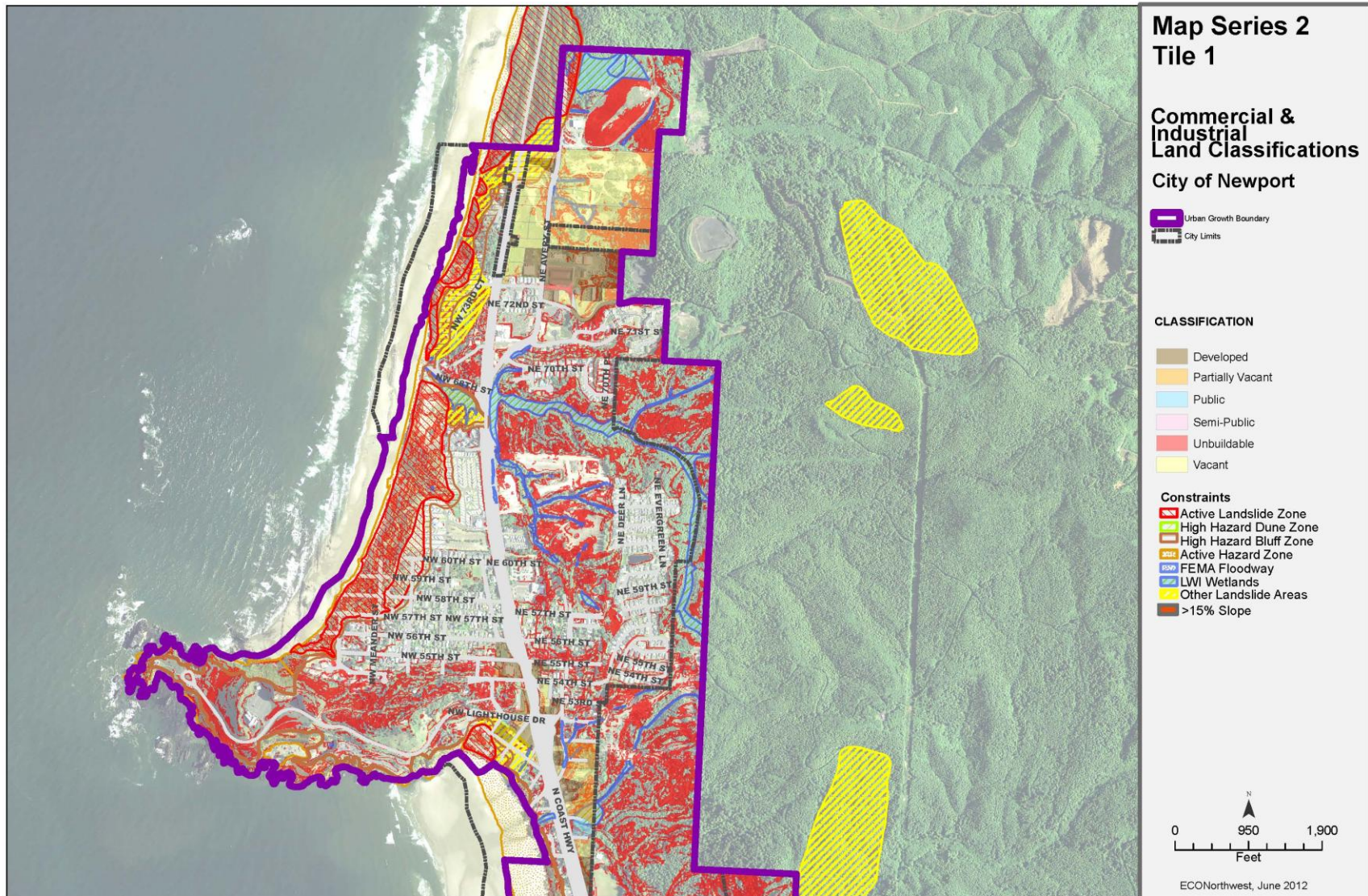
**Table 2-5. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012**

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
<b>Commercial</b>					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
<b>Subtotal</b>	<b>113</b>	<b>113</b>	<b>2</b>	<b>49</b>	<b>62</b>
<b>Industrial</b>					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
<b>Subtotal</b>	<b>78</b>	<b>479</b>	<b>9</b>	<b>270</b>	<b>199</b>
<b>Shoreland</b>					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
<b>Subtotal</b>	<b>10</b>	<b>131</b>	<b>71</b>	<b>18</b>	<b>42</b>
<b>Public</b>					
Vacant	20	206	0	102	104
<b>Subtotal</b>	<b>20</b>	<b>206</b>	<b>0</b>	<b>102</b>	<b>104</b>
<b>TOTAL</b>	<b>221</b>	<b>928</b>	<b>81</b>	<b>439</b>	<b>408</b>

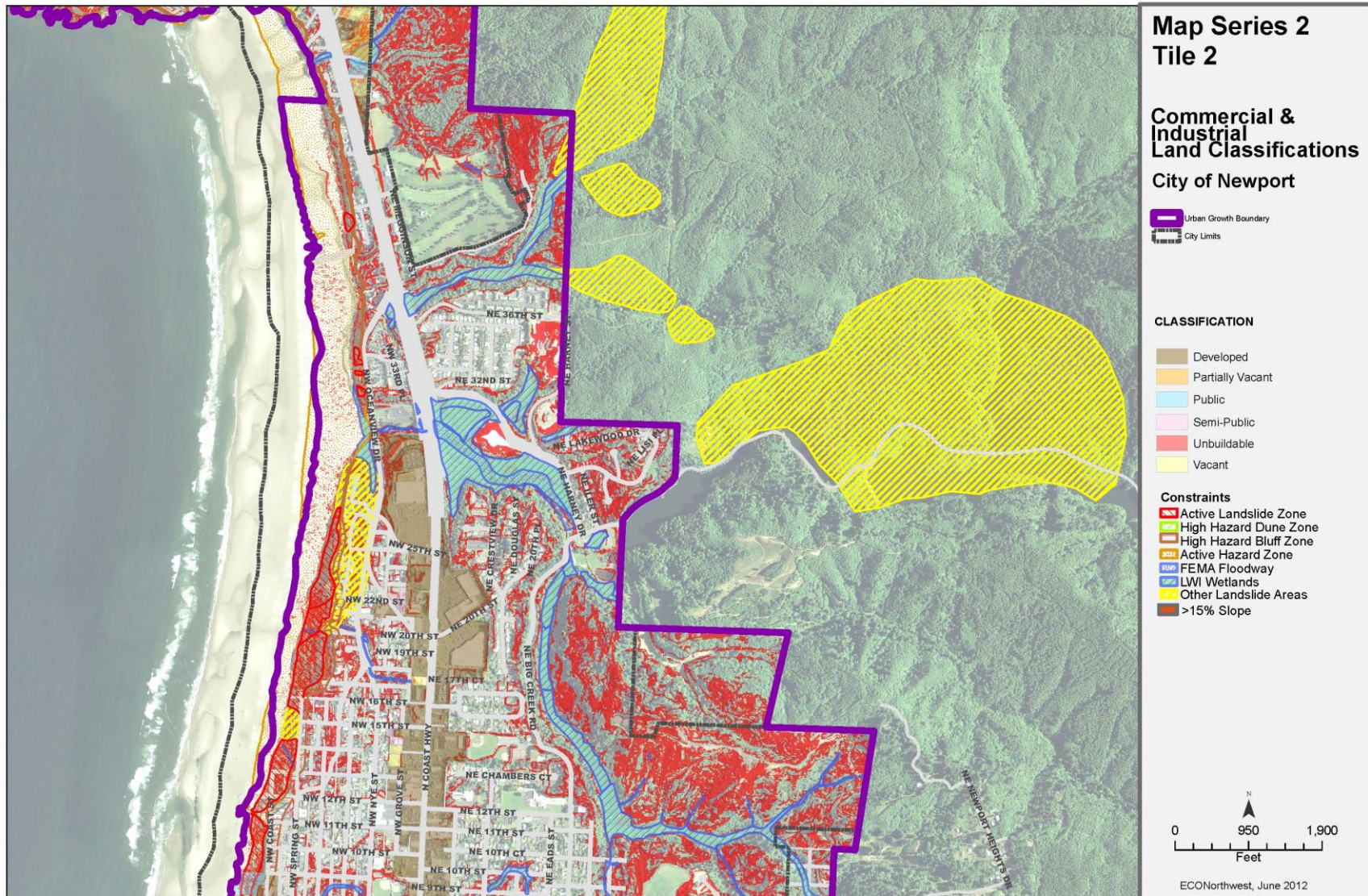
Source: City of Newport GIS data; analysis by ECONorthwest

Maps 2-7 through 2-12 show commercial and industrial land in Newport by development status with development constraints. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

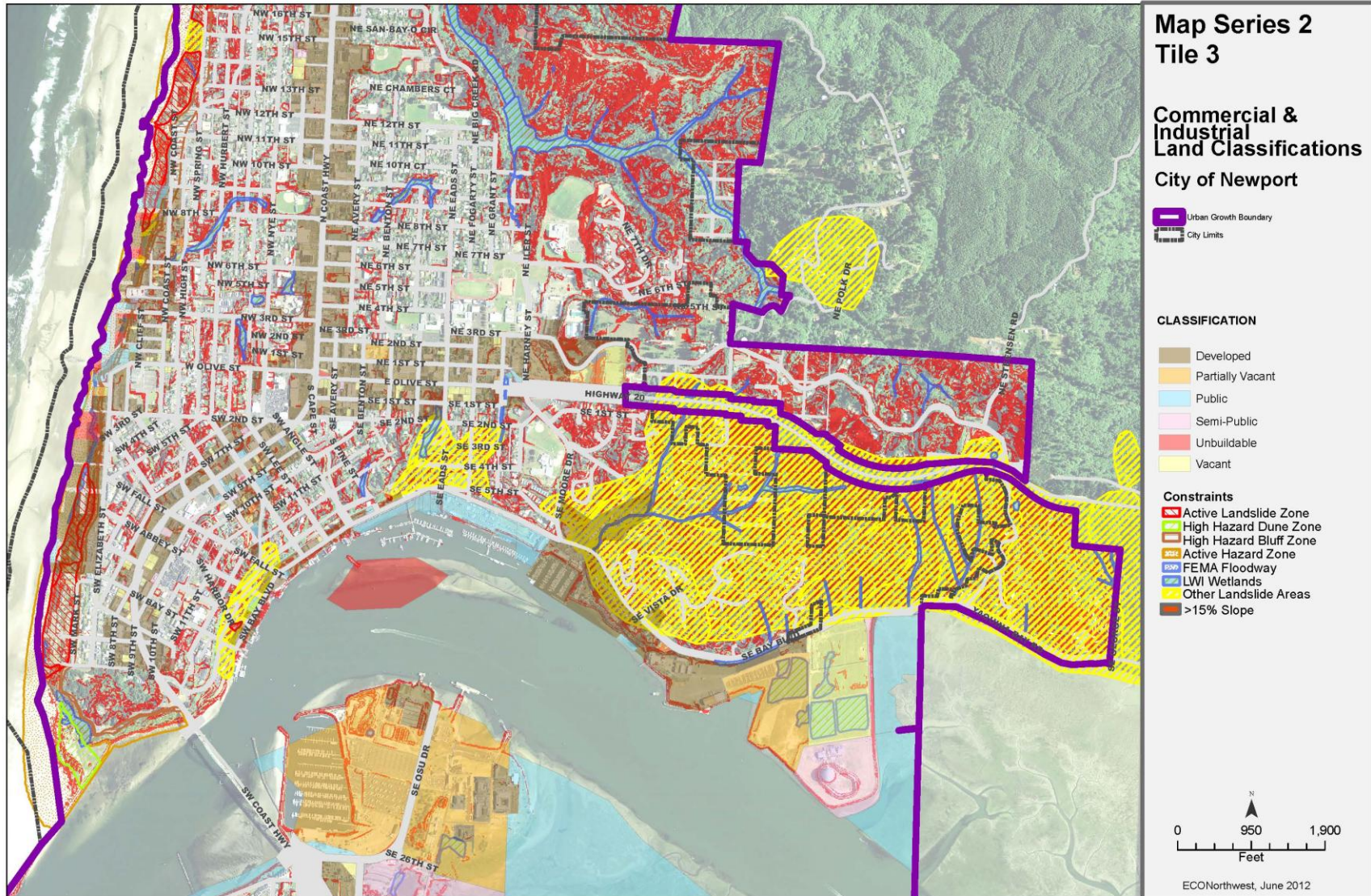
Map 2-7. Employment land by classification with development constraints, Tile 1, Newport UGB, 2012



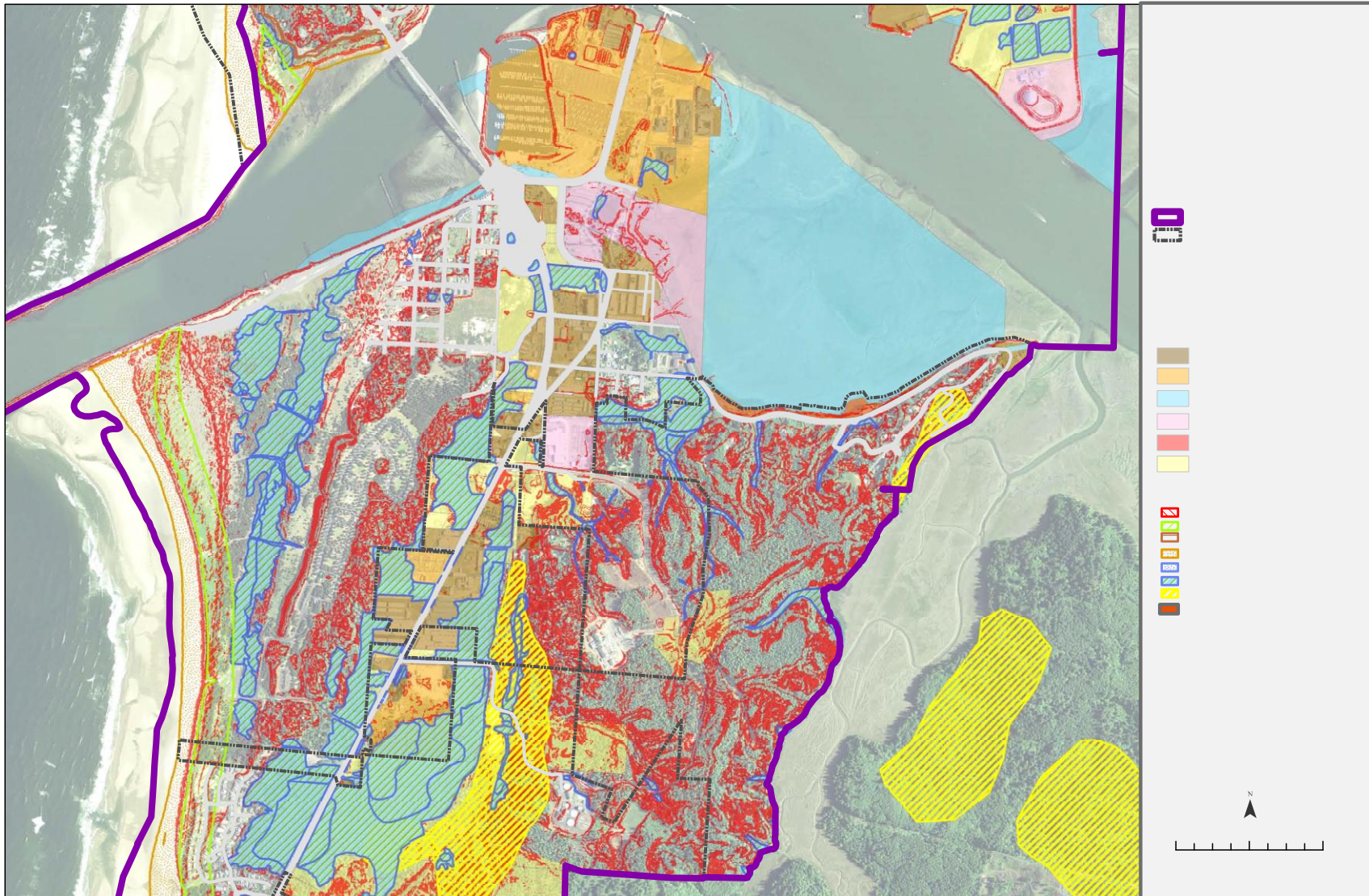
Map 2-8. Employment land by classification with development constraints, Tile 2, Newport UGB, 2012



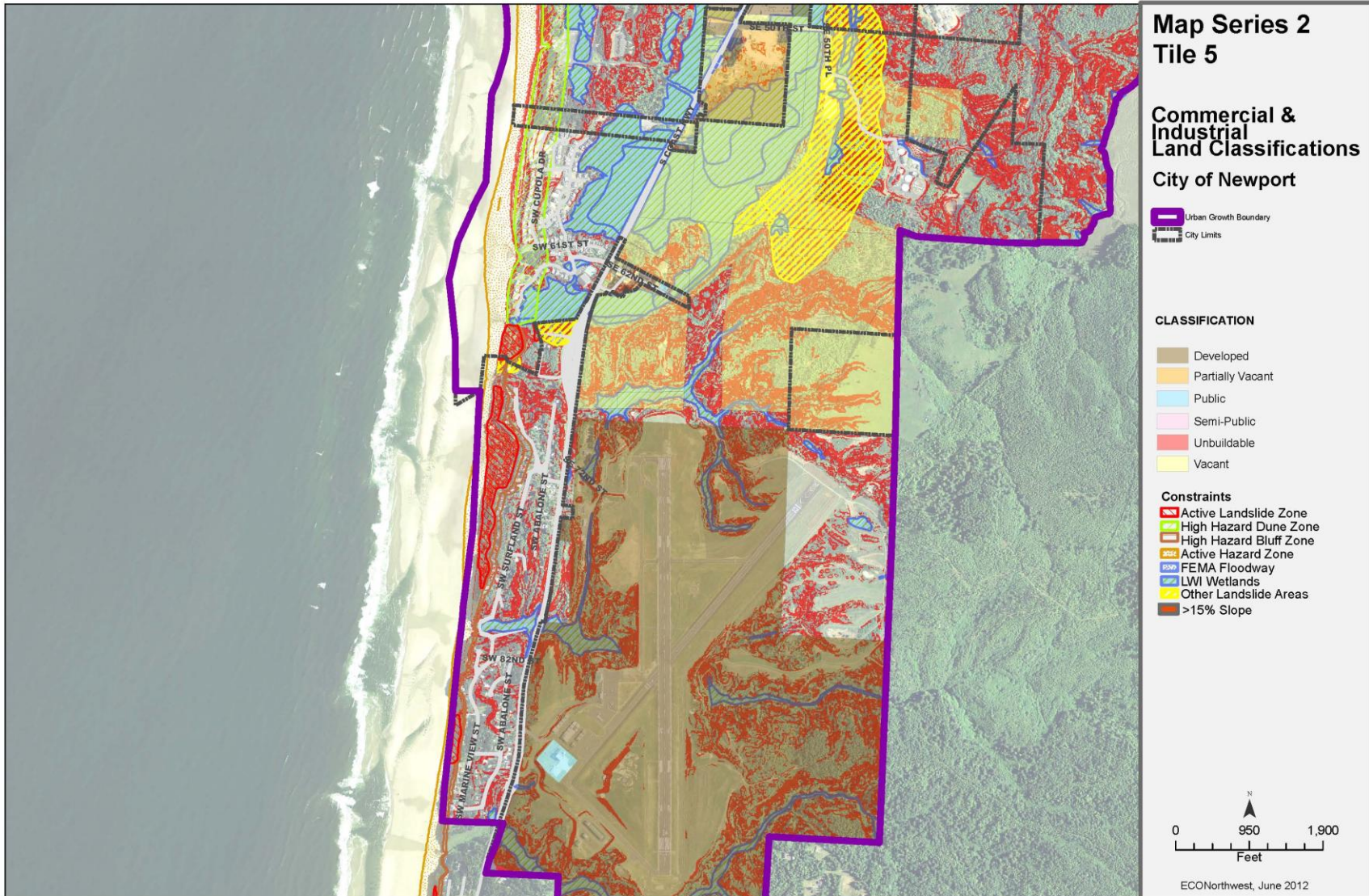
Map 2-9. Employment land by classification with development constraints, Tile 3, Newport UGB, 2012



Map 2-10. Employment land by classification with development constraints, Tile 4, Newport UGB, 2012



Map 2-11. Employment land by classification with development constraints, Tile 5, Newport UGB, 2012



Map 2-12. Employment land by classification with development constraints, Tile 6, Newport UGB, 2012

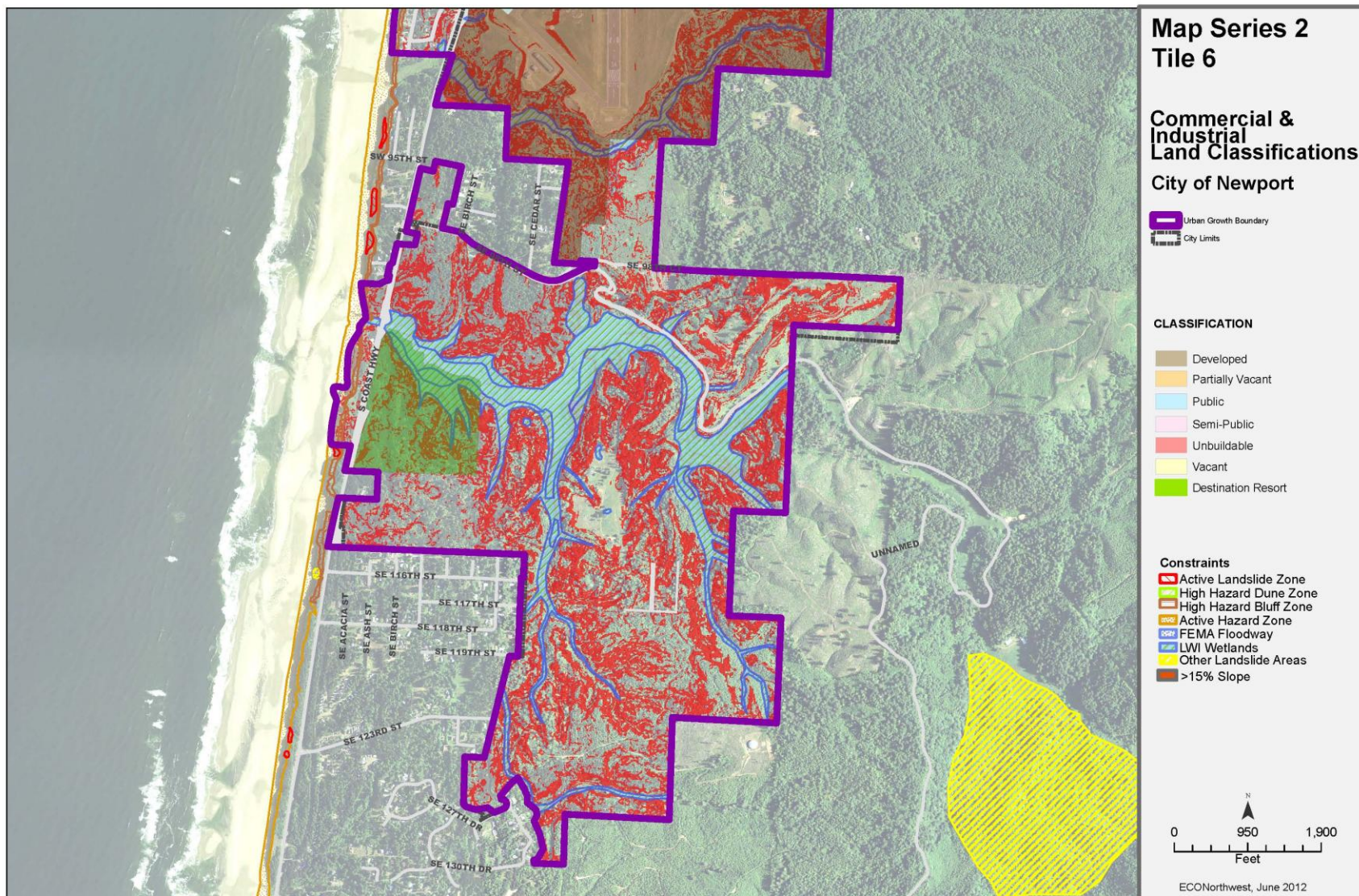




Table 2-6 shows the size of lots by plan designations for suitable employment land. Newport has nearly 195 lots that are smaller than 2 acres (with 106 acres of land). Newport has 16 lots between 2 and 10 acres (80 acres of land), four lots between 10 and 20 acres in size (51 acres of land), and six lots 20 acres and larger (171 acres of land).

**Table 2-6. Lot size by plan designation, suitable acres, Newport UGB, 2012**

Plan Designation	Suitable Acres in Tax Lot							Total	
	<0.25	>=0.25 and <0.50	>=0.50 and <1.00	>=1.00 and <2.00	>=2.00 and <5.00	>=5.00 and <10.00	>=10.00 and <20.00		>=20.00 and <50.00
<b>Acres</b>									
Commercial	7	4	5	2	3	16	24	0	62
Industrial	13	3	17	9	19	34	12	94	199
Public	1	2	1	0	8	0	15	78	104
Shoreland	42	0	1	0	0	0	0	0	42
<b>Subtotal</b>	<b>62</b>	<b>9</b>	<b>23</b>	<b>12</b>	<b>30</b>	<b>50</b>	<b>51</b>	<b>171</b>	<b>408</b>
<b>Tax Lots</b>									
Commercial	88	11	7	2	1	2	2	0	112
Industrial	27	9	21	7	5	5	1	3	78
Public	9	3	1	0	3	0	1	3	20
Shoreland	9	0	1	0	0	0	0	0	10
<b>Subtotal</b>	<b>133</b>	<b>23</b>	<b>30</b>	<b>9</b>	<b>9</b>	<b>7</b>	<b>4</b>	<b>6</b>	<b>220</b>

Source: City of Newport GIS data; analysis by ECONorthwest

The data in Table 2-6 suggest that Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport’s industrial zone allows commercial uses outright – which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

## REDEVELOPMENT POTENTIAL

Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. Different studies have used different improvement to land value ratio thresholds to identify redevelopment potential.

One of the key issues in preparing an accurate inventory of employment lands in Newport is how to identify and inventory under-utilized or redevelopable lands. For the purpose of this study, ECO does not make a distinction between under-utilized and redevelopable sites. The inventory consistently uses the term “redevelopable” since it is consistent with the

terminology of the statewide land use program.<sup>2</sup> For the purpose of this study, however, the definition of “redevelopable” land is considered synonymous with “under-utilized” properties.

In the context of the Newport commercial and industrial buildable lands inventory, redevelopment potential addresses land that was initially classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used in some studies is an improvement to land value ratio of 1:1. Not all, or even a majority of parcels that meet this criterion for redevelopment potential will be assumed to redevelop during the planning period.

The factors that affect redevelopability are many, but the economics are pretty straightforward. Redevelopment occurs when achievable rents exceed the current return on investment of the land and improvements. The reality, of course, is much more complicated. One way to think about the market for land is “highest and best use” which is a function of:

1. Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
2. Entitlements – What do local regulations allow to be built?
3. Development Cost – What is the cost to build the range of product types allowed (entitled) at that location?
4. Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

In our many conversations with commercial realtors and developers for this and other studies, the conclusion has been consistent: it is very difficult to develop reliable models of redevelopment potential. The factors are complicated and are location and time specific. Moreover, public policy can play a significant role in facilitating redevelopment.

In previous studies, ECO has explored supply side approaches using GIS datasets. The problem with supply side approaches is that the base data available to conduct empirical analyses is quite coarse and as a result, the analyses are limited and the results have varying levels of inaccuracy. The improvement to land value approach has some problems; for example, it does not make distinctions for land intensive employment uses that

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<sup>2</sup> In this instance, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

require minimal built structure investments. Despite this limitation, it has utility in identifying districts that may be worth focusing resources on.

More robust approaches can consider employment densities, floor area ratios, and other factors. Often, however, the quality of the data is a limiting factor and the cost of generating new or cleaning existing data sets is prohibitive. For this study, we attempted to use employment density combined with improvement to land value ratios. Our assessment was the results were unreliable and unsuitable as a valid indicator of redevelopment potential.

Thus, this study uses a demand-based approach to estimating how much land will be redeveloped over the 20-year planning period. ECO typically approaches the issue from the demand side by making deductions from total employment growth to account for new employment that will not need any new land (see Chapter 4). This approach, however, will not meet key city objectives in developing economic development strategies.

One foundational element of the city's strategy is to identify districts that are "ripe" for redevelopment and then to focus efforts on those districts. To identify potential districts, we analyzed the improvement to land value ratio of all commercial properties within the UGB. That analysis was followed by field assessment and discussions with city staff and other experts.

Table 2-6 shows improvement to land ratios for developed land in Newport. About one-quarter of Newport's developed sites (319 acres of land) have an improvement to land value ratio of less than 0.25, suggesting that these sites have high redevelopment potential. Another 8% of Newport's developed land has an improvement to land ratio of between 0.25 and 1.0 and 11% of Newport's land has a ratio of between 1.0 and 2.0, suggesting redevelopment potential. Higher improvement to land value ratios suggest decreasing probability of redevelopment potential.

**Table 2-6. Improvement to land value ratio, land classified as “developed,” Newport UGB, 2012**

Plan Designation	Improvement to Land Value Ratio							No Data	Total
	>0.00 - <0.25	>=0.25 - 0.50	>=0.50 - <0.75	>=0.75 - <1.00	>=1.00 and <2.00	>=2.00 - <3.00	>=3.00		
<b>Acres</b>									
Airport	167	-	-	-	-	-	-	370	537
Commercial	15	20	35	19	82	20	28	42	263
Industrial	5	11	11	6	14	9	14	11	82
Public	131	2	-	0	1	2	71	43	250
Shoreland	1	3	1	1	48	1	42	95	192
<b>Total</b>									
<b>Acres</b>	<b>319</b>	<b>36</b>	<b>47</b>	<b>27</b>	<b>147</b>	<b>33</b>	<b>155</b>	<b>561</b>	<b>1,324</b>
<b>Percent of Acres</b>	<b>24%</b>	<b>3%</b>	<b>4%</b>	<b>2%</b>	<b>11%</b>	<b>2%</b>	<b>12%</b>	<b>42%</b>	<b>100%</b>
<b>Tax Lots</b>									
Airport	1	-	-	-	-	-	-	1	2
Commercial	54	74	100	87	188	51	71	282	907
Industrial	6	17	11	11	16	10	7	24	102
Public	6	4	-	5	5	5	15	4	44
Shoreland	5	11	7	9	21	3	17	480	553
<b>Total</b>									
<b>Tax Lots</b>	<b>72</b>	<b>106</b>	<b>118</b>	<b>112</b>	<b>230</b>	<b>69</b>	<b>110</b>	<b>791</b>	<b>1,608</b>
<b>Percent of Acres</b>	<b>4%</b>	<b>7%</b>	<b>7%</b>	<b>7%</b>	<b>14%</b>	<b>4%</b>	<b>7%</b>	<b>49%</b>	<b>100%</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Of particular interest for the purpose of this study is low-improvement value commercial land. The improvement to land value ratio analysis in Table 2-7 shows 89 acres of commercial land with an improvement to land value ratio of less than 1.0:1.0; 35 of those acres have an improvement to land value ratio of less than 0.5:1.0. Rows with darker shading have more redevelopment potential.

**Table 2-7: Developed commercial land by improvement-to-land value ratio, Newport UGB, 2012**

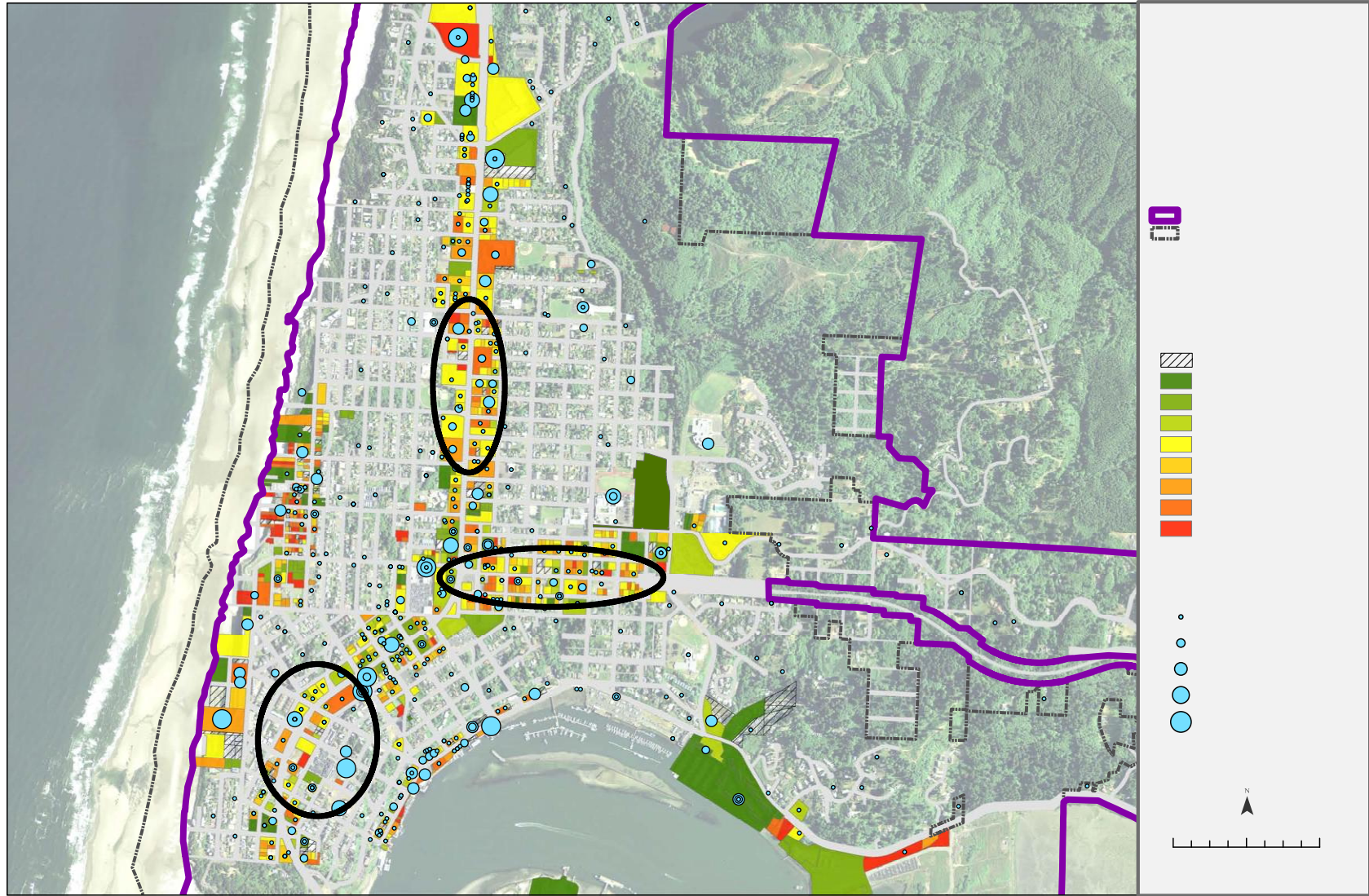
Improvement to Land Value Ratio	Tax Lots		Acres	
	Number	Percent	Number	Percent
>0.00 - <0.25	54	6%	15	6%
>=0.25 - 0.50	74	8%	20	8%
>=0.50 - <0.75	100	11%	35	13%
>=0.75 - <1.00	87	10%	19	7%
>=1.00 and <2.00	188	21%	82	31%
>=2.00 - <3.00	51	6%	20	8%
>=3.00	71	8%	28	11%
No Data	282	31%	42	16%
<b>Total</b>	<b>907</b>	<b>100%</b>	<b>263</b>	<b>100%</b>

Source: City of Newport GIS data; analysis by ECONorthwest

ECO developed a series of maps with the location of employers and the improvement to land value ratio to aid in this process. The Technical Advisory Committee and city staff chose to focus commercial redevelopment strategies on the Highway 101 and Highway 20 corridors north of Yaquina Bay. Map 2-13 shows the location of potential commercial redevelopment districts.



Map 2-13. Potential commercial redevelopment districts



Source: City of Newport GIS data; analysis by ECONorthwest

OAR 660-009 requires cities to maintain a 20-year inventory of sites designated for employment. To provide for at least a 20-year supply of commercial and industrial sites consistent with local community development objectives, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by development in the target industry clusters, the expansion and relocation of existing businesses, and new businesses locating in Newport. The level of this business expansion activity can be measured by employment growth in Newport.

This chapter summarizes key findings from: (1) Appendix A: National, State, County, and Local Economic Trends, (2) Appendix B: Factors Affecting Future Economic Growth in Newport, and (3) Appendix C: Employment Forecast and Site Needs for Industrial and other Employment Uses. This chapter focuses on the issues related to growth of industries that the Technical Advisory Committee identified as potential growth industries for Newport.

## **NEWPORT'S COMPETITIVE AND COMPARATIVE ADVANTAGES**

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Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions described in Appendix A. Economic conditions in Newport relative to these conditions in other coastal communities form Newport's competitive and comparative advantages for economic development, which is described in detail in Appendix B. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport's primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal communities and a regional center for retail trade, services, and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport), rail (in Toledo via the Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or access to markets in the Willamette Valley.
- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
  - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
  - **Marine industries.** Newport has a wide-ranging of existing marine industries: the NOAA fleet, research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of a marine research and ocean observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.
  - **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport,



NOAA, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, energy production, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.

- **Existing marine infrastructure.** Newport’s existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.
- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in \$116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately \$2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

Newport’s tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport’s tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport’s households, residents of nearby communities, and visitors provide a market for goods and services. Newport’s role as a regional center for retail and services is a competitive advantage for attracting retail and other services.
- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of

available workers.

Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education.

Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.

- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

## POTENTIAL GROWTH INDUSTRIES

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An analysis of growth industries in Newport should address two main questions: (1) Which industries are most likely to be attracted to Newport? and (2) Which industries best meet Newport's vision for economic development? The types of industries that Newport wants to attract have the following attributes: high-wage, stable jobs with benefits; jobs requiring skilled and unskilled labor; employers in a range of industries that will contribute to a diverse economy; and industries that are compatible with Newport's community values.

## NEWPORT'S VISION FOR ECONOMIC DEVELOPMENT

Economic data, such as the data in this document, provides decisionmakers with information necessary for planning for economic growth. Economic information on its own, however, is not sufficient for making decisions to plan for economic growth. Having an economic development vision and strategy that articulates how the community wants to grow in the future can help decisionmakers plan to accommodate growth. Goal 9 recognizes the importance of having a

vision to guide growth. OAR 660-009 encourages cities use a public process to assess community economic development potential and to use the results of that process to develop the community's economic development objectives.

The City of Newport worked with a Technical Advisory Committee (TAC) to develop a strategy to guide economic development in Newport over the planning period. The purpose of the strategy is to articulate the community's vision for economic development, develop actions to implement that vision, and define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures.

The economic development strategy is articulated in the technical memorandum "Economic Development Strategy" dated June ## 2012. This section presents the vision and goals of the strategy. The TAC identified potential growth industries, through the process of developing the strategy.

## Vision

Newport's vision for economic development is:

**The City of Newport embraces change and works collaboratively to create a dynamic, entrepreneurial, and forward looking community.**

Newport's dynamic and collaborative waterfront community represents its diverse economy – an innovative and technologically advanced fishing and seafood industry; a rapidly growing marine research enterprise; and a resourceful coastal tourism and recreation industry. Newport's citizens place a high value on education, invest in lifelong learning, and upgrade skills for tomorrow's economy. People and families are attracted to the region for its diverse job opportunities and entrepreneurial environment. Residents invest in a quality of life reflected in numerous recreational opportunities, substantial infrastructure and support services, a vibrant arts community, and a beautiful and sustainable natural environment.

## Goals

The TAC identified four broad goals necessary to achieve the City's vision for economic development.

- **Job Growth.** Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

- **Workforce Availability and Quality.** Provide appropriate workforce training opportunities to meet the needs of Newport’s target industries.
- **Supply of Commercial and Industrial Land.** Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.
- **Infrastructure and public facilities.** Make investments in infrastructure and public facilities to support the target industries.

## TARGET INDUSTRIES

The TAC identified target industries for growth based, in part, on the Community’s aspirations for economic development, as articulated in the vision. In addition, the TAC considered Newport’s competitive and comparative advantages that make it attractive to specific industries. The industries that fit with the Community’s aspirations for growth and identified as having growth potential in Newport are:

- **Marine and ocean observing research and education.** Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)’s Pacific Marine Operations Center.

Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document “Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework.” This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor “cabled” observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

Key economic development opportunities in the ocean-observing industry cluster include:

- *Operations and maintenance of marine research vessels.* With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.
- *Development of facilities to support marine research operations and maintenance.* These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- *Development of facilities and programs to support marine education.* These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- *Instrument design, manufacturing, deployment, sales, and service.* With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- *Expanded marine research.* As federal and state investments in marine research and education increase, so will Newport's role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.
- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and

Port infrastructure required repairs. The Port in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

At completion of renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The Port is considering export opportunities for the International Terminal, such as exporting logs, which would result in about four to six ships carrying cargo from Newport per year. Over the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

- **Fishing and seafood processing.** Newport is one of Oregon’s largest commercial fishing port, accounting for about one-third of the State’s commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon’s Coastal fisheries and distant-haul boats that fish in Alaska’s fisheries. Newport’s commercial fishing vessels generated 61 million pounds of seafood, with a value of \$32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about \$123 million, accounting for about 30% of statewide economic contribution from fishing.<sup>3</sup>
- **Tourism.** Tourism plays an important role in Newport’s economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport’s tourism cluster include:
  - Destinations such as the Oregon Coast Aquarium

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<sup>3</sup> The most recently available report describing Newport’s fishing industry is: “Oregon’s Commercial Fishing Industry, Year 2007 and 2008 Review.” Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

- Recreational amenities, such as sightseeing tours or fishing charters
- Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
- A wide range of restaurants, including fine dining
- Arts and cultural opportunities, such as art dealers, museums, or performance arts

## EMPLOYMENT AND EMPLOYMENT FORECASTS

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Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Appendix C presents the forecast for employment growth in Newport in detail. This section summarizes the results of the forecast for employment growth and land needs

Table 3-1 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032. Table 3-1 shows Newport's employment base in 2012, with about 10,060 *total* employees,<sup>4</sup> and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

Table 3-1 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport's employment:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land, such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.
- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 70% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport's growing population.

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<sup>4</sup> The forecast of employment in Newport is based on an estimate of *covered* employment in 2010. Covered employment does not include all workers in an economy, most notably excluding sole proprietors. Appendix C describes the approach to converting from covered employment to total employment.



**Table 3-1. Forecast of employment growth in by building type, Newport UGB, 2012–2032**

Land Use Type	2012		2032		Change 2012 to 2033
	Employment	% of Total	Employment	% of Total	
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
<b>Total</b>	<b>10,060</b>	<b>100%</b>	<b>12,276</b>	<b>100%</b>	<b>2,216</b>

Source: ECONorthwest

Note: Green shading denotes an assumption by ECONorthwest

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table 3-1 shows employment growth on underutilized lands and on vacant lands. Table 3-2 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- Some employment growth will occur on sites with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). ECO assumes that 10% of commercial employment can be accommodated this way and that 50% of government employment can be accommodated in existing built space.
- Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. ECO assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

**Table 3-2. New employment locating on underutilized land or vacant land, Newport, 2032**

Land Use Type	New Employment	Employment on Underutilized Land		Emp. on Vacant Land
		Existing Built Space	Land with Additional Capacity	
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
<b>Total</b>	<b>2,216</b>	<b>211</b>	<b>199</b>	<b>1,805</b>

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table 3-3 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table 3-3 are:

- **Employment density.** Table 3-3 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-to-gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.<sup>5</sup> A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

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<sup>5</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, ECO uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.

**Table 3-3 . Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032**

Land Use Type	Emp. on Vacant Land	EPA (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
<b>Total</b>	<b>1,805</b>		<b>127</b>	<b>154</b>

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

This chapter provides a brief summary of the implications of the economic opportunities needs analysis for Newport. This study looked at economic trends and land needs from a regional and local perspective. This chapter includes a general comparison of land supply and demand and description of the characteristics of needed sites. The buildable lands analysis is followed by a discussion of the key implications of the EOA for Newport.

## COMPARISON OF LAND CAPACITY AND DEMAND

Table 2-5 shows the inventory of suitable employment land by plan designation. Table 3-3 presented an estimate of demand for vacant (including partially vacant) land needed to accommodate employment growth over the planning period. Table 4-1 compares the supply of buildable land with the demand for employment land:

- Industrial.** Newport has a supply of nearly 200 acres of buildable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the 20-year period, with a surplus of 113 gross acres of industrial land.**
- Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City's zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

**Table 4-1. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032**

Land Use Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

The employment forecast identified demand for five acres of land to accommodate government uses. These uses can be accommodated in a number of ways: (1) on land designated for Public uses, (2) on land designated for Commercial use, or (3) through redevelopment of land with underutilized buildings.

Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright – which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

## **CHARACTERISTICS OF NEEDED SITES**

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OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. The Administrative Rule defines site characteristics as follows in OAR 660-009-0005(11):

(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.

*Friends of Yamhill County v. City of Newberg*, 62 Or LUBA 5 (2010), established a two-prong test for establishing relevant "site characteristics" as follows: (1) that the attribute be "typical of the industrial or employment use" and (2) that it have "some meaningful connection with the operation of the industrial or employment use." The first of those prongs, that the attributes be "typical," appears expressly in OAR 660-009-0015(2), which refers to "site characteristics typical of expected uses." In upholding LUBA's two prong test, the Court of Appeals agreed, "[t]hat '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*, 240 Or App 738, 747 (2011).

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land and 63 gross acres of commercial land. The following discussion summarizes the site characteristics and provides an overview of the two-prong test established for site characteristics under *Friends of Yamhill County v. City of Newberg*.

## **Marine and ocean observing research and education**

**Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic.

Organizations involved in research and education typically need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.

Businesses involved with maintenance and manufacturing typically need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Some marine and ocean observing businesses require access to the waterfront to do business, for docking ships or to be located near their customers. Some marine and ocean observing businesses need more access to the highway for automotive or freight transportation or the airport.

- **Size of sites.** Marine and ocean observing research and education firms will require a variety of site sizes.
  - Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites "a minimum acreage" as a site characteristic. The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make use of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.
  - Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee and customer parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** Development constraints include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be

unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or with slopes of 15% or more may make it more difficult for developers to obtain financing or obtain insurance. Office and other types of commercial development requires level floorplates to reduce costs and offer maximum flexibility, as well as level areas to provide for freight access and pedestrian walkways that meet ADA standards.

- **Transportation access.** Transportation access may include automotive, shipping access, or access to the airport.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic. All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses that need highway access need it to minimize the amount of freight traffic on local streets, helping to improve mobility, minimize commercial traffic in residential neighborhoods, minimize adverse effects on urban land use and travel patterns. Businesses that require



boat and shipping access need it for boats and ships belonging to the business or their customers.

## International commerce

- **Location within the City.** Businesses involved in international commerce will prefer to locate near the Port of Newport's facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic.

Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport's facilities. The Port, however, has some vacant land near the terminal that could be made available for related uses. The City and Port should identify opportunity sites in these areas for use by businesses in this cluster.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Businesses in international commerce require access to the waterfront, especially land near the Port, to do business, for docking ships or gaining access to Port facilities.

- **Size of sites.** The size of sites required by businesses in this cluster will vary.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites "a minimum acreage" as a site characteristic. The size of the site will depend on the type of business. Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or sites within constrained areas or with slopes of 5% or more will be unsuitable for warehousing and shipping.

- **Transportation access.** Transportation access includes include automotive and shipping access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a

particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic. All businesses will need automotive access. Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses will require boat and shipping access need it for boats and ships belonging to the business or their customers.

## **Fishing and seafood processing**

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic. Newport has a limited supply of land with direct or nearby access to the Bay .

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Fishing businesses require direct access to the Bay and waterfront for docking ships. Seafood processors need to be located near the fisherman for easy access to the seafood being processed.

- **Size of sites.** The size of sites required by businesses in this cluster will vary.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites “a minimum acreage” as a site characteristic. The size of the site will

depend on the type of business. Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster will need relatively flat sites.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) or sites within constrained areas or with slopes of 5% or more will be unsuitable for fishing or seafood processing.

- **Transportation access.** Transportation access includes include automotive and shipping access.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic. All businesses will need automotive access. Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

All businesses in this industry require automotive access to function, for delivery of freight or access by customers and employees. Businesses will require boat and shipping access need it for boats and ships belonging to the business or their customers.

## Tourism

- **Location within the City.** Businesses involved in tourism are likely to locate in areas that visitors frequent.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the “proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes” as a site characteristic.

Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Tourism businesses must locate in areas frequented by visitors.

- **Size of sites.** Businesses providing services to visitors will require a variety of site sizes.

- Attribute is "typical of the industrial or employment use" - OAR 660-009-0005(11) specifically cites "a minimum acreage" as a site characteristic. Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

The ability of the firm to do business on a particular site will require an appropriately sized site. The site should be large enough to accommodate the following (not every business will need all of these attributes): the built space needed by the business, employee and customer parking, maintenance or storage yards, room for expansion of the business, and other attributes that affect the size of the site.

- **Constraints and topography.** The buildable lands inventory identifies development constraints to include: steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. However, businesses in this cluster can locate on sites with somewhat steeper slopes.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "site configuration including shape and topography" as a site characteristic. Reasonably level and well-drained land outside the floodway is typical of employment areas. Areas not meeting these requirements are constrained and, as a result, may be

unsuitable for development. OAR 660-009-0005(2) says: "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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Businesses providing tourism services require sites where constraints do not prohibit building. Development within constrained areas (e.g., wetlands identified in the LWI or shoreland protection areas) will be unsuitable for businesses in this cluster. Some businesses in this cluster can locate on sites with slopes of up to 25%, consistent with slopes considered buildable for residential uses.

- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites the "proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes" as a site characteristic. All businesses will need automotive access. Some will require access to Highway 101 or Highway 20 and some may prefer to locate in an area with access to local streets.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Access to public streets with capacity to accommodate traffic volumes is necessary to accommodate necessary freight movement to support commercial development, as well as to provide safe and convenient access for customers and employees.

- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

- Attribute is "typical of the industrial or employment use":

OAR 660-009-0005(11) specifically cites "visibility" as a site characteristic.

- Attribute has "some meaningful connection with the operation of the industrial or employment use":

Many of the desired commercial businesses require from exposure to traffic and storefront view to the road to attract passing motorists and other customers.

## **IMPLICATIONS**

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The conclusion of the economic opportunities analysis is that Newport has enough land to accommodate the forecast for employment growth over the next 20-years. The City's challenge is managing the existing land base and infrastructure to retain existing businesses and attract new businesses. The actions proposed in the Economic Development Strategy focus on these issues, emphasizing the City's role in managing these issues.

- **Identify and manage opportunity sites for the target industries.**  
The community's aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

Businesses in all of these clusters compete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not



currently serviced. No sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright – which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years. Having a well-defined annexation strategy is important to the City because it can ensure efficient provision of municipal services and adequate sites for businesses.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 2-2 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway 101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

The Economic Development Strategy includes an action to evaluate creating an urban renewal district (URD) north of Yaquina Bay. The purpose of the District is to address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, with the purpose of spurring new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

The URD would provide a source of financing for upgrades and improvements to public infrastructure. Improvements in areas the City targets for redevelopment along Highway 101 can catalyze redevelopment of key commercial areas. Without a source of

financing for the improvements, encouraging redevelopment in key areas of Highway 101 will be more difficult for the City.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

The Strategy also includes actions for maintaining and improving infrastructure: to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.

# National, State, County, and Local Trends

## Appendix A

This appendix summarizes national, state, county, and local trends affecting Newport. It presents a demographic and socioeconomic profile of Newport (relative to Lincoln County and Oregon) and describes trends that will influence the potential for economic growth in Newport. This appendix covers recent and current economic conditions in the City, and forecasts from the State Employment Department for employment growth in Lincoln County. This appendix meets the intent of OAR 660-009-0015(1).

## NATIONAL, STATE, AND REGIONAL TRENDS

### NATIONAL TRENDS

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

- **The aging of the baby boom generation, accompanied by increases in life expectancy.** The number of people age 65 and older will more than double by 2050, while the number of working age people under age 65 will grow only 19 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.<sup>6</sup>

Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.<sup>7</sup> This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9% of the workforce in 2000 to 4.1% of the workforce in 2010, an increase of

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<sup>6</sup> The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2011, *The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, May 13, 2011.

<sup>7</sup> "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

41%. Over the same ten-year period, workers 45 to 64 years increased by 15%.<sup>8</sup>

- **Need for replacement workers.** The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.7 million job openings over the 2010-2020 period, compared with growth in employment of 21.1 million jobs. The occupations with the greatest need for replacement workers includes: retail sales, food service, registered nurses, office workers and teachers.<sup>9</sup>
- **Increases in labor productivity.** Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the later half of the 1990's. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: Information, Manufacturing, Retail Trade, and Wholesale Trade. Productivity in mining decreased over the five-year period.<sup>10</sup>
- **Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.** Increased worker productivity and the international outsourcing of routine tasks lead to declines in employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.<sup>11</sup>
- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction.

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<sup>8</sup> Analysis of 2000 Decennial Census data and 2010 U.S. Census American Community Survey, 1-Year Estimates for the table Sex by Age by Employment Status for the Population 16 Years and Over

<sup>9</sup> "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

<sup>10</sup> Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

<sup>11</sup> "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

High-quality natural resources continue to be important in some states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.<sup>12</sup>

- **The growing importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average they will yield higher incomes than occupations that do not require an academic degree. The fastest growing of occupations requiring an academic degree will be: health care service, computer programming, management and business services, college teachers, and architectural and engineering services. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for more than two-thirds of all new jobs by 2020. These occupations typically have lower pay than occupations requiring an academic degree.<sup>13</sup>

The national median income in 2010 was about \$40,700. Workers without a high school diploma earned \$17,600 less than the median income and workers with a high school diploma earned \$8,100 less than median income. Workers with some college earned slightly less than median and workers with a bachelor's degree earned \$13,300 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.<sup>14</sup>

- **Continued increase in demand for energy.** Energy prices are forecast to remain at relatively high levels, with continued, gradual increased prices over the planning period. Output from the most energy-intensive industries is expected to decline, but growth in the population and in the economy is expected to increase the total

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<sup>12</sup> For a more thorough discussion of relevant research, see, for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

<sup>13</sup> "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

<sup>14</sup> Bureau of Labor Statistics, Employment Projections, May 2011. [http://www.bls.gov/emp/ep\\_chart\\_001.htm](http://www.bls.gov/emp/ep_chart_001.htm)

amount of energy demanded. Energy sources are expected to diversify and the energy efficiency of automobiles, appliances, and production processes are projected to increase. Despite increases in energy efficiency and decreases in demand for energy by some industries, demand for energy is expected to increase over the 2012 to 2035 period because of increases in population and economic activity. Growth will remain slow early in the planning period, as the economy continues a gradual recovery from the recent recession.<sup>15</sup>

- **Impact of rising energy prices on commuting patterns.** Energy prices may continue to be high (relative to historic energy prices) or continue to rise over the planning period.<sup>16</sup> The increases in energy prices may impact willingness to commute long distances.
- **Possible effect of rising transportation and fuel prices on globalization.** Increases in globalization are related to the cost of transportation: When transportation is less expensive, companies move production to areas with lower labor costs. Oregon has benefited from this trend, with domestic outsourcing of call centers and other back office functions. In other cases, businesses in Oregon (and the nation) have “off-shored” employment to other countries, most frequently manufacturing jobs.

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

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

- **Potential impacts of global climate change.** There is growing support for, but not a consensus about whether global climate

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<sup>15</sup> Energy Information Administration, 2012, *Annual Energy Outlook 2012 with Projections to 2035*, U.S. Department of Energy, DOE/EIA-0383(2012), April.

<sup>16</sup> Energy Information Administration, 2012, *Annual Energy Outlook 2012 with Projections to 2035*, U.S. Department of Energy, DOE/EIA-0383(2012), April

change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. Climate change may result in the following changes in the Pacific Northwest: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw, (4) increases in carbon dioxide in the air, and (5) increases in sea-level.<sup>17</sup> Assuming that global climate change is occurring and will continue to occur over the next 20-years, a few broad, potential economic impacts for the nation and Pacific Northwest include:<sup>18</sup>

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon’s agriculture through changes in: growing season, temperature ranges, and water availability.<sup>19</sup> Climate change may impact Oregon’s forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.<sup>20</sup>
- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,<sup>21</sup> (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

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<sup>17</sup> “Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

<sup>18</sup> The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

<sup>19</sup> “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

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

<sup>21</sup> “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

- *Potential changes in government policies.* There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.<sup>22</sup> Without clear indications of the government policies that may be adopted, it is not possible to assess the impact of government policies on the economy.

Global climate change may offer economic opportunities. The search for alternative energy sources may result in increased investment and employment in “green” energy sources, such as wind, solar, and biofuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing.<sup>23</sup>

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

## **STATE TRENDS**

State and regional trends will also affect economic development in Newport over the next twenty years. The most important of these trends includes: continued in-migration from other states, distribution of population and employment across the State.

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<sup>22</sup> Pew Center on Global Climate Change website: [http://www.pewclimate.org/what\\_s\\_being\\_done/in\\_the\\_states/](http://www.pewclimate.org/what_s_being_done/in_the_states/)

<sup>23</sup> “The Economic Impacts of Climate Change in Oregon: A preliminary Assessment,” Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.



- **Continued in-migration from other states.** Oregon will continue to experience in-migration from other states, especially California and Washington. According to a U.S. Census study, Oregon had net interstate in-migration (more people moved *to* Oregon than moved *from* Oregon) during the period 1990-2010. Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000. The annual average dropped to 9,800 during the period 2000-2010.<sup>24</sup> Most in-migrants come from California, Washington, and other western states.<sup>25</sup>
- **Concentration of population and employment in the Willamette Valley.** Nearly 70% of Oregon’s population lives in the Willamette Valley. About 10% of Oregon’s population lives in Southern Oregon, 9% lives in Central Oregon, and 6% live in Coastal counties. The Oregon Office of Economic Analysis (OEA) forecasts that population will continue to be concentrated in the Willamette Valley through 2040, increasing slightly to 71% of Oregon’s population.

Employment growth generally follows the same trend as population growth. Employment growth varies between regions even more, however, as employment reacts more quickly to changing economic conditions. Total employment increased in each of the state’s regions over the period 1970-2006 but over 70% of Oregon’s employment was located in the Willamette Valley.

- **Change in the type of the industries in Oregon.** As Oregon has transitioned away from natural resource-based industries, the composition of Oregon’s employment has shifted from natural resource based manufacturing and other industries to service industries. The share of Oregon’s total employment in Service industries increased from its 1970s average of 19% to 45% in 2011, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 10% in 2011.
- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, Oregon started to

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<sup>24</sup> Portland State University Population Research Center, Population Report, Components of Population Change for 1990-2000 and 2000-2010. <http://pdx.edu/prc/annual-oregon-population-report>

<sup>25</sup> Oregon Department of Motor Vehicles collects data about state-of-origin for drivers licenses surrendered by people applying for an Oregon drivers license from out-of-state. Between 2000 and 2007, about one-third of licenses surrendered were from California, 15% to 18% were surrendered from Washington, and about 17% to 19% were from the following states: Arizona, Idaho, Nevada, Colorado, and Texas.

transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing.<sup>26</sup>

- **Continued importance of manufacturing to Oregon's economy.** Oregon's exports totaled \$19.4 billion in 2008, nearly doubling since 2000. Oregon's largest export industries were computer and electronic products and agricultural products, account for nearly 60% of Oregon's exports. Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.<sup>27</sup>
- **Small businesses continue to account for over 50% of employment in Oregon.** Small business, with 100 or fewer employees, account for 51% of private sector employment in Oregon in 2009, up from about 50.2% of private employment in 2000 and down from 52.5% in 1996. Workers of small businesses typically had lower wages than the state average, with average wages of \$33,977 compared to the statewide average of for large businesses about \$45,814 in 2009.<sup>28</sup>

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and Services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

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<sup>26</sup> Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for more than nearly 40% of employment in manufacturing in Oregon in 2010, with the most employment in Wood Product and Food manufacturing.

<sup>27</sup> Business Oregon, "Economic Data Packet"

<sup>28</sup> Business Oregon, "Economic Data Packet"

## **ECONOMIC TRENDS IN LINCOLN COUNTY AND NEWPORT**

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Future economic growth in Newport will be affected in part by demographic and economic trends in the city and surrounding region. A review of historical demographic and economic trends provides a context for establishing a reasonable expectation of future growth in Newport. In addition, the relationship between demographic and economic indicators such as population and employment can help assess the local influence of future trends and resulting economic conditions. This section addresses the following trends in Newport:

- Population and demographics
- Household and personal income
- Employment
- Business activity
- Outlook for growth in Newport

### **POPULATION AND DEMOGRAPHIC CHARACTERISTICS**

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the Nation's, growing faster than the national economy during expansions, and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. As the nation's economic growth has slowed during 2007, Oregon's population growth began to slow.

Oregon's population grew from 2.8 million people in 1990 to 3.8 million people in 2010, an increase of more than 1,000,000 people at an average annual rate of 1.5%. Oregon's growth rate slowed to 1.1% annual growth between 2000 and 2010.

Lincoln County and Newport grew more slowly than the State average between 1990 and 2010, growing at 0.8% annually. Lincoln County added 7,145 residents and Newport added 1,552. Twenty-two percent of the County's population lived in Newport in 2010.

**Table A-1. Population in the U.S., Oregon, Lincoln County, and Newport, 1990-2010**

Area	Population			Change 1990 to 2010		
	1990	2000	2010	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	308,745,538	60,035,665	21%	1.1%
Oregon	2,842,321	3,421,399	3,831,074	988,753	29%	1.5%
Lincoln County	38,889	44,479	46,034	7,145	16%	0.8%
Newport	8,437	9,532	9,989	1,552	16%	0.8%

Source: U.S. Census, 2000, 2010 DP-1

Migration is the largest component of population growth in Oregon. Between 2000 and 2010, in-migration accounted for 62% of Oregon's population growth. Over the same period, in-migration accounted for 100% of the of population growth in Lincoln County, adding nearly 1,135 residents over the ten-year period.

The average age of Newport residents is increasing. The average age of Newport residents in 2010 was 43.1 years old, compared with 40.9 in 2000. In comparison, Lincoln County's average age was 49.6 years old in 2010 and 42.6 in 2000. The average age of Oregon's population in 2010 was 38.4 years and 36.3 in 2000. The average age in Newport increased at about the same rate as the State. The average age for Lincoln County increased faster than the State or Newport.

Table A-2 shows the change in age distribution for Newport between 2000 and 2010. Population increased in all age groups. The age group that increased the most was people aged 45 and older, which grew by 2,189 people (an increase of more than 50%). This age group's proportion of the total population increased from 44% to 51% during this time period. Newport's younger population grew slowly, with people under 17 years accounting for 19% of the City's population in 2010, down from 23% in 2000.

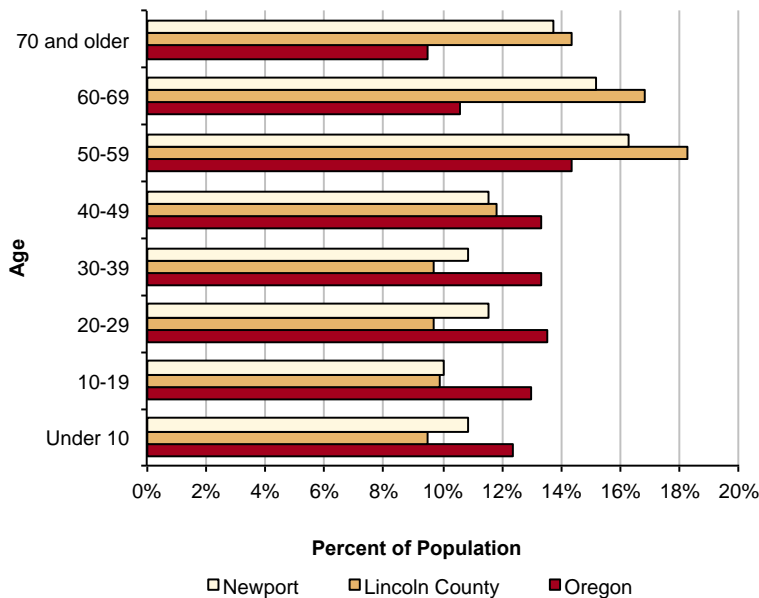
**Table A-2. Change in age distribution, Newport, 2000-2010**

Age Group	2000		2010		Change 2000 to 2010		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	533	6%	730	6%	197	37%	0%
5-17	1,590	17%	1,605	13%	15	1%	-4%
18-24	770	8%	892	7%	122	16%	-1%
25-44	2,452	26%	2,772	22%	320	13%	-3%
45-64	2,548	27%	3,871	31%	1,323	52%	5%
65 and over	1,639	17%	2,505	20%	866	53%	3%
<b>Total</b>	<b>9,532</b>	<b>100%</b>	<b>12,375</b>	<b>100%</b>	<b>2,843</b>	<b>30%</b>	<b>0%</b>

Source: U.S. Census Bureau, 2010

Figure A-1 shows the age structure for Oregon, Lincoln County, and Newport in 2010. Lincoln County and Newport had a larger share of people over 50 years old (49% and 45%) than Oregon (34%).

**Figure A-1. Population by age, Oregon, Lincoln, and Newport, 2010**



Source: U.S. Census Bureau, 2010

The Office of Economic Analysis forecasts that Lincoln County’s percent of people 65 years and older will increase from 20% in 2000 to 30% in 2030, compared to Oregon’s increase from 13% to 19% of the population.<sup>29</sup>

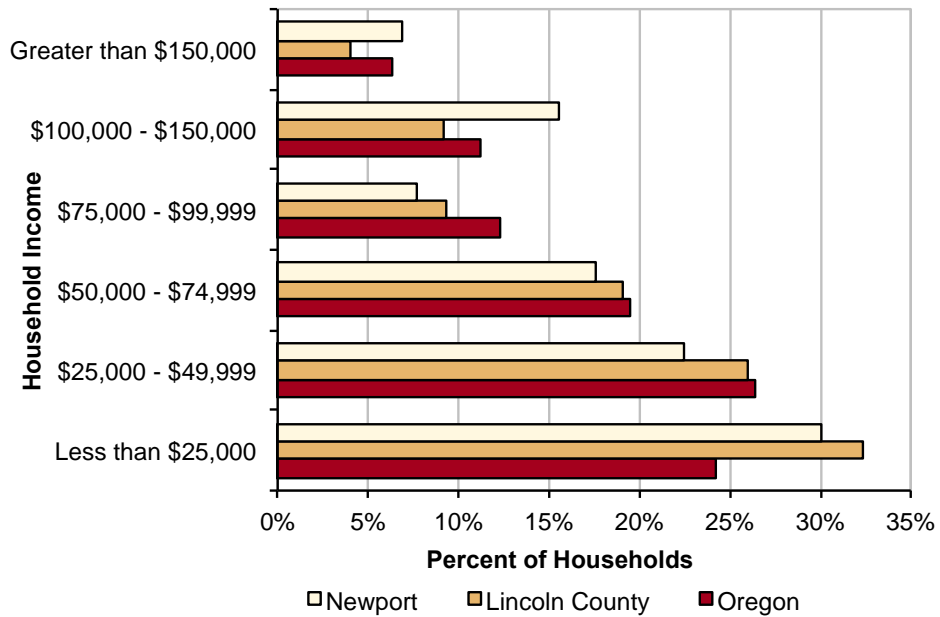
## HOUSEHOLD INCOME

Income for residents of Newport is higher on average than the County and slightly lower than the State. In 2010, Newport’s median household income was \$48,247, compared with the County median of \$39,738 or the State median of \$49,260.

Figure A-2 shows the distribution of household income in Oregon, Lincoln County, and Newport in 2010. Figure A-2 shows that a larger share of households in Newport (16%) had an income between \$100,000 and \$150,000, compared to Lincoln County (9%) or the State (11%). Newport and Lincoln County also had a higher share of households with income below \$25,000 (between 30 and 32%), compared to the State (24%).

<sup>29</sup> Oregon Office of Economic Analysis, Long Term County Forecast, State and County Population Forecasts by Age and Sex, 2000 to 2040

**Figure A-2. Distribution of household income of Oregon, Lincoln County, and Newport, 2010**



Source: U.S. Census Bureau 2010/American Community Survey 2006-2010 B19001

Table A-3 shows average annual pay per employee in the U.S., Oregon, and Lincoln County for 2001 to 2010. The national average wage grew faster than State or County averages. The average U.S. wage increased by 29%, compared to the State and County increase of 26%. As a percentage of the U.S. average, wages in Lincoln County decreased by 2% over the ten-year period, from 66% to 64%. Wages in Lincoln County have consistently been 18% below the State average.

In 2010, average annual pay for workers in Lincoln City was \$30,014, compared to Oregon’s average of \$41,700 and the national average of about \$46,750.

**Table A-3. Average annual pay, Oregon and Lincoln County (nominal dollars), 2000-2010**

Year	U.S	Oregon	Lincoln County	Lincoln County	
				% of U.S.	% of State
2001	\$36,219	\$33,202	\$23,852	66%	72%
2002	\$36,764	\$33,685	\$24,449	67%	73%
2003	\$37,765	\$34,455	\$25,156	67%	73%
2004	\$39,354	\$35,627	\$26,026	66%	73%
2005	\$40,677	\$36,593	\$26,821	66%	73%
2006	\$42,535	\$38,070	\$27,883	66%	73%
2007	\$44,450	\$39,566	\$28,384	64%	72%
2008	\$45,563	\$40,486	\$29,310	64%	72%
2009	\$45,559	\$40,742	\$29,665	65%	73%
2010	\$46,751	\$41,669	\$30,014	64%	72%
<b>Change 2000 to 2010</b>					
Nominal Change	\$10,532	\$8,467	\$6,162		
Percent Change	29%	26%	26%		

Source: Oregon Employment Department: OLMIS, <http://www.qualityinfo.org/olmis/CEP> and U.S. Bureau of Labor Statistics, 2010

## LINCOLN COUNTY EMPLOYMENT TRENDS

Tables A-4 and A-5 present data from the Oregon Employment Department that show changes in covered employment<sup>30</sup> for Lincoln County between 1980 and 2005. The changes in sectors and industries are shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2010. The analysis is divided in this way because of changes in industry and sector classification system that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.<sup>31</sup>

Employment data in this section is summarized by *sector*, each of which includes several individual *industries*. For example, the Retail Trade sector includes General Merchandise Stores, Motor Vehicle and Parts Dealers, Food and Beverage Stores, and other retail industries.

Table A-4 shows the changes in covered employment by sector in Lincoln County between 1980 and 2000. Covered employment in the County grew from 11,828 to 16,949, an increase of 43% or 5,121 jobs. Most sectors added jobs during this period, except for Mining; Manufacturing; Agriculture, Forestry, and Fishing; and Wholesale Trade. Manufacturing saw the

<sup>30</sup> Covered employment refers to jobs covered by unemployment insurance, which includes most wage and salary jobs but does not include sole proprietors, seasonal farm workers, and other classes of employees.

<sup>31</sup> Prior to 2001, data were organized by Standard Industrial Classification (SIC) codes. That system was completely revamped and replaced with the North American Industrial Classification System (NAICS) in 2001.

largest decline in terms of its share of total employment from 18% to 8%, translating to 792 fewer jobs. Covered employment in Agriculture, Forestry, and Fishing also declined by over half, from 409 to 202. The sectors with the greatest positive change in employment were Services and Retail Trade, adding a total of 4,948 jobs or about 80% of all new jobs.

Average pay per employee increased from about \$11,947 in 1980 to \$23,226 in 2000. The sectors that grew the fastest generally paid less than average, with Services paying between 66% to 82% of average and Retail Trade paying about 64% to 66% of average. Manufacturing jobs generally paid more than the average, varying between 152% of average in 1980 to 168% of average by 2000.

**Table A-4. Covered employment in Lincoln County, 1980-2000**

Sector	1980	1990	2000	Change 1980 to 2000		
				Difference	Percent	AAGR
Agriculture, Forestry & Fishing	409	534	202	-207	-51%	-3.5%
Mining	72	51	N/A*	0	0%	0.0%
Construction	475	496	690	215	45%	1.9%
<b>Manufacturing</b>	2,157	1,670	1,365	-792	<b>-37%</b>	-2.3%
Trans., Comm., & Utilities	437	408	488	51	12%	0.6%
Wholesale Trade	208	205	205	-3	-1%	-0.1%
<b>Retail Trade</b>	3,035	4,056	4,914	1,879	<b>62%</b>	2.4%
Finance, Insurance & Real Estate	391	445	535	144	37%	1.6%
<b>Services</b>	2,108	3,203	5,177	3,069	<b>146%</b>	4.6%
Nonclassifiable/all others	21	31	40	19	90%	3.3%
Government	2,515	2,975	3,334	819	33%	1.4%
<b>Total</b>	<b>11,828</b>	<b>14,074</b>	<b>16,949</b>	<b>5,121</b>	<b>43%</b>	<b>1.8%</b>

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. <http://www.qualityinfo.org/olmisj/CEP> Accessed 1/30/12. Summary by industry and percentages calculated by ECONorthwest.

\*No covered employment data was available for Mining in the year 2000.



Table A-5 shows the change in covered employment by sector for Lincoln County between 2001 and 2010. Employment increased by 534 jobs or 3% during this period. There were modest fluctuations across all sectors with regard to share of total employment. The sector with the largest increase in number of employees was Health and Social Assistance. That sector grew 6% annually and increased its share of total employment by 3.85%. The sector that lost the greatest number of employees during this period were Accommodations and Food Services and Retail.

**Table A-5. Covered employment in Lincoln County, 2001-2010**

Sector	2001	2010	Change 2001 to 2010		
			Difference	Percent	AAGR
Natural Resources and Mining	319	274	-45	-14%	-1.7%
Construction	631	714	83	13%	1.4%
Manufacturing	1,102	1,016	-86	-8%	-0.9%
Wholesale	162	158	-4	-2%	-0.3%
Retail	2,838	2,669	-169	-6%	-0.7%
Transportation & Warehousing	239	289	50	21%	2.1%
Information	253	175	-78	-31%	-4.0%
Finance & Insurance	242	291	49	20%	2.1%
Real Estate Rental & Leasing	226	314	88	39%	3.7%
Professional, Scientific & Tech. Srv.	283	(c)	(c)	(c)	(c)
Management of Companies	46	(c)	(c)	(c)	(c)
Admin. Support & Cleaning Srv.	593	538	-55	-9%	-1.1%
Education	27	126	99	367%	18.7%
Health & Social Assistance	1,001	1,695	694	69%	6.0%
Arts, Entertainment & Recreation	215	228	13	6%	0.7%
Accommodations & Food Services	3,967	3,766	-201	-5%	-0.6%
Other Services (except Public Admin.)	583	637	54	9%	1.0%
Private Non-Classified	13	(c)	(c)	(c)	(c)
Government	3,933	3,988	55	1%	0.2%
<b>Total</b>	<b>16,673</b>	<b>17,207</b>	<b>534</b>	<b>3%</b>	<b>0.4%</b>

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. Summary by industry and percentages calculated by ECONorthwest  
Note: (c) denotes confidential data

## EMPLOYMENT IN NEWPORT

Table A-6 shows a summary of employment data for the Newport UGB in 2010. Newport had 7,055 jobs at 725 establishments in 2010, with an average firm size of 9.7 employees. The sectors with the greatest employees were: Government (23%), Accommodation and Food Service (19%), and Retail Trade (16%), and Health Care and Social Assistance (14%). These sectors accounted for 5,051 jobs or 72% of Newport's jobs.

**Table A-6. Covered employment in Newport UGB, 2010**

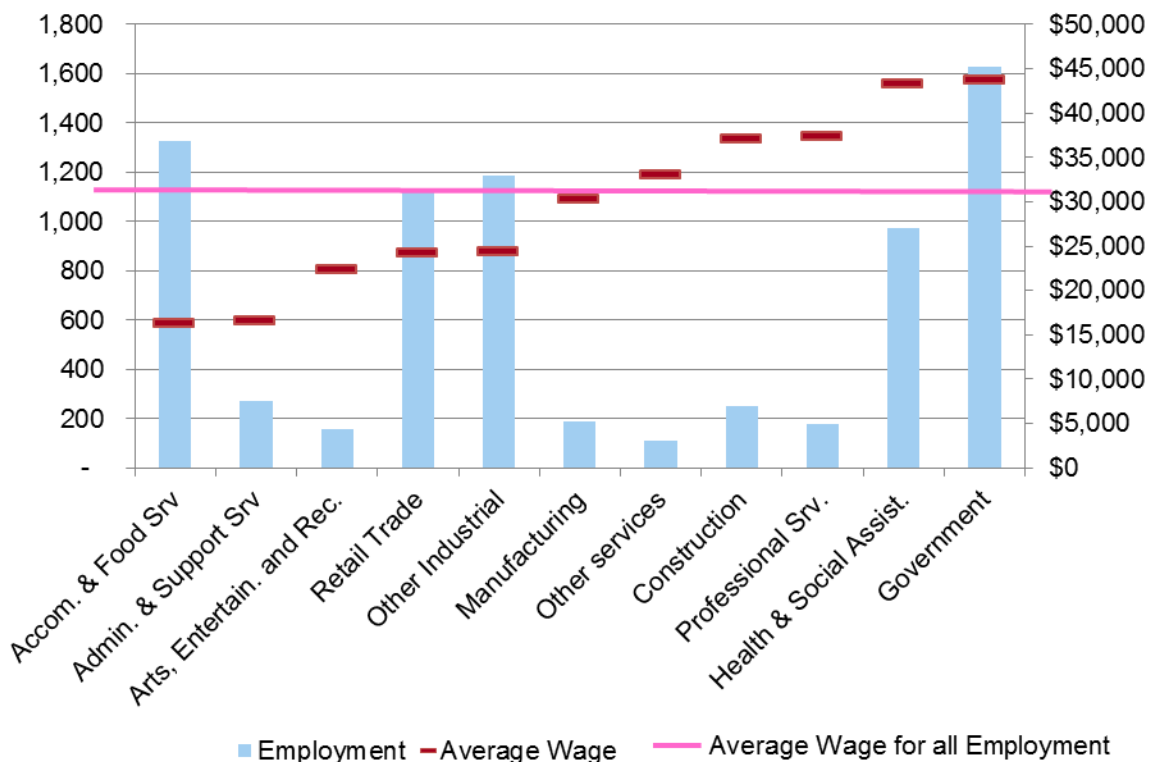
Industry/Sector	Establish- ments	Employment	Average Pay/Emp.
<b>Agriculture, Forestry, Fishing &amp; Hunting, and Mining</b>	<b>28</b>	<b>69</b>	<b>\$44,515</b>
<b>Construction</b>	<b>54</b>	<b>250</b>	<b>\$37,078</b>
<b>Manufacturing</b>	<b>26</b>	<b>189</b>	<b>\$30,306</b>
Food Manufacturing	6	94	\$21,563
Other Manufacturing	20	95	\$38,957
<b>Wholesale Trade</b>	<b>16</b>	<b>89</b>	<b>\$38,219</b>
<b>Retail Trade</b>	<b>106</b>	<b>1,121</b>	<b>\$24,280</b>
General Merchandise Stores	5	395	\$25,322
Food and Beverage Stores	15	199	\$21,237
Motor Vehicle and Parts Dealers	10	153	\$31,557
Other Retailers	76	374	\$21,823
<b>Transportation &amp; Warehousing &amp; Utilities</b>	<b>17</b>	<b>91</b>	<b>\$33,688</b>
<b>Information</b>	<b>14</b>	<b>83</b>	<b>\$29,578</b>
<b>Finance &amp; Insurance</b>	<b>32</b>	<b>165</b>	<b>\$41,390</b>
<b>Real Estate &amp; Rental &amp; Leasing</b>	<b>31</b>	<b>83</b>	<b>\$22,803</b>
<b>Professional, Scientific, and Technical Services</b>	<b>56</b>	<b>177</b>	<b>\$37,320</b>
<b>Management of Companies and Enterprises</b>	<b>4</b>	<b>18</b>	<b>\$39,602</b>
<b>Admin. &amp; Support &amp; Waste Mgt. &amp; Remediation Srv.</b>	<b>23</b>	<b>272</b>	<b>\$16,626</b>
<b>Private Educational Services</b>	<b>4</b>	<b>12</b>	<b>\$30,092</b>
<b>Health Care &amp; Social Assistance</b>	<b>70</b>	<b>972</b>	<b>\$43,269</b>
<b>Arts, Entertainment, &amp; Recreation</b>	<b>10</b>	<b>159</b>	<b>\$22,379</b>
<b>Accommodation &amp; Food Services</b>	<b>110</b>	<b>1,329</b>	<b>\$16,255</b>
Accommodation	29	493	\$16,779
Food Services and Drinking Places	81	836	\$15,946
<b>Other Services (except Public Administration)</b>	<b>83</b>	<b>347</b>	<b>\$19,589</b>
<b>Government</b>	<b>41</b>	<b>1,629</b>	<b>\$43,669</b>
Federal Government	4	49	\$72,729
State Government	13	402	\$42,096
Local Government	24	1,178	\$42,997
<b>Total</b>	<b>725</b>	<b>7,055</b>	<b>\$31,224</b>

Source: Oregon Employment Department Quarterly Census of Employment and Wages (QCEW). Summary by industry and percentages calculated by ECONorthwest

Figure A-3 shows covered employment and average wage by sector in Newport in 2010. The average wage for all covered employment in Newport was about \$31,000 in 2010. The sectors with at least 10% of Newport's employment and above average wages were Government, Health Care and Social Assistance. The sectors with at least 10% of

Newport's employment and below average wages were Accommodations and Food services, Retail Trade, and other industrial.

**Figure A-3. Covered employment and average wage per sector in Newport UGB, 2010**



Source: Oregon Employment Department Quarterly Census of Employment and Wages (QCEW). Summary by ECONorthwest

Employment in Newport is seasonal, with peak employment during the summer and lower employment in the winter. In 2010, employment was highest between June and September, peaking at 7,350 employees in August. Employment was lowest from November to April, with a low of 6,641. Some of the most seasonal sectors are: manufacturing (except food manufacturing), transportation, finance and real estate, and other services. Some of the most seasonal sectors are: food products manufacturing, educational services, and accommodation and food services.

## ACTIVITY IN TARGET INDUSTRIES

The 2005 EOA report<sup>32</sup> identified the following target industry clusters: tourism, fishing and value added manufacture, non-seafood food products and beverage manufacture, arts & culture, higher education and research, and surgical appliance and suppliers manufacture. Discussions with the project advisory committee and changes in Newport's economy

<sup>32</sup> "Employment Lands and Conceptual Land Use Planning Project: Economic Planning," September 2005.

resulted in some re-organizing of these target industries. The target industries used in this report are:

- **Ocean observing and research**, which is similar to the previous target industry of higher education and research
- **Tourism** includes tourism and arts and culture
- **Marine shipping and fisheries** considers marine-related industries, including fishing and value added manufacture, and adding shipping from the renovated International Terminal

## **Marine and ocean observing research and education**

Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)'s Pacific Marine Operations Center.

Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document "Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework." This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor "cabled" observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

Key economic development opportunities in the ocean-observing industry cluster include:

- **Operations and maintenance of marine research vessels.** With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.

- **Development of facilities to support marine research operations and maintenance.** These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- **Development of facilities and programs to support marine education.** These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- **Instrument design, manufacturing, deployment, sales, and service.** With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- **Expanded marine research.** As federal and state investments in marine research and education increase, so will Newport’s role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.

## Marine Shipping and Fishing

Newport’s marine industries include cargo shipping and fishing.

### Cargo shipping

The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and Port infrastructure required repairs. The Port is in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

Once renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The International Terminal will begin by shipping logs, with about four to six ships carrying cargo from Newport per year. Over

the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

## **Fishing and seafood processing**

Newport is one of Oregon's largest commercial fishing ports, accounting for about one-third of the State's commercial fishing activity. The following section describes Newport's fishing industry, in 2008 (the most recently available information).<sup>33</sup>

- Newport was home to about 238 fishing vessels in 2008, an increase from 188 vessels in 2005. Newport's fishing fleet includes both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries.
- Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of \$32.5 million in 2008. This volume of seafood and value accounts for about one-third of the seafood harvested in Oregon in 2008.
- The economic contribution of the fishing industry on personal income in Newport in 2008 was about \$123 million, accounting for about 30% of statewide economic contribution from fishing. Between 1986 and 2008, the economic contributions from fishing grew from \$83 million, with an average annual growth rate of 1.8%.
- The species of fish most commonly sold in Newport in 2008 were: crab, groundfish, and shrimp. According to the 2005 EOA, restrictions on Oregon's groundfish and flatfish fisheries discouraged growth in fishing and seafood processing.
- In 2008, Newport had more than 30 seafood processors.

## **Tourism**

Tourism plays an important role in Newport's economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly

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<sup>33</sup> "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport’s tourism cluster include:

- Destinations such as the Oregon Coast Aquarium
- Recreational amenities, such as sightseeing tours or fishing charters
- Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
- A wide range of restaurants, including fine dining
- Arts and cultural opportunities, such as art dealers, museums, or performance arts

Table A-7 shows direct travel spending in Lincoln County and Newport over the 2001 to 2009 period, the most recently available data for Newport. In 2009, direct travel spending in Newport was \$116.8 million. Over the eight-year period, travel spending in Newport grew by about \$9 million, growth of about 1% per year. In comparison, Lincoln County’s travel spending grew by about \$120.7 million or 4.2% per year. Newport’s share of the County’s direct travel spending decreased from 35% in 2001 to 27% in 2009.

**Table A-7. Direct Travel Spending, millions of dollars  
Lincoln County and Newport, 2001 to 2010**

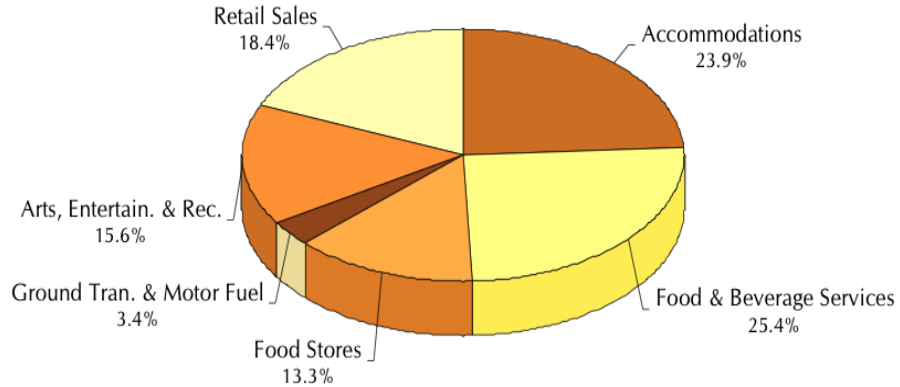
Year	Lincoln County	City of Newport	Newport's % of County
2001	\$311.9	\$107.8	35%
2003	\$326.2	\$107.4	33%
2004	\$340.0	\$111.9	33%
2005	\$353.9	\$113.8	32%
2006	\$426.6	\$119.4	28%
2007	\$436.2	\$121.4	28%
2008	\$453.8	\$114.8	25%
2009	\$432.6	\$116.8	27%
2010	\$440.9	Not Available	
<b>Change 2001-2009</b>			
Amount	\$120.7	\$9.0	
% change	39%	8%	
AAGR	4.2%	1.0%	

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates  
Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

Table A-4 shows travel spending by type of commodity in 2009 in Newport. Of the \$116.8 million spent in Newport in 2009, about half of spending was on accommodations or food and beverages. Remaining

spending was for retail sales, arts and entertainment, food stores, and transportation.

**Table A-4. Travel Spending by Type of Commodity Purchased, City of Newport, 2009**



Source: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

Table A-8 shows employment and earnings generated by travel spending in Newport over the 2001 to 2009 period. In 2009, travel spending in Newport generated 1,580 jobs and \$32.9 million in earnings. Table A-8 shows that earnings grew while employment changed little over the eight-year period.

**Table A-8. Employment and earnings generated by travel spending, Newport, 2001 to 2010**

Year	Employment (jobs)	Industry Earnings (\$million)
2001	1,620	\$28.0
2003	1,560	\$27.9
2004	1,600	\$29.1
2005	1,550	\$29.4
2006	1,560	\$30.9
2007	1,660	\$33.1
2008	1,560	\$32.2
2009	1,580	\$32.9
<b>Change 2001-2009</b>		
Amount	-40	\$4.9
%	-2%	18%
AAGR	-0.3%	2.0%

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates  
 Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates



Table A-9 shows lodging tax receipts for Newport and Lincoln County between 2001 and 2010. Newport collected about \$2.2 million in lodging tax receipts in 2010, an increase of about \$912,000 since 2000. Newport's lodging tax receipts accounted for about one-quarter of lodging taxes collected in Lincoln County over the 10-year period.

**Table A-9. Lodging tax receipts, thousands of dollars  
Lincoln County and Newport, 2001 to 2010**

Year	Lincoln County	Newport	Newport's % of County
2000	\$5,539.0	\$1,311.0	24%
2001	\$5,982.0	\$1,453.0	24%
2002	\$6,363.0	\$1,464.0	23%
2003	\$6,395.0	\$1,492.0	23%
2004	\$6,715.0	\$1,716.0	26%
2005	\$7,004.0	\$1,866.0	27%
2006	\$8,398.0	\$2,113.0	25%
2007	\$8,071.0	\$2,272.0	28%
2008	\$8,144.0	\$2,378.0	29%
2009	\$8,996.0	\$2,232.0	25%
2010	\$9,067.0	\$2,223.0	25%
<b>Change 2000-2010</b>			
Amount	\$3,528.0	\$912.0	
%change	64%	70%	
AAGR	5.1%	5.4%	

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates  
Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

## OUTLOOK FOR GROWTH IN NEWPORT

Table A-10 shows the population forecast developed by the Office of Economic Analysis for Oregon and Lincoln County for 2000 through 2040. Lincoln County is forecast to grow at a slower rate than Oregon from 2010 to 2040. The forecast shows Lincoln County's population will grow by about over 10,300 people over the 30-year period – a 22% increase. Over the same period, Oregon is forecast to grow by more than 1.5million people, or 41%.

**Table A-10. State population forecast,  
Oregon and Lincoln County, 2000 to 2040**

Year	Oregon	Lincoln County
2000	3,436,750	44,600
2005	3,618,200	45,365
2010	3,843,900	46,945
2015	4,095,708	48,776
2020	4,359,258	50,379
2025	4,626,015	52,039
2030	4,891,225	53,710
2035	5,154,793	55,364
2040	5,425,408	57,247
<b>Change 2010 to 2040</b>		
Amount	1,581,508	10,302
% Change	41%	22%
AAGR	1.2%	0.7%

Source: OEA 2004 population forecast  
<http://www.oregon.gov/DAS/OEA/demographic.shtml>

Table A-11 shows the Oregon Employment Department’s forecast for employment growth by industry for Lincoln County over the 2010 to 2020 period. The sectors that will lead employment growth in Lincoln for the ten-year period are Health Care & Social Assistance (adding 3,180 jobs), Government (adding 2,060 jobs), Professional and Business Services (adding 2,420 jobs), Leisure & Hospitality (adding 1,970 jobs), and Retail Trade (adding 1,330 jobs). Together, these sectors are expected to add 10,960 new jobs or 69% of employment growth in Lincoln County.

**Table A-11. Nonfarm employment forecast by industry in Lincoln County, 2010-2020**

Sector / Industry	2010	2020	Change 2010-2020	
			Amount	% Change
Natural resources & Mining	3,600	4,080	480	13%
Construction	3,390	4,320	930	27%
Manufacturing	10,960	12,220	1,260	11%
Durable Goods	7,930	9,230	1,300	16%
Wood product mfg.	1,760	2,030	270	15%
Nondurable goods	4,000	4,100	100	3%
Transportation, & utilities	15,860	18,290	2,430	15%
Wholesale trade	2,090	2,470	380	18%
<b>Retail trade</b>	<b>10,380</b>	<b>11,710</b>	<b>1,330</b>	<b>13%</b>
Information	1,410	1,510	100	7%
Financial activities	3,430	3,880	450	13%
<b>Professional &amp; business srv.</b>	<b>7,590</b>	<b>10,010</b>	<b>2,420</b>	<b>32%</b>
Administrative & support srv.	3,270	4,230	960	29%
Education	930	1,050	120	13%
<b>Health care &amp; social assist.</b>	<b>11,330</b>	<b>14,510</b>	<b>3,180</b>	<b>28%</b>
Health care	9,610	12,370	2,760	29%
<b>Leisure &amp; hospitality</b>	<b>10,460</b>	<b>12,430</b>	<b>1,970</b>	<b>19%</b>
Accommodation & food srv.	9,420	11,230	1,810	19%
Food srv. & drinking places	7,210	8,710	1,500	21%
Other srv.	3,090	3,590	500	16%
<b>Government</b>	<b>25,620</b>	<b>27,680</b>	<b>2,060</b>	<b>8%</b>
Federal government	1,300	1,370	70	5%
State government	12,420	13,770	1,350	11%
Local government	11,900	12,540	640	5%
Local education	6,410	6,610	200	3%
<b>Total nonfarm employment</b>	<b>97,670</b>	<b>113,580</b>	<b>15,910</b>	<b>16%</b>

\*Note: Region 4 is Lincoln, Benton, and Linn Counties

Source: OR Employment Department. Employment Projections by Industry 2010-2020

<http://www.qualityinfo.org/pubs/projections/r4.pdf>

# Factors Affecting Future Economic Growth in Newport

## Appendix B

This appendix presents a detailed analysis consistent with the requirements of OAR 660-009-0015(4) of Newport’s competitive advantage relative to Lincoln County, the Oregon Coast, and Oregon. The information presented in this appendix is summarized in Chapter 3.

Each economic region has different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all areas have these factors to some degree, the mix and condition of these factors vary. The mix and condition of productive factors may allow firms in a region to produce goods and services more cheaply, or to generate more revenue, than firms in other regions.

By affecting the cost of production and marketing, competitive advantages affect the pattern of economic development in a region relative to other regions. Goal 9 and OAR 660-009-0015(4) recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production.<sup>34</sup> An analysis of competitive advantage depends on the geographic areas being compared. In general, economic conditions in Newport will be largely shaped by national and regional economic conditions affecting Coastal communities. Chapter 3 and Appendix A present trends and forecasts of conditions in Oregon and Newport to help establish the context for economic development in Newport. Local economic factors will help determine the amount and type of development in Newport relative to other communities in Oregon.

This appendix focuses on the competitive advantages of Newport relative to the mid-Oregon Coast and the rest of Oregon. The implications of the factors that contribute to Newport’s competitive advantage are discussed at the end of this chapter.

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<sup>34</sup> OAR 660-009-0015(4) requires assessment of the “community economic development potential.” This assessment must consider economic advantages and disadvantages – or what Goal 9 broadly considers “competitive advantages.”

## LOCATION

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Newport is a city with a population of approximately 9,989 people in 2010, located on the Central Oregon Coast, adjacent to the Pacific Ocean. The City is located along Highway 101, with the intersection of Highway 101 and Highway 20. Newport's location will continue to impact its future economic development.

- The Central Coast is composed mostly of smaller cities with fewer than 10,000 people, of which Newport is the largest. Lincoln City is the next largest nearby city (located 25 miles to the north) with a population of 7,930. The largest city within approximately 50 miles is Corvallis, with a population of more than 50,000 people.
- Newport has direct access to the State's highway system, as well as other options for passenger transportation. Highway 101 is the main north-south route at the Oregon Coast and runs through Newport. Interstate 5 about 60 miles to the east of Newport and is accessible by Highway 20. Greyhound operates bus service to and from Newport. Residents and businesses in Newport can access other modes of transportation in Albany (Amtrak), and Eugene (Eugene Airport and Amtrak).
- Residents of Newport have easy access to shopping, cultural activities, indoor and outdoor recreational activities, and other amenities in Newport, Lincoln City, Corvallis, other Willamette Valley communities, and in other communities along the Central Coast.
- The Pacific Ocean is a major tourism draw to Newport and the Central Coast. Tourists from all over the world come to Newport to visit attractions such as the Oregon Coast Aquarium or for recreational activities like fishing, whale watching, or surfing. Ocean-going vessels can get from Yaquina Bay to the open ocean in about 10 minutes, which is considerably faster than access from other large Northwest ports.
- Newport residents have several nearby opportunities for post-secondary education. The Oregon Coast Community College is located in Newport and offers associate degrees, GEDs, non-credit classes and credits toward the first two years of a bachelor's degree. The Hatfield Marine Science Center is also located in Newport and operated by Oregon State University. Corvallis also has a number

of opportunities for post-secondary education, including Oregon State University and Linn-Benton Community College.

Newport's distance from major urban centers and arterials and access to the Pacific Ocean and Highway 101 will affect the types of businesses that locate in Newport. Newport is unlikely to attract businesses that need direct access to Interstate 5 or communities in the Willamette Valley. Newport is likely to attract businesses that need to locate near the ocean, Highway 101, or other coastal communities.

## **AVAILABILITY OF TRANSPORTATION FACILITIES**

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Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highway 101, Highway 20, and local roads); rail (Amtrak via Albany or Willamette and Pacific Railroad in Toledo); transit (Lincoln County Transit); shipping (Newport International Terminal) and air (Newport Municipal Airport and other regional airports).

Newport has automotive access for commuting and freight movement along Highway 101 and Highway 20. Newport is located about 63 miles from Interstate 5, the primary north-south transportation corridor on the West Coast, linking Newport to domestic markets in the United States and international markets via West Coast ports.

Other transportation options are:

- **Rail.** The Willamette and Pacific Railroad provides freight service from Toledo (just 7 miles east of Newport) to Albany, where it connects to Union Pacific lines. Passenger rail service (Amtrak) is also available in Corvallis. Traffic on the Willamette and Pacific Railroad is approximately 38,000 cars a year with cargo primarily of forest and paper products, scrap, and steel.
- **Transit.** Lincoln County Transit provides limited transit service to and from Newport, Lincoln City, Depoe Bay, Toledo, Waldport, Yachats, Siletz, Otis, and Corvallis. Most routes have 2 to 3 morning and afternoon/evening departure times. Valley Van Pool provides weekday shuttle service from Newport to Corvallis that leaves at 6:15am. The Newport loop runs through Newport and up to Lincoln City and back, and makes approximately 5-6 trips per day.
- **Port.** The Port of Newport operates an international shipping terminal, a commercial fishing marina, and a recreational marina. The Port is in the process of renovating the International Terminal,

which will provide facilities for shipping bulky goods (e.g., wood products) via large cargo vessels.

- **Air.** The Newport Municipal Airport offers aviation service to for small privately owned planes. Until July 2011, the Airport offered commercial passenger service to the Portland International Airport. The Eugene Airport is the closest mid-sized airport providing passenger and freight service and is about 90 miles from Newport. Newport is about 150 miles away from the Portland International Airport, Oregon’s largest airport.

Newport has greater access to transportation than many coastal communities in Oregon. The considerable distance to major arteries and urban centers will affect the types of businesses that locate in Newport and overall employment growth for the City. Newport’s transportation access provides the City with competitive advantages for attracting some businesses, such as businesses that prefer to locate on Highway 101 or those who prefer to locate near Highway 20. In addition, Newport’s location along Highway 101 gives the City access to workers along the Coast and heavy seasonal tourist traffic.

Newport has advantages for shipping freight. The City has one of three deep draft ports on the Oregon Coast, making it attractive to do businesses that need access to ship freight. Businesses in Newport have access to rail transportation via the Willamette and Pacific Railroad in nearby Toledo, which may be important for businesses that ship bulky or heavy products that do not need to be shipped fast.

Newport’s distance from I-5 is a competitive disadvantage for businesses that depend on quick, easy access to the Interstate. These businesses include large-scale regional warehousing and distribution firms, or firms that ship large amounts of freight by truck.

## **BUYING POWER OF MARKETS**

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The buying power of Newport and Lincoln County forms part of Newport’s competitive advantage by providing a market for goods and services. Table B-1 shows average household expenditures for common purchases in Lincoln County and Newport in 2010. Newport’s households spend an average of \$48,044 on commonly purchased items, nearly \$1,700 more than the County average.

**Table B-1. Average household expenditures, Lincoln County, and Newport 2010**

	Lincoln County		Newport	
	\$ per Household	% of total	\$ per Household	% of total
Transportation	9,235	20%	9,509	20%
Shelter	8,934	19%	9,263	19%
Food and Beverages	7,202	16%	7,420	15%
Utilities	3,335	7%	3,426	7%
Health Care	2,966	6%	3,037	6%
Entertainment	2,564	6%	2,666	6%
Apparel	2,202	5%	2,279	5%
Household Furnishings & Equ	1,989	4%	2,081	4%
Contributions	1,679	4%	1,762	4%
Household Operations	1,599	3%	1,684	4%
Gifts	1,201	3%	1,273	3%
Education	1,065	2%	1,156	2%
Miscellaneous Expenses	790	2%	822	2%
Personal Care	675	1%	699	1%
Personal Insurance	458	1%	480	1%
Tobacco	325	1%	327	1%
Reading	153	0.3%	160	0.3%
<b>Total</b>	<b>46,372</b>	<b>100%</b>	<b>48,044</b>	<b>100%</b>

Source: Oregon Prospector, 2010

Businesses in Newport may benefit from being located in one of the larger cities on the Coast. Residents in smaller nearby cities such as Waldport, Depoe Bay, or Yachats, may find a larger selection of goods and services in Newport, increasing the size of the market for area businesses.

## **PUBLIC FACILITIES AND SERVICES**

Provision of public facilities and services can impact a firm's decision on location within a region but ECO's past research has shown that businesses make locational decisions primarily based on factors that are similar with a region. These factors are: the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region.

Once a business has chosen to locate within a region, they consider the factors that local governments can most directly affect: tax rates, the cost and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.



## TAX POLICY

The tax policy of a jurisdiction is a consideration in economic development policy. In Fiscal Year 2010 to 2011, property tax rates in Newport for the City was \$7.00 per \$1,000 of assessed value. Newport's property tax rate was similar to Coos Bay (\$7.01), lower than Astoria (\$8.67), and higher than Lincoln City (\$5.07) or Florence (\$3.23). The range of tax rates of cities at the Coast is comparable to tax rates of cities in the Willamette Valley, which generally range between \$5 and \$8 per \$1,000 of assessed value.

## WATER

Newport's municipal water is supplied from the Big Creek Raven Area and the Siletz River. The City stores water in two reservoirs, with the City's water treatment plant located at the lower reservoir. The cost of water service in Newport is similar to the costs in other Central Coastal communities.

The water-intensive economic uses are fish processing and tourism. Fish processing is by far the heaviest single employment-related water user in the City. Fish processing uses the most water in the spring and fall. Tourism, which peaks in the summer, requires a substantial amount of water at the driest part of the year. The City typically draws down the water stored in its reservoirs to meet summertime water demand.

The City has sufficient water rights to meet current and future needs. The City has water rights to six cubic feet per second (CFS) or the equivalent of about 3.9 million gallons of water per day. At peak usage in summer, Newport uses a maximum of 5.5 CFS of water. The City could meet increased demand for water during the summer, if they had more capacity for water storage at reservoirs, so that they could pump more water earlier and later in the year when the City uses significantly less than the amount allowed in their water rights.

The City is planning the following upgrades to the water system: (1) upgrading the raw water storage capacity, (2) extending service to the northern part of Newport, and (3) extending service to the southern part of Newport.

- The City is studying the long-term sustainability of the existing reservoirs and exploring long-term options for expanding the storage capacity of water. The results of these studies will likely result in a need to modify the water system master plan to address

and fund changes to the City's reservoirs and storage capacity for raw water.

- The City is planning to address the water capacity issues at the northern edge of town. The City plans to service this area by building a 1 million gallon water storage tank and upsizing water lines and the pump stations to the tank. Construction on these improvements is scheduled to begin in Fall 2012. These improvements will serve the industrial areas north of 71<sup>st</sup> Street but will not serve much further north than 78<sup>th</sup> Street. The City has long-term plans for constructing another water storage tank in the most northern part of the City.
- The City is planning to extend water service on the south side of the City, around 40<sup>th</sup> and 50<sup>th</sup> Streets. The City does not currently have the capacity to serve south of 62<sup>nd</sup> Street, which would require additional infrastructure, such as a lift station.

The City's ability to meet future commercial and industrial demand for municipal water service will depend on the timing of the growth, the location of the growth, and the amount and character of growth. For example, while the City has enough water, storage capacity, and water treatment capacity to accommodate growth of one or two water-intensive users (e.g., fish processors), the City's water system would be strained to accommodate growth of many water-intensive users. This difficulty would be intensified if a new water-intensive user needed large quantities of water in the summer, which would require building additional water storage facilities.

Given the amount of growth expected in Newport, the types of industries likely to grow or locate in Newport, and the City's plans for upgrading the existing water system, the City has sufficient water system capacity to accommodate expected growth.

## **WASTEWATER**

Newport's wastewater treatment plant is located on the south side of the City. The City typically treats between 1.5 and 2 million gallons per day. The treatment plant has capacity to treat up to 15 million gallons per day and the City's permit is for 5 million gallons per day. The City's peak load is 14 million gallons per day, as a result of rainwater infiltration into the wastewater treatment distribution and collection system.

The City has sufficient capacity to treat wastewater and can accommodate the forecasts for growth. The constraints for wastewater system are in the collection system. One issue is the condition of the collection system, with a need to replace mains and lifts. The City plans to replace problematic

mains and lifts between 2012 and 2017, which will decrease infiltration of rain water.

Another issue is that some parts of the City are not served by the wastewater system, such as the northern or southern parts of the City. The City is planning to serve some of these areas, such as the areas being newly served with municipal water. The City will be updating the wastewater system master plan in 2014, which will include new mapping of infrastructure deficiencies.

The ability of Newport's wastewater system to accommodate the needs of new or growing employers will depend on the needs of the employers and the need to comply with new Federal regulations. The wastewater needs of existing businesses vary. For example, the effluent of fruit processors has a high level of biological oxygen. In comparison, the NOAA vessels discharge ocean water into the wastewater system. The different types of effluent have different effects on the City's wastewater system. In addition, the EPA will require communities on the mid-Oregon Coast to comply with revised total daily maximum loads (TMDL) standards for bacteria, sediments, and temperatures.

Given the amount of growth expected in Newport, the types of industries likely to grow or locate in Newport, and the City's plans for upgrading the existing wastewater system, the City has sufficient wastewater system capacity to accommodate expected growth. The City may need to work with businesses with high or unusual wastewater effluent, to ensure that the City is able to meet Federal standards for wastewater treatment.

## **LABOR MARKET FACTORS**

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The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well. This section examines the availability of workers for Newport.

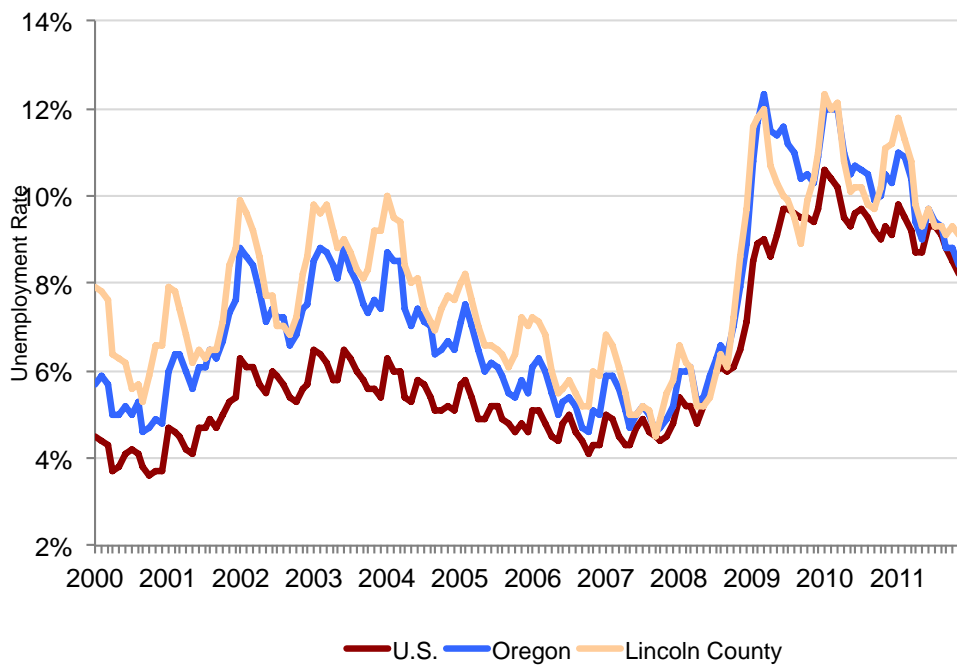
The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

Newport's labor force participation rate (percent of adult population who are employed or actively seeking work) was about 59% in 2010. In comparison, Lincoln County's labor force participation rate was 56%, compared with the State average of 64%. The lower labor force

participation rate in Newport (and Lincoln County) is a result, in part, of the older population in Newport, many of whom are retired.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Oregon Employment Department shows that unemployment in Lincoln County 9.1% in November 2011 was higher than the State average of 8.4%. Figure B-1 shows the unemployment rate for Lincoln County, Oregon, and the United States for the past decade. During this period, Lincoln County’s unemployment has been similar to the statewide unemployment rate. The County and State unemployment rates have been consistently higher than the national average, but the difference has decreased in recent years.

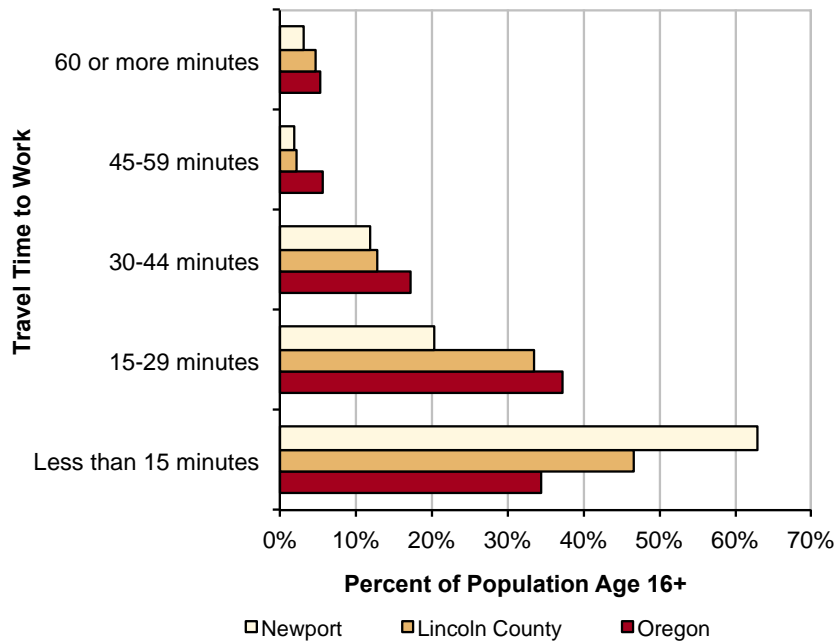
**Figure B-1. Unemployment rates for Lincoln County, Oregon, and the U.S., January 2000 through November 2011**



Source: Bureau of Labor Statistics  
 Note: unemployment data is not seasonally adjusted

Another important factor in the labor force is the distance that workers are willing to commute. Figure B-2 shows a comparison of the commute time to work for residents 16 years and older for Oregon, Lincoln County, and Newport in 2010. Commute times for Newport residents are below County and State averages. The majority of Newport residents (63%) have a commute time of fewer than 15 minutes; Eighty-three percent have a commute time of 29 minutes or less.

**Figure B-2. Commuting time to work in minutes for residents 16 years and older, Oregon, Lincoln County, and Newport, 2010**



Source: American Community Survey 5-Year Estimates 2006-2010

Table B-3 show where residents of Newport worked in 2002 and 2009. During the seven-year period, the percentage of residents working in the County and City decreased approximately 16% and 15%. In 2009, 62% of Newport’s residents were employed in Lincoln County, with 47% working in Newport. Multnomah County had the next highest percentage of workers living in Newport at 8%; Marion County had 6%.

**Table B-3. Places that residents of Newport were employed, 2002 and 2009**

Location	2002		2009	
	Number	Percent	Number	Percent
Lincoln County	2,830	78%	2,722	62%
Newport	2,228	62%	2,063	47%
Toledo	63	2%	126	3%
Lincoln City	178	5%	143	3%
Marion County	147	4%	266	6%
Salem	118	3%	181	4%
Multnomah County	131	4%	334	8%
Portland	109	3%	294	7%
Linn County	97	3%	99	2%
Benton County	96	3%	175	4%
Corvallis	90	2%	164	4%
Washington County	67	2%	199	5%
Clackamas County	62	2%	139	3%
Jackson County	32	1%	44	1%
Lane County	26	1%	51	1%
Clatsop County	19	1%	58	1%
All Other Locations	105	3%	322	7%
<b>Total</b>	<b>3,612</b>	<b>100%</b>	<b>4,409</b>	<b>100%</b>

Source: U.S. Census Bureau: LED on the Map Work Destination Report - Where Workers are Employed Who Live in the Selection Area - by Places (Cities, CDPs, etc.), 2010

Table B-4 shows where employees of firms located in Newport lived in 2002 and 2009. During the 7-year period, the percentage of workers commuting to Newport from outside the City and County increased approximately 5% and 7%. In 2009, 72% of Newport's workers lived in Lincoln County with 33% living in Newport. The 28% of workers commuting from other counties are mostly divided between Lane, Marion, Washington, Multnomah, Tillamook, Benton, Clackamas, Linn, and Clatsop Counties.

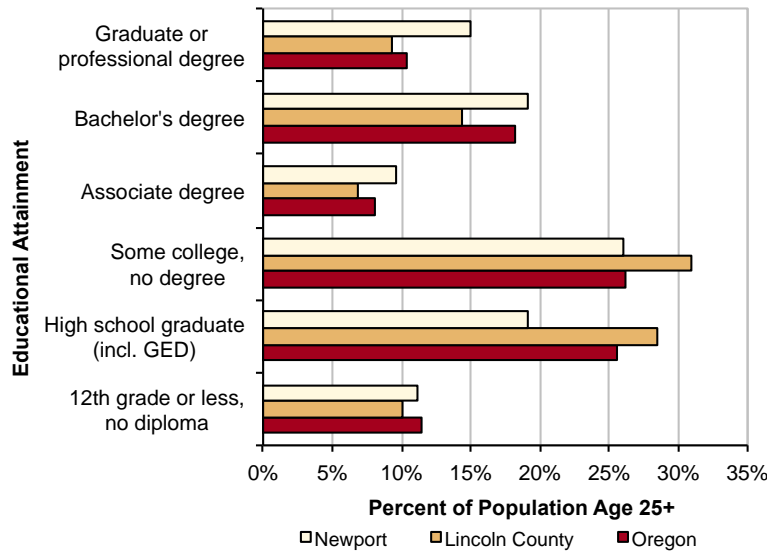
**Table B-4. Places where workers in Newport lived, 2002 and 2009**

Location	2002		2009	
	Number	Percent	Number	Percent
Lincoln County	4,643	79%	4,506	72%
Newport	2,228	38%	2,063	33%
Toledo	628	11%	662	11%
Lincoln City	140	2%	179	3%
Lane County	282	5%	285	5%
Eugene	77	1%	75	1%
Marion County	172	3%	155	3%
Washington County	115	2%	106	2%
Multnomah County	101	2%	133	2%
Tillamook County	98	2%	75	1%
Benton County	97	2%	179	3%
Corvallis	53	1%	109	2%
Clackamas County	77	1%	89	1%
Linn County	63	1%	169	3%
Clatsop County	29	1%	93	2%
All Other Locations	225	4%	469	8%
<b>Total</b>	<b>5,902</b>	<b>100%</b>	<b>6,259</b>	<b>100%</b>

Source: U.S. Census Bureau: LED on the Map Home Destination Report - Where Workers Live Who are Employed in the Selection Area - by Places (Cities, CDPs, etc.)

Educational attainment is an important labor force factor because firms need to be able to find educated workers. Figure B-5 shows the share of population by education level completed in Oregon, Lincoln County, and Newport in 2010. About 44% of Newport's residents had an associate's degree or higher, compared with 31% of Lincoln County residents and 37% of Oregonians.

**Figure B-5. Educational attainment for the population 25 years and over, Oregon, Lincoln County, and Newport, 2010**



Source: U.S. Census Bureau B15002 Sex By Educational Attainment for Population 25 Years and Over

Opportunities for workforce training and post-secondary education for residents of Newport and Lincoln County is primarily through the Oregon Coast Community College, with courses about marine science offered at the Hatfield Marine Science Center. Newport residents also have access to post-secondary institutions in or near Corvallis at Oregon State University and Linn-Benton Community College.

While Newport currently has a higher percentage of workers with bachelor’s degrees and graduate degrees than either the State or County, they also have a higher percentage of residents age 50 and above - many of whom may soon reach retirement age and leave the workforce.

## **NEWPORT’S COMPETITIVE AND COMPARATIVE ADVANTAGES**

Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions described in Appendix A. Economic conditions in Newport relative to these conditions in other coastal communities form Newport’s competitive and comparative advantages for economic development. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport’s

primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal community and a regional center for retail and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport), rail (Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or markets in the Willamette Valley.
- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
  - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
  - **Marine industries.** Newport has a wide-ranging of existing marine industries: research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of an ocean



observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.

- **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.
- **Existing marine infrastructure.** Newport’s existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.
- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in \$116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately \$2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

Newport’s tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport’s tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport’s households, residents of nearby communities, and visitors provide a market for goods and services. Newport’s role as a regional center

for retail and services is a competitive advantage for attracting retail and other services.

- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of available workers.

Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.

- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

# Employment Forecast and Site Needs for Industrial and other Employment Uses

## Appendix C

This appendix presents a detailed analysis of Newport’s site needs consistent with the requirements of OAR 660-009-0015(2) and of OAR 660-009-0025(1). This appendix includes an employment forecast and an analysis of site needs to accommodate industrial and other employment uses in Newport for the 2012 to 2032 period. The information presented in this appendix is summarized in [Chapter 4](#).

## EMPLOYMENT FORECAST

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To provide for an adequate supply of commercial and industrial sites consistent with plan policies, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Goal 9 requires cities 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.” The number of needed sites is dependent on the site requirements of employers. The estimate of land need is presented in the site needs analysis in the next section.

Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Newport . The level of this business expansion activity can be measured by employment growth in Newport . This section presents a projection of future employment levels in Newport for the purpose of estimating demand for commercial and industrial land.

The projection of employment has three major steps:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Newport ’s UGB presented in [Chapter 3](#). Covered employment does not include all workers, so we adjust covered employment to reflect total employment in Newport .
2. **Project total employment.** The projection of total employment will be calculated using the safe harbor method suggested in OAR 660-024.

3. **Allocate employment.** This step involves allocating employment to different land use types.

## **EMPLOYMENT BASE FOR PROJECTION**

To forecast employment growth in Newport , we must start with a base of employment growth on which to forecast. Table C-1 shows ECO's estimate of total employment in the Newport UGB in 2010. To develop the figures, ECO started with estimated covered employment in the Newport UGB from confidential QCEW (Quarterly Census of Employment and Wages) data provided by the Oregon Employment Department (presented in Table A-6).

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that covered employment reported by the Oregon Employment Department for Lincoln County is only about 68% of total employment reported by the U.S. Department of Commerce. We made this comparison by sector for Lincoln County and used the resulting ratios to convert covered employment to total employment in Newport. Table C-1 shows Newport had an estimated 10,060 employees within its UGB in 2010.

**Table C-1. Estimated total employment in the Newport UGB by sector, 2010**

Sector	Covered Employment		Estimated Total Employment
	Number	% of Total Emp.	
Agriculture, Forestry, Fishing & Hunting	69	68%	102
Construction	250	50%	495
Manufacturing	189	81%	233
Wholesale Trade	89	59%	150
Retail Trade	1,121	75%	1,502
Transportation & Warehousing & Utilities	91	71%	128
Information	83	68%	122
Finance & Insurance	165	51%	324
Real Estate & Rental & Leasing	83	22%	371
Professional, Scientific, and Technical Services	177	68%	261
Management of Companies and Enterprises	18	68%	27
Admin. & Support & Waste Mgt. & Remediation Srv.	272	52%	522
Private Educational Services	12	51%	23
Health Care & Social Assistance	972	68%	1,439
Arts, Entertainment, & Recreation	159	36%	437
Accommodation & Food Services	1,329	91%	1,461
Other Services (except Public Administration)	347	45%	780
Government	1,629	97%	1,683
<b>Total</b>	<b>7,055</b>	<b>68%</b>	<b>10,060</b>

Source: 2006 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department. Covered employment as a percent of total employment calculated by ECONorthwest using data for Lincoln County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department (covered).

Note: The estimate of the percent of covered to total employment was not available for the following sectors because confidential employment data could not be disclosed for these sectors by either the Oregon Employment Department or the Bureau of Economic Analysis: Natural Resources and Mining; Information; Professional, Scientific, and Technical Services; and Management of Companies.

## EMPLOYMENT PROJECTION

Table C-1 presents an estimate of total employment in Newport's UGB in 2010, 10,060 employees. Given the recent recession and the slow employment growth in Oregon between 2010 and 2012, we assume that Newport's employment base in 2012 has not changed substantially since 2010.

Forecasting employment growth in Newport requires making assumptions about future economic conditions in Newport and Lincoln County over the next 20-years. Some factors that we considered in forecasting employment growth in Newport are: historical growth trends in the County, the State's forecast for employment growth in the region, and Newport's expectations for population growth:

- **Long-term growth trends in Lincoln County.** Employment in Lincoln County grew from about 14,000 jobs in 1990 to 17,200 jobs in 2010, adding about 3,100 jobs at an average annual growth rate of 1.0%. Non-retail commercial employment more than doubled and government employment increased by 50% over the 20-year period. Employment in retail decreased by about 9% and manufactured decreased by 40% over the 20-year period.
- **Forecast of employment growth in Region 4.** The Oregon Employment Department’s projection of employment growth over the 2010 to 2020 period shows Region 4 (which includes Benton, Linn, and Lincoln Counties) growing at an average annual growth rate of 1.5%, adding nearly 16,000 new employees. Lincoln County accounts for nearly 20% of the employment in Region 4. The forecast shows the majority growth in Health Care, Professional Services, Transportation and Warehousing, and Leisure and Hospitality. While employment in these sectors are likely to grow in Newport (except for Transportation and Warehousing, which is unlikely to grow substantially in Newport), growth of these sectors is likely to be faster in larger urban areas like Corvallis and Albany.
- **Newport’s population is forecast to grow at about 0.7% annually.** Newport’s population forecast shows that Newport will grow from approximately 11,318 people in 2012 to 12,932 persons in 2032.<sup>35</sup> Based on this forecast, Newport’s ratio of persons to employees (PE ratio) will decrease from 1.13 persons per job in 2012 to 1.05 persons per job in 2032. It is reasonable to expect that employment in Newport may grow somewhat faster than population, given that Newport is a regional employment center.

Table C-2 presents a forecast of employment in Newport for the 2012 to 2032 period based on these considerations. It is reasonable to assume that Newport’s employment will grow at the 1.0% annually. This rate is consistent with historical growth in Lincoln County and the forecast for growth in Region 4. This rate assumes that employment growth will be faster than population growth, which is consistent with Newport’s position as a regional employment center.

Table C-2 shows the result of applying this growth rate to the total employment base of 10,060 employees in Newport in 2012. Table C-2

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<sup>35</sup> Newport does not have a coordinated, adopted population forecast. The population forecast presented here is based on the population forecast used in the 2011 Newport Housing Needs Analysis. This forecast assumed that Newport would grow from 11,243 persons in 2011 to 12,846 persons in 2031, at an average annual growth rate of 0.7%. We estimated population in 2012 and 2032 based on the 0.7% average annual growth rate.

shows that employment is forecast to grow by 2,216 employees (an 18% increase) between 2012 and 2032.

**Table C-2. Employment growth in Newport’s UGB, 2012-2032**

Year	Total Employment
2012	10,060
2032	12,276
<b>Change 2012 to 2032</b>	
Employees	2,216
Percent	18%
AAGR	1.0%

Source: ECONorthwest

## ALLOCATE EMPLOYMENT TO DIFFERENT LAND USE TYPES

The next step in the employment forecast is to allocate future employment to land use types by grouping employment into land use types with similar building and site requirements, based on the North American Industry Classification System (NAICS), which assigns a classification code to every business with employment. The land use types are:

- **Industrial** businesses in the following sectors: Natural Resources and Mining, Construction, Manufacturing, Wholesale Trade, and Transportation, Warehousing, and Utilities. Industrial employment accounted for 11% of Newport’s employment in 2010.
- **Commercial** businesses in the following sectors: Retail trade, Information, Finance and Insurance, Real Estate, Professional and Scientific Services, Management of Companies, Administrative and Support Services, Private Educational Services, Health Care and Social Assistance, Accommodations and Food Services, and Other Services. Commercial employment accounted for 72% of Newport’s employment in 2010.
- **Government** includes employment local, state, and federal agencies, including public educational services. Government employment accounted for 15% of Newport’s employment in 2010.

Table C-3 shows the forecast of employment growth by land use type in Newport’s UGB from 2012 to 2032. Table C-3 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport’s employment based on:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land,

such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.

- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 72% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport’s growing population.

**Table C-3. Forecast of employment growth in by building type, Newport UGB, 2012–2032**

Land Use Type	2012		2032		Change 2012 to 2033
	Employment	% of Total	Employment	% of Total	
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
<b>Total</b>	<b>10,060</b>	<b>100%</b>	<b>12,276</b>	<b>100%</b>	<b>2,216</b>

Source: ECONorthwest

Note: Green shading denotes an assumption by ECONorthwest



## LAND AND SITE NEEDS

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OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

Firms wanting to expand or locate in Newport will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. Previous research conducted by ECO has found that while there are always specific criteria that are industry-dependent and firm-specific, many firms share at least a few common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints on development, with good transportation access and adequate public services. The exact amount, quality, and relative importance of these factors vary among different types of firms. This section discusses the site requirements for firms in industries with growth potential in Newport, as identified in the analysis of target industries.

## LAND NEEDED ACCOMMODATE EMPLOYMENT GROWTH

Table C-3, presented earlier in this appendix, discusses Newport's forecast for employment by land use type. The analysis of long-term land and sites needs in Newport builds off of the employment forecast for Newport .

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table C-4 shows employment growth on underutilized lands and on vacant lands. Table C-4 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- **Some employment growth will occur on with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). ECO assumes that 10% of commercial employment can be accommodated this

way and that 50% of government employment can be accommodated in existing built space.

- **Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. ECO assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

**Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.**

**Table C-4. New employment locating on underutilized land or vacant land, Newport, 2032**

Land Use Type	New Employment	Employment on Underutilized Land			Emp. on Vacant Land
		Existing Built Space	Land with Additional Capacity		
Industrial	733	0	0	733	
Commercial	1,324	132	199	993	
Government	158	79	0	79	
<b>Total</b>	<b>2,216</b>	<b>211</b>	<b>199</b>	<b>1,805</b>	

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table C-5 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table C-5 are:

- **Employment density.** Table C-5 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-to-gross acres.** The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.<sup>36</sup> A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, ECO uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

**Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.**

**Table C-5. Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032**

Land Use Type	Emp. on Vacant Land	EPA (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
<b>Total</b>	<b>1,805</b>		<b>127</b>	<b>154</b>

Source: ECONorthwest

Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

## FACTORS THAT AFFECT LOCATIONAL DECISIONS

Why do firms locate where they do? There is no single answer – different firms choose their locations for different reasons. Key determinates of a location decision are a firm’s *factors of production*. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to

<sup>36</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services is held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- **Labor.** Labor is often and increasingly the most important factor of production. Other things equal, firms look at productivity – labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally. Based on existing commuting patterns, Newport has access to labor from Lincoln County and the Central Coast.
- **Land.** Demand for land depends on the type of firm. Manufacturing firms need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms need to locate close to interstate highways. Some marine and ocean observing industries need land with direct access to the Bayfront and others can locate in areas away from the waterfront with other office buildings. Services for visitors need to be located in areas that attract visitors, such as along Highway 101 or near the waterfront.
- **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product, either goods or services, to the market, and they rely on access to different modes of transportation to do this. Newport has a deep water port, which provides the City with advantages to do businesses that need access a deep water port. In addition, the City's access to Highway 101 and the municipal airport transportation provide advantages that may appeal to firms that use these methods of transportation. The City's distance from I-5 is a disadvantage for attracting firms that need to ship large volumes of freight by truck.

- **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources: lumber manufacturing requires trees. Or, farther down the line, firms may need intermediate materials: for example, dimensioned lumber to build manufactured housing.
- **Entrepreneurship.** This input to production may be thought of as good management, or even more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another even though most of their other factor inputs may be quite similar.

The supply, cost, and quality of any of these factors obviously depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- **Regulation.** Regulations protect the health and safety of a community and help maintain the quality of life. Overly burdensome regulations, however, can be a disincentive for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- **Taxes.** Firms tend to seek locations where they can optimize their after-tax profits. Studies show that tax rates are not a primary location factor within a region – they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The cost of these production factors is usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- **Financial incentives.** Governments can offer firms incentives to encourage growth. Studies have shown that most types of financial incentives have had little significant effect on firm location between regions. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions. Incentives are more effective at redirecting growth within a region than they are at providing a competitive advantage between regions.

This discussion may suggest that a location decision is based entirely on a straight-forward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development,

however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- **Industry clusters.** 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. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities. A key element of Newport’s vision for economic development is developing a marine and ocean observing employment cluster.
- **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment can attract people simply because it is a nice place to be. A region’s quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.
- **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. Innovation affects both the overall level and type of economic development in a region. Government can be a key part of a community’s innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

Table C-6 provides a summary of production factors in Newport as well as comments on local opportunities and constraints. It also discusses implications of each factor for future economic development in Newport.



**Table C-6. Summary of production factors and their implications for Newport**

<b>Category</b>	<b>Opportunities</b>	<b>Challenges</b>	<b>Implications</b>
<b>Labor</b>	<ul style="list-style-type: none"> <li>• Access to labor from across Lincoln County</li> <li>• Workforce development through Oregon Coast Community College programs</li> </ul>	<ul style="list-style-type: none"> <li>• Businesses, especially those involved in research and education, may need workers with specialized college degrees, who will most likely be attracted from outside the Central Coast region</li> </ul>	<p>The City has access to labor from the region.</p> <p>Commuting patterns may be negatively impacted by increases in energy prices.</p>
<b>Land</b>	<ul style="list-style-type: none"> <li>• Opportunities for development along the Bayfront</li> <li>• Underutilized commercial properties along Highway 101</li> </ul>	<ul style="list-style-type: none"> <li>• Limited supply of land with development capacity in South Beach</li> <li>• Constraints on some lands that will prohibit development</li> <li>• Land without municipal services</li> <li>• Short-term availability</li> </ul>	<p>Newport’s commercial and industrial land base has substantial constraints, such as steep slopes, that will prohibit development and will require careful siting of businesses.</p> <p>Land with development capacity in South Beach is limited. The City will need to work with businesses in the marine and ocean observing research and education cluster to identify other locations for new or expanded businesses, especially those that do not require close proximity to the waterfront.</p>
<b>Local infrastructure</b>	<ul style="list-style-type: none"> <li>• Existing services in areas with development, especially along Highway 101</li> <li>• Increases in the capacity of water and wastewater systems resulting recent upgrades</li> <li>• Extension of water and wastewater services to the northern and southern ends of the City</li> <li>• Urban renewal district in South Beach can provide funding for investments</li> </ul>	<ul style="list-style-type: none"> <li>• Limitations on automotive (passenger and freight), pedestrian, and bicycle transportation across the Yaquina Bridge</li> <li>• Limitations on shipping because of low clearance on the Yaquina Bridge</li> <li>• Limited funds available for necessary maintenance and capacity upgrades</li> <li>• Little funding available for strategic investments</li> </ul>	<p>The lack of funds leaves the City in a reactive position for addressing infrastructure problems. Some funds are available in the South Beach area for infrastructure maintenance and improvements through the urban renewal district. As a result, the City may be able to pro-actively support growth in South Beach and make strategic infrastructure investments.</p> <p>The City is extending services to areas of the City with buildable land, such as areas around the Airport.</p>



<b>Category</b>	<b>Opportunities</b>	<b>Challenges</b>	<b>Implications</b>
<b>Access to markets</b>	<ul style="list-style-type: none"> <li>• Location along Highway 101 and Highway 20</li> <li>• Opportunities to ship freight via highways, the International Terminal, or rail.</li> <li>• Ease of access to the ocean, 10 minutes from the Bay</li> </ul>	<ul style="list-style-type: none"> <li>• Distance from I-5</li> <li>• Limits on freight shipping on Highway 101, especially south of the Yaquina Bridge</li> </ul>	Newport is attractive to do businesses that need direct access to the ocean or a deep draft port. The City is unattractive to do businesses that need easy access to I-5.
<b>Materials</b>	<ul style="list-style-type: none"> <li>• Proximity to natural resources (e.g., timber or agricultural products)</li> <li>• Access to ocean resources</li> </ul>	<ul style="list-style-type: none"> <li>• Cost of shipping raw and finished products</li> </ul>	Newport may be attractive to manufacturers that need access to ocean and natural resources. However, firms dependent on highway access to transport large quantities of materials are unlikely to locate in Newport.
<b>Entrepreneurship</b>	<ul style="list-style-type: none"> <li>• Access to the Oregon Coast Community College</li> </ul>	<ul style="list-style-type: none"> <li>• Distance from markets in the Willamette Valley</li> </ul>	Newport may be attractive to entrepreneurs who value the City's quality of life attributes, access to the ocean, access to outdoor recreation, and other locational attributes. Newport has opportunities to encourage entrepreneurship through continued growth in marine and ocean observing industries
<b>Regulation</b>	<ul style="list-style-type: none"> <li>• Pro-business attitudes among City officials and leaders</li> </ul>		The City has the opportunity to develop a regulatory framework that can promote economic activity through economic development policies, plans for providing infrastructure, and provision of a variety of housing types.
<b>Taxes</b>	<ul style="list-style-type: none"> <li>• Property taxes in Newport are lower than some cities on the Oregon Coast.</li> </ul>	<ul style="list-style-type: none"> <li>• Property taxes in Newport are higher than some cities on the Oregon Coast.</li> </ul>	Newport's property tax rates are comparable to other cities on the Oregon Coast.  Newport needs revenue sources for providing public services and infrastructure, just as other cities do. The City has options about how to raise these funds: through property taxes, development fees, and other fees to taxes.

Category	Opportunities	Challenges	Implications
<b>Industry clusters</b>	<ul style="list-style-type: none"> <li>• Potential for additional development of marine and ocean-observing research and education</li> <li>• Potential for development of employment for tourism, international commerce, and fisheries</li> <li>• Newport's role as a regional center of activity on the Central Oregon Coast</li> </ul>	<ul style="list-style-type: none"> <li>• Newport's economic and business climate may be unattractive to some businesses</li> <li>• Little growth in employment in tourism employment over the past decade</li> <li>• Need for some substantial capital improvements to public facilities to grow international tourism</li> </ul>	<p>Newport has dedicated stakeholders who are committed to growing employment in marine and ocean observing research and education businesses. There has been considerable success in growing this cluster.</p> <p>Newport's direct access to the ocean, marine infrastructure (e.g., piers), fleet of fishing vessels, and deep draft port situate Newport for growth in marine businesses, such as international commerce and fisheries.</p>
<b>Quality of life</b>	<ul style="list-style-type: none"> <li>• High quality of life, including proximity to the ocean, access to recreation, regional shopping opportunities and environmental quality</li> </ul>	<ul style="list-style-type: none"> <li>• Growth management challenges, such as balancing development with protection of environmental quality</li> </ul>	<p>Newport's policy choices will affect the City's quality of life, such as decisions regarding development of natural areas, housing policies, or policies that lead to redevelopment along Highway 101.</p>
<b>Innovative capacity</b>	<ul style="list-style-type: none"> <li>• Campuses for Oregon State University Hatfield Marine Science Center and the Oregon Coast Community College</li> <li>• Other organizations involved in marine and ocean observing research and education</li> <li>• Existing regional businesses, clusters, and innovators</li> </ul>	<ul style="list-style-type: none"> <li>• Attracting and retaining good workers</li> <li>• Availability cultural amenities to attract creative class workers</li> </ul>	<p>Government can be a key part of a community's innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.</p>

## CHARACTERISTICS OF SITES NEEDED TO ACCOMMODATE GROWTH IN NEWPORT

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government employment

### Marine and ocean observing research and education

- **Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.
  - Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
  - Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.

- **Size of sites.** The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make

sure of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.

- **Constraints and topography.** Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.
- **Transportation access.** All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

## International commerce

- **Location within the City.** Businesses involved in international commerce are may prefer to locate near the Port of Newport’s facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport’s facilities. The City and Port should identify opportunity sites in these areas for use by businesses in this cluster.

- **Size of sites.** Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

## Fishing and seafood processing

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.

- **Size of sites.** Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to the Bay Front.

## Tourism

- **Location within the City.** Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.
- **Size of sites.** Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.
- **Constraints and topography.** These businesses can locate on sites with slopes.
- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.
- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

# Buildable Lands Inventory Methodology

A key component of the Newport Economic Opportunities Analysis is the buildable lands inventory (BLI). The BLI consists of several steps:

1. Classifying land into mutually exclusive categories
2. Netting out development constraints
3. Developing tabular summaries of lands by classification and plan designation
4. Estimating land capacity in terms of dwelling units

This section describes the methods and definitions ECONorthwest used to complete the Newport employment buildable lands inventory.

## BLI METHODS

The general structure of the buildable land (supply) analysis is based on the methods used for the residential buildable lands inventory included with the *Newport Residential Lands Study*. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. The steps in the inventory were:

- Generate employment “land base.” This involved “clipping” all of the tax lots in the Newport UGB with the comprehensive plan layer. The GIS function was followed by a quality assurance step to review the output and validate that the resulting dataset accurately represents all lands designated for employment use in the Newport UGB.
- Classify lands. Each tax lot was classified into one of the following categories:
  - Vacant land
  - Partially vacant land
  - Undevelopable land
  - Developed land
  - Public land
  - Semi-public land

- Destination resort
- Identify constraints. The City identifies areas in steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. These areas are deducted from lands that were identified as vacant or partially vacant. To estimate the constrained area within each tax lot, all constraints listed above were merged into a single constraint file which was overlaid on tax lots.
- Evaluate redevelopment potential. According to statewide planning rules, redevelopable land is land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period.
- Tabulation and mapping. The results are presented in tabular and map format with accompanying narrative. The maps include lands by classification, and maps of vacant and partially vacant lands with constraints.

## DEFINITIONS

---

The first step in the buildable inventory was to develop working definitions and assumptions. ECO began the buildable lands analysis with a tax lot database provided by the City's GIS Department. The tax lot database was current as of February 2012. The inventory builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands inventory was to classify each tax lot into a set of mutually exclusive categories. Consistent with applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, employment lands with improvement values under \$10,000 are considered vacant.
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. This determination was made through review of aerial photographs.

- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained. The majority of undevelopable land identified in the inventory is located in the active beach zone within the UGB.
- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Public land.* Lands in public ownership are mostly considered unavailable for employment uses. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lincoln County Assessment property tax exemption codes. This category only includes public lands that are located in employment plan designations.
- *Semi-public land.* Lands in medical use, public or private utilities, churches, and fraternal organizations. These lands were identified using land use descriptions in the Lincoln County Assessment database.
- *Destination resort.* Lands in the Wolf Tree resort area that are designated for commercial uses.

ECO initially classified land using a rule-based methodology. ECO then generated maps that show the results of the application of those rules, with some adjustments made through a validation step based on review of aerial photos and building permit data. The preliminary classification maps were provided to City staff for review and comment.

## **DEVELOPMENT CONSTRAINTS**

Consistent with state guidance on buildable lands inventories, ECO deducted certain constraints from the buildable lands inventory including wetlands and steep slopes. We propose to use categories that are more restrictive than the definition provided in OAR 660-009-0005(2):

(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 archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.



Based on the Division 9 rule and data provided by the City of Newport and discussions with City staff, ECO deducted the following constraints from the employment lands inventory.

- *Land constrained by natural hazards.* The City provided three GIS datasets that map the extent of Goal 7 hazards:
  - Active hazard zone region
  - Active landslide hazards
  - Bluff erosion hazard zones
  - Dune hazard zones

We classified portions of employment taxlots considered that fall within areas considered “high risk” as constrained (unsuitable for employment uses).

- *Land within natural resource protection areas.* The Newport Local Wetlands Inventory was used to identify areas within wetlands. The City also adopted an Ocean Shorelands Overlay that prohibits development within Parks, Outstanding Natural Areas, and Significant Habitat are considered unsuitable for employment uses and were deducted from the buildable lands inventory.
- *Land with slopes over 15%.* Lands with slopes over 15% are considered unsuitable for commercial and industrial development.
- *Lands within floodplains.* We did not deduct these lands from the buildable lands inventory. Most jurisdictions, including Newport, allow development in floodplains contingent upon meeting specific conditions.

Employment Lands &  
Conceptual Land Use Planning Project:  
South Beach Neighborhood Plan

*Submitted to:*

**City of Newport**  
Community Development Department  
169 SW Coast Highway  
Newport, Oregon 97365

September 2005  
(with October 2006 revisions to South Beach Neighborhood Plan)

Funding for this project was provided in part by the Oregon Department of Land Conservation and Development, the City of Newport and the Newport Development Commission.

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**EMPLOYMENT LANDS AND CONCEPTUAL  
LAND USE PLANNING PROJECT:  
SOUTH BEACH NEIGHBORHOOD PLAN**

**CITY OF NEWPORT, OREGON**

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## **VI. SOUTH BEACH EXISTING CONDITIONS**

The South Beach Neighborhood Land Use Plan was developed with significant public involvement to provide direction for the future growth of the South Beach area. The South Beach Neighborhood Land Use Plan builds on prior planning efforts for the neighborhood while incorporating new information and policies developed as part of the City of Newport Employment Lands and Conceptual Land Use Planning Project.

The South Beach Neighborhood Land Use Plan was chosen as the preferred alternative plan by the Employment Lands and Conceptual Land Use Planning Project Ad Hoc Advisory Committee after evaluation of four possible future directions for South Beach that included maintaining the status quo with the industrial land emphasis, redesignating the industrial land in South Beach to commercial uses to meet the commercial land need for all of Newport, and attempting to meet commercial land needs through significant wetland fill and mitigation adjacent to Highway 101. Public comments during the December 2004 open house also indicated support for the Plan as the preferred alternative. The Plan changes the existing Comprehensive Plan Map's industrial focus away from South Beach and provides for future growth for the South Beach area in residential, commercial, and institutional development that is more consistent with the pattern of land use that already exists in the South Beach neighborhood.

The South Beach Neighborhood Land Use Plan provides for an efficient, economical, and orderly urban development plan that includes removing a large but isolated section of land designated for high density residential development east of the airport from the urban growth boundary, rezoning industrially designated land subject to constraints that is unlikely to be developed with industrial uses, adding additional residential, commercial, and public land east of the existing urban growth boundary on land that is relatively flat and that abuts the existing Idaho Point urban growth boundary area. The Plan also changes the Highway 101 strip pattern of industrial and commercial zoning by providing for land for commercial uses located away from Highway 101.

New Comprehensive Plan policies for the South Beach neighborhood are provided to ensure consistency in the development of the new area within the urban growth boundary, to provide for the redesignation of land from industrial to commercial, residential, open space and business park uses, to provide for the maintenance of open space areas, to improve and enhance the appearance of commercial and industrial development, to support the development and expansion of educational institutions, to consider the rezoning of portions of R-4 zoned land to an R-3 zone designation to protect an existing residential neighborhoods near SW Jetty Way and SE 35th Street, to implement street, pedestrian and bicycle plan provisions, and to consider general urban design objectives.

The South Beach Neighborhood Land Use Plan also amends existing public facility and transportation plans as needed to provide efficiency in servicing new development with sewer, water, storm drainage, and transportation linkages (including vehicular, pedestrian and bicycle). The 1993 City of Newport Parks and Recreation Plan is also amended to include

the resiting of a community park for the South Beach area from its formerly proposed location near Highway 101 to more suitable land currently owned by the City of Newport east of the wastewater plant. The Comprehensive Plan economic policies are amended to be consistent with the South Beach Neighborhood Plan by not requiring the South Beach area to accommodate all of the future commercial land needs for Newport.

Overall, the South Beach Neighborhood Land Use Plan results in a reduction of land designated for urban level development within the Newport Urban Growth Boundary. The Plan, however, provides for more developable land (in terms of constraints such as topography and ability to service with necessary infrastructure) within the Urban Growth Boundary and provides for the redesignation of land to uses that are more likely to be developed and compatible with the existing uses in South Beach. The overall focus of the South Beach area is shifted from the industrial land focus to a more mixed use neighborhood with additional residential, commercial and institutional uses.

South Beach is defined as that area within the City limits and the Urban Growth Boundary (UGB) between Yaquina Bay and Passmore Drive, south of the Newport Municipal Airport. South Beach also includes the areas in Lincoln County adjacent to the UGB.

## **A. Natural Conditions**

South Beach is characterized by very flat land adjacent to Highway 101 from Yaquina Bay to just north of the airport and low hills with steep slopes east of the low, flat lands. The low areas have poor drainage and therefore wetlands have formed on much of the land. There are several areas with steep slopes, particularly towards the east along the edges of King Slough, where slopes exceed thirty-five percent. The stream channels surrounding the airport also exhibit relatively steep slopes, falling in the range between twelve and fifty percent. In other areas the hillsides are generally not as steep and are covered with vegetation ranging from brush to mature forests.

### **1. Geology**

According to the Geologic Map of the Yaquina River Section of Lincoln County, prepared by the State of Oregon Department of Geology and Mineral Industries, the South Beach area consists of alluvial bottom land deposits composed of primarily silt, sand and gravel in the low areas and the Nye Mudstone formation in the hills to the east. The western portion of the study area just south of the south jetty, is almost certainly an accretion area because of the jetty. The area around the Marine Science Center and the South Beach Marina was built up from dredged material excavated from the bay.

One of the major geologic concerns in South Beach is the very high water table (i.e., the low, flat topography). During some parts of the year (i.e., the winter) the water table is at or above the surface creating wet areas on parts of South Beach, leading to excavation problems over much of the area. Even in those areas where the water table does not reach the surface, the depth is within a few inches or feet of the ground. This high water table can present a problem to land development and engineering construction.

The Nye Mudstone ranges in topography from moderately steep to low rounded foot slopes modified by ancient landslides and soil creep. If the cuts are in an area where the bedding dips towards the excavation at about 15 degrees or more, failure along weak zones is possible. The natural slopes may be ancient landslides, some of which have been so modified that they no longer are readily recognizable as landslides.

## **2. Flooding**

The 1982 Federal Emergency Management Agency (FEMA) flood insurance rate study indicated that the 100-year flood elevation is 10 feet above mean sea level in the western part of Yaquina Bay and nine feet above mean sea level in the eastern part. The elevations are a theoretical height of a “100-year flood”. Although the name implies such a flood every 100 years, the actual prediction is that there is a one percent chance in any given year that the theoretical flood will occur. The predictions are based on hydrological computer models and are used mainly for insurance purposes.

The 100-year flood area in the Yaquina Bay is called an A-zone. The boundary between two of the A-zones in Yaquina Bay is at about the bridge on the south side of Yaquina Bay and Pine Street on the north side. There is also another A-zone upstream but it is unnumbered at this time. It is assumed that the flood elevation for those areas is equivalent to the nine foot elevation in the adjoining flood area to the west.

## **3. Fish and Wildlife Areas and Habitats**

There are four main fish and wildlife habitats. The first are the extensive wetlands permeating the neighborhood. The wetlands are discussed in Appendix G.

The second is the Mike Miller Park. This area, consisting of a stand of major timber, is home to many different types of woodland flora and fauna. Since it is protected by public ownership, it should remain a vital area into the foreseeable future.

The third area is the tidal lands between Idaho Point and the Marine Science Center. This area has been designated as natural in the City’s Estuary Management Plan and as such must be protected from development.

The final fish and wildlife habitat is the beaches and deflation plains landward of the sandy beaches. Almost all of those lands are under public ownership within the South Beach State Park.

## **4. Water Areas**

The only water area is the Yaquina Bay Estuary. This important water body is regulated by zoning provisions that designate the bay into three different management units. Those units are development, conservation, and natural. The City’s Comprehensive Plan and Zoning Ordinance detail the significance of those designations, what types of uses are allowed, and

what procedural requirements are associated with each unit.

## **5. Wetlands Summary**

The Wetlands Inventory found in Appendix G will be used as a resource when the City decides to proceed with a Goal 5 analysis. **See Exhibit 1** which illustrates the existing wetland areas based on the inventory conducted in 2004.



**Exhibit 1**

## B. Man-Made Conditions

South Beach has a mix of uses that are allowed within the defined boundaries of the neighborhood. In fact, it is one of the most diverse areas of the City permitting residential, commercial, and industrial uses in a relatively small area. South Beach also is home to the Mark O. Hatfield Marine Science Center, the Oregon Coast Aquarium, the South Beach Marina, and the South Beach State Park. All those uses provide an unusual but interesting mix of local, state, national, and international entities.

Combined with the many types of uses, the area has limited infrastructure needed to accommodate the planned growth. Streets, water and sewer lines, storm drainage, telephone, TV, natural gas and electricity all exist south of Yaquina Bay. However, the various utilities must be expanded and upgraded in order to improve the neighborhood as proposed by the Neighborhood Plan and to provide the services and amenities commonly expected in modern communities.

One observation made during the course of this study is that there are currently few services, retail outlets, and job opportunities in South Beach. Therefore, people living south of the bridge must travel to the north side of Yaquina Bay for the necessary services.

### 1. Land Use

The Vacant Land Inventory for the City of Newport indicated that the City had an insufficient supply of vacant, buildable commercial, industrial, and water-dependent/water-related land. The same conclusion can be drawn for South Beach: a summary of the inventory for those parcels in South Beach can be found in the following table. The table indicates that although South Beach has 629 acres designated for Commercial, Industrial, and Water-Dependent/Water-Related uses, only 86 acres (less than 14 percent) are buildable.

**Table 25**  
**SOUTH BEACH VACANT BUILDABLE LAND INVENTORY**

Category	Zone (City) or Plan (UGB)	Parcels	Acres Constrained	Acres Buildable
Commercial	C-1	5	11.91	0.42
Commercial	C-2	5	7.77	0.00
<i>sub-total</i>		<i>10</i>	<i>19.68</i>	<b>0.42</b>
Redevelopable	C-1	1	0	1.13
UGB	C	1	0	0.52
<b>Total Commercial</b>		<b>12</b>	<b>19.68</b>	<b>2.07</b>
Industrial	I-1	15	263.15	21.39
UGB	I	22	68.82	34.76
UGB Redevelopable	I	3	0.16	3.87
<b>Total Industrial</b>		<b>40</b>	<b>332.13</b>	<b>60.02</b>
Water-Dependent	W-1	2	1.70	0.13
Water-Related	W-2	3	27.56	0.52
<b>Total Water-Dependent/Related</b>		<b>5</b>	<b>29.26</b>	<b>0.65</b>
<b>Planned Destination Resort</b>	<b>C-2 PDR</b>	<b>2</b>	<b>162.01</b>	<b>23.69</b>

The existing land uses in South Beach have been classified into six categories: residential, industrial, commercial, institutional, recreation, and open space. Each category is described in more detail below. **See Appendix H** (of the September 2005 Employment Lands and Conceptual Land Use Planning document).

***a. Residential***

The South Beach area has three residential areas. The first, South Shore Planned Development is a confined project, master planned for a mix of uses and managed to ultimate build out by the approved master plan.

The second area is the west side, defined as that area with the R-4 (High Density Multi-Family Residential) zoning west of Hwy. 101, roughly bounded by the South Jetty Road on the north, SW Abalone St. on the east, SW 35th St. to the south and SW Egret on the west. The area is characterized by a smattering of one-, two- and multi-family residential uses with many vacant lots. Because the zoning is R-4, the current development pattern is expected to continue. The area developed when the neighborhood was in the county and for that reason, most of the roads do not meet City standards.

The third area is the east side, defined as the residential area east of Hwy. 101, east of Chestnut Street and south of SE 32nd St. This area is also zoned R-4 (High Density Multi-Family Residential).

***b. Industrial***

Within the City Limits, there are currently approximately 330 acres with the I-1 zoning designation in South Beach. Additionally, there are another 168 acres designated Industrial on the Comprehensive Plan that are currently outside City Limits but within the Urban Growth Boundary. There are another 171 acres zoned for Water-Dependent & Water-Related Uses in South Beach.

***c. Commercial***

Within the City Limits, there are currently approximately 16 acres with the C-1 zoning and 16 acres with the C-2 zoning designation in South Beach, along with an additional 58 C-2 acres that are part of the Wolf Tree PDR. Additionally, there is another half acre designated Commercial on the Comprehensive Plan that is currently outside City Limits but within the Urban Growth Boundary.

***d. Institutional***

South Beach is fortunate to have a number of institutional uses, including the Oregon State University's Mark O. Hatfield Marine Science Center, the Oregon Coast Aquarium, and the South Beach Community Center.

### *e. Recreation*

A major recreation facility in South Beach is the Port of Newport Marina and RV Park, which consists of 600 moorage slips, a launch ramp, a public fishing pier, and over 100 RV spaces with full hook-ups. The area also boasts the South Beach State Park (which is discussed in more detail in the section on Open Space).

Established recreational trails on public land, other than those at the South Beach State Park, are limited in the South Beach area to the estuary trail by the Hatfield Marine Science Center and a trail in Mike Miller Park. The 1993 Newport Park System Master Plan has identified a need for recreational improvements in the South Beach area that include neighborhood parks, a community park, trails and open space.

### *f. Open Space*

The City owns approximately seven acres to the south of SE 35th St., the site of the old South Beach water storage facility. During the South Beach Neighborhood Plan project there was some discussion of using this land for a natural preserve and for nature trails. There is also a possibility that the property could be connected with other planned trails in the area to form a complete system of trails that could serve the entire South Beach community.

The predominant open space area in South Beach is the South Beach State Park. Located between the south jetty and the South Shore development, the site is one of the most heavily used parks in Oregon. The State Department of Parks and Recreation has prepared a master plan for the park which shows more intensive development but the retention of vast areas of open space.

Another major open space feature is Mike Miller Park. The park, which lies about one mile inland from the sea and at an elevation of 100 feet, consists of 40 acres. Owned by Lincoln County, the site is one of the few remaining uncut stands of old growth western hemlock and Sitka spruce along the northern Oregon coast. There is a tall shrub understory of salal, red huckleberry, evergreen huckleberry, and salmonberry. Some of the trees are up to four feet in diameter and over 125 feet tall. The proximity of this site to Newport provides easy access for outdoor education and nature study. The City's Comprehensive Plan provides further discussion and policies regarding this important park.

The most significant open spaces in South Beach are the beaches themselves. From the surveyed line established by state law (at about 16 feet above mean sea level), the beach is owned by the public. Between the beach zone line and the first line of vegetation, the property is private but the public has a permanent easement across it. This is basically the dry sand area between the wet sand and the vegetation

There is other open space in South Beach associated with the Newport Municipal Airport and other natural constraints (such as wetlands and steep slopes). A few of the wetland areas

(primarily to the west of Highway 101) have been designated as “significant habitat” pursuant to the Newport Comprehensive Plan’s Ocean Shoreland Map. Those areas designated as significant habitat are protected by the Newport Zoning Ordinance from residential, commercial, and industrial development. Additionally, significant wetland areas within the South Shore Planned Development are also protected from development pursuant to the planned development approval. The 1993 Newport Park System Master Plan has also identified areas that could be possible open space areas for the recreational needs of the community.

## 2. Existing Zoning

Land uses in South Beach portion are governed by 9 different zones within the City of Newport and 5 different zones within unincorporated Lincoln County land within the Urban Growth Boundary. The applicable zones can be found in the following table.

**Table 26**  
**South Beach Zoning Designations**

Zones within the City of Newport	
Zone	Abbreviation
Retail & Tourist Commercial	C-1
Tourist Commercial	C-2
Light Industrial	I-1
Public Structures	P-1
Public Parks	P-2
Low Density Single-Family Residential	R-1
High Density Multi-Family Residential	R-4
Water-Dependent	W-1
Water-Related	W-2
Zones within Lincoln County	
Zone	Abbreviation
Planned Industrial	I-P
Public Facilities	P-F
Residential	R-1
Residential	R-1-A
Timber Conservation	T-C

A map of the existing zoning in South Beach is found in **Exhibit 2**. As illustrated in the exhibit, the area just to the south of the Yaquina Bay Bridge is within City Limits and has been designated with 8 of the 9 City zones listed above (excluding only R-1, Low Density Single-Family Residential). This area is home to the South Beach Marina, the Hatfield Marine Science Center, the Oregon Coast Aquarium, the South Beach State Park, and a mixture of residential, commercial, and industrial uses. Farther east on Idaho Point, the land is zoned R-1 and P-F by Lincoln County. Immediately south of 40th Street, the land is outside City Limits and is zoned I-P, and P-F, which is followed to the south by land within the City and zoned I-1, P-1, and R-4.

Large portions of South Beach within City Limits are zoned for public use. The South Beach State Park is zoned P-2, while the Newport Municipal Airport and the wastewater treatment plant are zoned P-1. North of the airport, there is a large area zoned I-1, but this area also has some steep slopes and wetlands and is not entirely suitable for Light Industrial Uses. East of the airport the land outside the City Limits is zoned Timber Conservation (T-C) by Lincoln County. The Surfland development is in Lincoln County and is zoned R-1 and R-1-A. The Wolf Tree Planned Destination Resort at the southern end of the City Limits and UGB has two zoning designations: C-2 (PDR) and R-4 (PDR) (where “PDR” indicates the Planned Destination Resort requirements).

## **Exhibit 2**

### 3. Transportation System

The most important existing transportation facility in South Beach in terms of both capacity volume of people and freight is, of course, US 101. This highway is presently classified by the Newport Transportation System Plan (TSP) as a Principal Arterial, which means that it is intended to carry high traffic volumes and to function primarily to provide mobility and not access, and to provide continuity for intercity traffic. It is classified by the Oregon Department of Transportation as a Statewide Highway, which means that it is intended to be managed for safe and efficient, high-speed, continuous-flow operation.

US 101 through South Beach has one through traffic lane in each direction, with left-turn lanes at some intersections. At the south end of the Yaquina Bay Bridge there is an entrance and exit ramp both northbound and southbound that provides a connection to Marine Science Drive and the Port of Newport marina area. These ramps allow traffic to turn onto or off of US 101 in either direction without making a left turn. A short distance to the south, there is a traffic signal at the intersection with 32nd Avenue.

Ferry Slip Road from US 101 to Marine Science Drive, Marine Science Drive, and Abalone Street and the ramps on the west side of US 101 are classified in the TSP as Minor Arterials. Minor Arterials augment the principal arterial system and interconnect residential, shopping, employment, and recreational activities within the community.

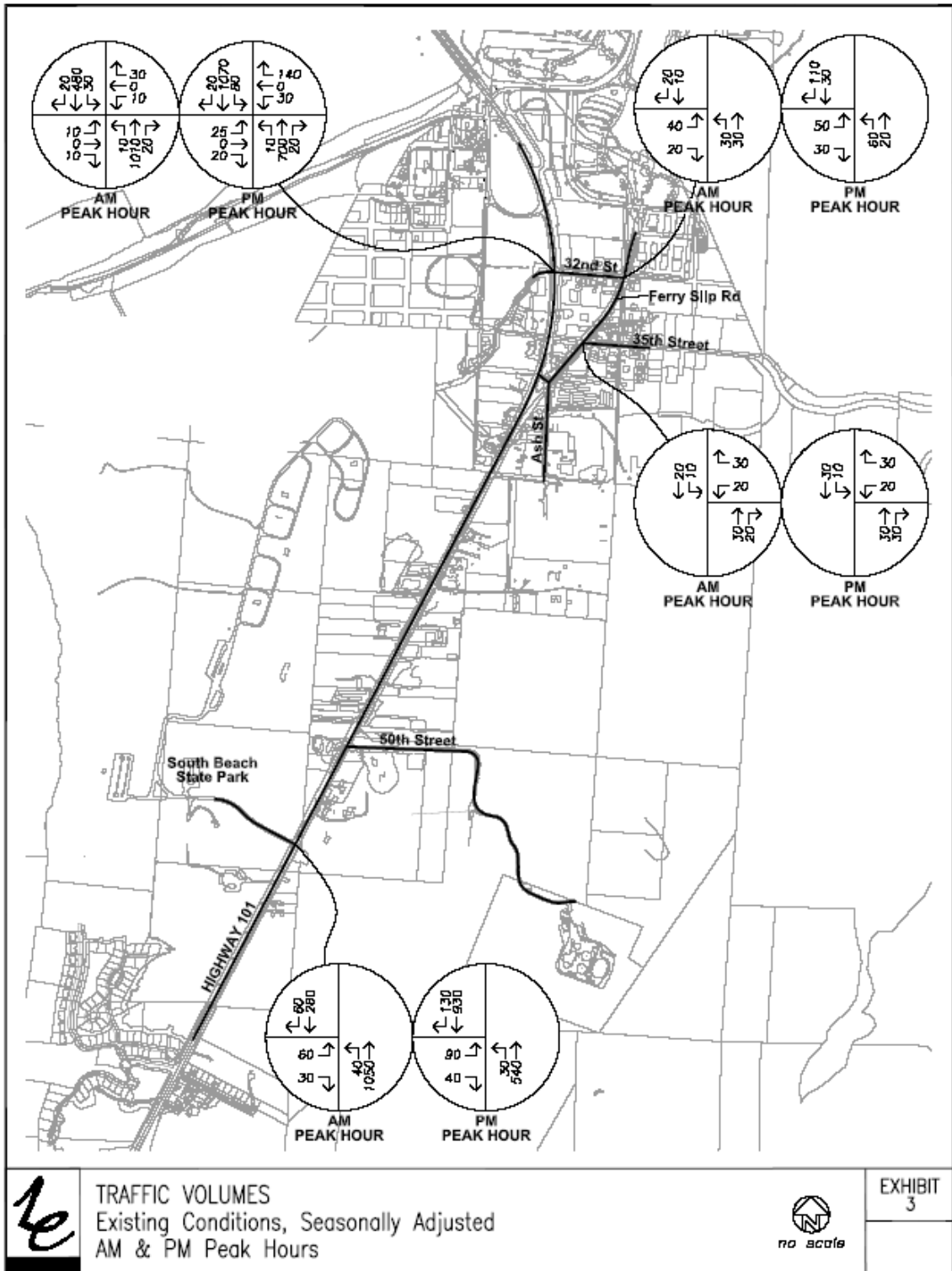
The section of 32nd Street from US 101 to Ferry Slip Road is classified as a Collector Street. Collector streets are intended to provide both land access and movement within residential, commercial, and industrial areas. Ferry Slip Road intersects US 101 at an acute angle, resulting in an unconventional intersection configuration.

All other streets within South Beach are classified as Local Streets. Local streets provide land access to residential and other properties within neighborhoods and generally do not intersect any arterial routes. One of the streets currently classified as a local street is 50th Street, which intersects US 101 from the east and provides access to the City's wastewater treatment plant.

There are only two roadway improvements proposed in the current TSP. The widening of US 101 from two through lanes to four through lanes from the Yaquina Bay Bridge to 123rd Street is proposed. This is based on the projected increase in traffic volumes on the highway. In addition, a new street to connect 32nd Street to and Anchor Way to Abalone Street is proposed. This connection would provide access to the 32nd Street signal on US 101 from the west side of US 101.

Two other roadway improvements are mentioned in the TSP but are not listed as specific projects. The first is providing an additional two through traffic lanes across Yaquina Bay. This need is created by the projected traffic volumes that indicate that the capacity of the existing bridge will be exceeded in 2016. The second improvement is a proposal to combine the existing bridge access from US 101 to South Beach State Park with the existing access from US 101 to the park headquarters office





South Beach does not have much in the way of bicycle improvements other than the bike lanes along Hwy. 101. The main reason there are not many projects in South Beach is that the streets have light enough traffic that bicycles can share the roadway with cars. This may change as the area develops. The typical section for major arterials (Hwy. 101) mandates the inclusion of bicycle paths, but minor arterials may or may not include bike lanes based on the particular section of street. The TSP contains the recommended bicycle improvements throughout the City.

#### **4. Utilities**

##### ***a. Water System***

The City of Newport's South Beach water system was evaluated to determine if existing water system plans and infrastructure adequately address the development potential identified in this South Beach Land Use Plan. Where existing planning documents and infrastructure were determined inadequate, additional planning and capital improvements that facilitate potential developments in South Beach have been proposed. The results of the water system evaluation and proposed capital improvements are discussed below.

##### **Existing Water System Master Plan**

The City of Newport prepared a Water System Master Plan (CH2M Hill, 1988) addressing the citywide delivery and expansion of potable water supplies including supplies necessary for developed and undeveloped areas in the South Beach area. The majority of the first phases of the Plan's capital improvement program (CIP) addressing South Beach have been completed. These improvements include construction of a main supply line to a 1.3 MG reservoir located above Mike Miller Park. Subsequent capital improvement phases in the South Beach area are effected by the proposed land-use changes that will be adopted with the South Beach Land Use Plan. Changes to the CIP are therefore required. Although the City's existing Master Plan provides a comprehensive and well thought out guidance document that remains applicable to current development trends, an update to the Master Plan should be prepared.

##### **Existing Water System**

The City of Newport and the Seal Rock Water District provide potable water service to the South Beach area. The service areas of the two water supply systems are defined and generally encompass the following areas:

- The City supplies water to all residential, commercial, and industrial lands north of 40th Street, and the South Shore development, the South Beach State Park, and the City's wastewater treatment facilities.
- The Seal Rock Water District provides water service to the airport, residential areas south of south shore, commerce along Highway 101 up to 40th Street and residential areas in Idaho Point.

In comparison, the level of service provided by the City's water system far exceeds the level of service provided by the Seal Rock Water District's system. Fire flow capabilities, storage capacity in South Beach, remaining infrastructure life cycle valuation, and a lower cost of service distinguish the City's system as the most viable water system for serving and benefiting new developments in the South Beach area. In particular, existing and proposed development areas such as the airport and proposed UGB expansion areas that are outside the Seal Rock Water District should be served by the City's water system. If not already prepared, an intergovernmental agreement addressing each respective agencies existing service area, new UGB areas, the airport, and the minimum level of service required to support growth inside the Newport UGB should be prepared to further define how, where, and who will supply potable water to new South Beach developments. Such agreements are required between urban level service providers pursuant to ORS 195 no later than the first periodic review that begins after November 4, 1993.

As shown in **Exhibit 4 A - D**, the existing South Beach water system is fed from the north through a 12" PVC water main, which crosses the bay at OSU Drive. There is a pressure reducing vault at the corner SE OSU Drive and SE Ferry Slip Road that reduces the system pressure to the operating levels required for the South Beach area. A 1.3 million gallon reservoir located at the end of Mike Miller Road (adjacent to the wastewater treatment facility) provides water storage and sets the South Beach system pressure at an approximate static elevation of 250 feet. From this reservoir, an 18 HDPE transmission main runs from the reservoir through South Beach State Park before tying into the system grid at SW Anchor Way. The bulk of the South Beach water grid consists of 8-inch transite water mains and 6-inch, 8-inch, and 12-inch PVC water mains. Overall, the system gridiron is well planned, provides excellent distribution pressure, and exceptionally high fire flow capacities.

There are, however, some residential areas of South Beach that are served by 2", 3" and 4" water mains. Specifically, there are two areas with small service mains. The residential area south of South Jetty Way and just north of South Beach State Park has been largely updated to 6" PVC Water Mains, but there is still a 2" main along 27th Street West of Brant Street. Also, there are some residential areas East of Highway 101 near 35th Street, which are served by 4" water mains. These undersized distribution system components should be replaced according to the following criteria.

Exhibit A

Exhibit B

Exhibit C

Exhibit D

There are, however, some residential areas of South Beach that are served by 2", 3" and 4" water mains. Specifically, there are two areas with small service mains. The residential area south of South Jetty Way and just north of South Beach State Park has been largely updated to 6" PVC Water Mains, but there is still a 2" main along 27th Street West of Brant Street. Also, there are some residential areas East of Highway 101 near 35th Street, which are served by 4" water mains. These undersized distribution system components should be replaced according to the following criteria.

- Six-inch diameter lines should be the minimum sized lateral water main for looped areas and dead-end mains less than 500 feet long.
- Eight-inch diameter lines should be the minimum size for permanently dead-ended mains supplying fire hydrants and minor trunk mains where looping is not possible.
- Ten-inch diameter and larger lines should be sized for trunk (feeder) mains, for example running along the ridge from reservoirs through major development areas.
- 12-inch and larger mains should be supplied for all reservoir connections.

The City of Newport's water system is connected to the Seal Rock water system at a closed gate valve located on the south side of Highway 101 near the SW 40th Street intersection. The Seal Rock water system serving the South Beach area is composed primarily of a single unlooped 8-inch diameter transite water mains reducing to 6-inch and 4-inch diameter transite mains out on Idaho Point

#### Raw Water Supply

The raw water supply for the City of Newport is obtained from reservoirs and diversions permitted for the Big Creek drainage basin and a diversion permitted for the Siletz River. These water rights consist of certificated diversions totaling 10.4 cfs from Big Creek, a permitted diversion of 6.0 cfs from the Siletz River, and a total certificated and permitted impoundment right of 1,170 acre-feet at two reservoir locations in the Big Creek drainage basin.

In accordance with the City's Water Rights, raw water is diverted directly from Big Creek as supplemented from the Siletz River and the two Big Creek storage impoundments. The first impoundment, constructed in 1951, has a certificated storage capacity of 200 acre-feet. The second reservoir, constructed in 1968-69 and raised in 1976, has a current capacity of 970 acre-feet with 345 acre-feet certificated and 625 acre-feet under permit. The total water storage for the City is equivalent to 381 million gallons (MG).

Using the Master Plan data for maximum month water usage of 282 gallons per person per day (gpcd) and, assuming a system wide water loss rate equivalent to 15 percent, a year 2000 City of Newport population of 9,532 (US Census data) and +24% RV/hotel population [Wastewater Facilities Plan], the City's impoundments can provide up to 93 days of water storage. During a dry year, supplemental water from the Siletz River diversion is required to maintain adequate supplies. The availability of the water supply appears adequate until the population of the City reaches a level in excess of 21,000 equivalent people (estimated to occur sometime after year 2020). At such time, additional water supplies will be required.



Long-range water supply planning for the City has identified the need for additional water in the foreseeable future. In addition to the Big Creek supply, the City has applications for a 6.0 cfs diversion and a 9,000 acre-feet impoundment located north of the City at Rocky Creek. Preliminary planning for the development of the Rocky Creek source has been initiated.

Based on available water rights, impoundment capacity, and existing plans to develop Rocky Creek as a regional water source, no deficiencies in the City's water supply are anticipated to impede development plans for the South Beach area.

#### Treated Water Supply

Treated water capacity for the City is currently rated at 5.75 MGD. Additional capacity can be added to the existing facility by increasing the total water production rate by 2.0 MGD per expansion. The ultimate expansion capacity of the treatment system is reportedly 9.75 MGD. This ultimate treated water production rate correlates to the maximum population benefited by the Big Creek impoundments and the Siletz River supply, estimated at 21,000 people. Based on the existing recommendations in the Water System Master Plan, to expand water treatment capacity as the City of Newport population increases, treated water supply is not anticipated to impede development plans for the South Beach area.

#### Treated Water Storage

The total treated water storage capacity for the City is currently at 7.95 MG. This quantity of stored water provides an adequate supply of potable water for human and commercial consumption during maximum month demand periods, fire fighting reserves, and emergency reserves. The total City population served by existing finished water storage is approximately 12,000 people.

The City's existing Water System Master Plan recommends expanding the City's finished water storage capacity by an additional 2.0 MG. Included in this recommendation is adding a new 1.0 MG tank located on King Ridge above the airport to serve the South Beach area. Construction of the King Ridge reservoir will create a new high level pressure zone for developments located above the current service levels of both the City's and Seal Rock Water District's systems. An additional reservoir is proposed for the Thiel Creek area, however, the Seal Rock Water District currently serves users in this area, and, based on current service boundaries; it is unlikely that the City will need to expand its water system into the Thiel Creek area.

#### Fire Protection

The required fire flows, as shown in Table 27, were obtained from ISO Guidelines and are used to evaluate the firefighting capabilities of the existing system for anticipated growth. The City of Newport has an ordinance requiring buildings greater than 35 feet high to install a sprinkler fire protection system and all buildings are to be constructed so as not to exceed a 3,000 gpm recommended fire flow rate as established by ISO guidelines.

**Table 27  
City of Newport Fire Flow Service Requirements**

Land Use Classification	Recommended Fire Flows		
	Quantity (GPM)	Duration (hrs)	Volume (MG)
Commercial			
Major	3,000	3	0.54
Neighborhood	2,000-3,000	2-3	0.24-0.54
Industrial			
Light-Medium	2,500-3,000	2-3	0.30-0.54
Institutional			
Schools	3,000	3	0.54
Hospitals	3,000	3	0.54
Residential			
Rural	750	2	0.09
Single Family			
Low Density	1,000	2	0.12
High Density	1,500-2,000	2	0.18
Multiple Family	1,500-2,000	2	0.18-0.24
Apartments	2,000-3,000	2-3	0.24-0.54

There currently exists adequate fire flow throughout the South Beach water system. Any areas with inadequate fire flow are localized residential areas served by 2" and 4" PVC water mains. These water mains should be replaced with 8" PVC water mains to provide the minimum fire flow capacity established by the City's current minimum level of service required for residential areas.

Fire flow capabilities in the South Beach water system area are maximized by the system ability to supply water from two directions including from across the bay and from the existing 1.3 MG South Beach Water Tank. These two supply points combine to provide approximately an excess of 3,000-gpm of fire flow to the South Beach commercial areas such as the Marine Science Center. Also, the available finished water storage is more than sufficient to provide 3000-gpm of fire flow for a 3-hour duration. The proposed major commercial, and community college development in the South Beach UGB expansion area will, however, need an additional storage tank for fire flows located at a higher elevation than the current system allows. Based on the minimum City requirements, a 0.75 MG reservoir will need to be constructed to provide a 3,000-gpm fire flow for a duration of 3-hours while

providing domestic demands and emergency reserves. The provisioning of a new high level water system and new reservoir are necessary to facilitate the new developments proposed for the South Beach area including the areas of the UGB expansion and the airport.

### ***b. Wastewater System***

The City of Newport's wastewater infrastructure was evaluated to determine if the existing Wastewater Facilities Plan Update [CH2Mhill, 1995] and as-constructed infrastructure adequately address the development potential identified in the South Beach Land Use Plan. Existing planning documents and infrastructure constructed to date appear to have considered South Beach developments. **See Exhibits 5A and 5B.**

With the most recent improvements to the City's infrastructure including the construction of a major wastewater facility upgrade and effluent disposal system, the major obstructions to growth within the City UGB have been relieved. In general, the City's infrastructure is well positioned to expand sanitary sewer service to the majority of development areas in South Beach. The existing wastewater infrastructure and proposed capital improvements that expand the wastewater system further into South Beach are discussed below.

#### Wastewater Treatment and Disposal Facilities.

The City of Newport's existing wastewater treatment facility is located in South Beach on Mike Miller Road. The current facility was completed in 1998 and consists of a 5.0 MGD average day flow oxidation ditch process treatment plant, raw sewage conveyance pipeline constructed under the Yaquina Bay, and a new treated effluent line from the plant to the City's outfall pipe which runs from Nye Beach to the Pacific Ocean. The total peak capacity of the facility is rated at 15.0 MGD, which will process wastewater collected from all locations inside the City from a service population of approximately 17,000 persons. Currently, just under 1/3<sup>rd</sup> of the facility capacity is available for new developments. Expansion of the existing treatment facility to a peak instantaneous capacity of 25.0 MGD is provided in the long-range planning and site development for this facility. Considering the available capacity of the treatment facility and ability to expand the system, wastewater treatment could not be considered a current inhibitor of growth in the South Beach area.

#### Treated Effluent Disposal

Effluent from the wastewater treatment facility is allowed to flow by gravity or be pumped back across the bay through a 20" HDPE force main. This effluent pipeline shares the same alignment as a 24" HDPE raw sewage force main discussed below. The effluent disposal outfall pipeline discharges to the Pacific Ocean through a three-port diffuser assembly located off shore from Nye Beach near 2<sup>nd</sup> Street in downtown Newport. There are preliminary plans for a 30-inch outfall to be located west of the South Beach State Park and the elimination of the existing bay crossing and Nye Beach outfall. The replacement outfall is proposed to occur once the existing treatment facility is upgraded to provide a peak instantaneous flow of 25.0 MGD. Considering the available capacity of the effluent disposal system and the ability to expand the discharge capacity, wastewater disposal could not be considered a current inhibitor of growth in the South Beach area.

Exhibit 5A

Exhibit 5B

## Wastewater Collection and Pumping Systems

The City of Newport's existing wastewater collection system includes developed areas north of Yaquina Bay and a large portion of the South Beach area north of 35th Street and west of Highway 101. In South Beach, the system currently serves residential, commercial, industrial, and public facility land-uses.

Raw wastewater collected from the City north of Yaquina Bay is conveyed to the wastewater treatment plant through a 24" HDPE force main that crosses the bay at OSU Drive. Several small pump stations serving the South Beach area discharge into this force main which discharges to a manhole on the west side of Highway 101 at SW 40<sup>th</sup> Street. A 36" PVC gravity sewer interceptor conveys flows from the force main manhole to an influent pump station near the intersection of Mike Miller Road and Highway 101. The influent pump station has a peak instantaneous capacity of 15.0 MGD with provisions for expansion to 25.0 MGD. Expansion of the wastewater collection system and, as appropriate, additional lift stations, will be required to serve undeveloped areas considered in the South Beach Land Use Plan.

### South Beach Sewer Expansion Areas

The 1995 Wastewater Facilities Plan addressed expansion of the wastewater collection system in the South Beach area. This plan divided South Beach into seven sewer basins that encompass all development areas from the Highway 101 Bridge to the Thiel Creek area south of the airport. Data for each basin are provided below in Table 28.

**Table 28**  
**Wastewater Statistics By Drainage Basin**

<b>Wastewater Drainage Basin Number</b>	<b>S1</b>	<b>S2</b>	<b>S3</b>	<b>S4</b>	<b>S5</b>	<b>S6</b>	<b>S7</b>
Gross Acreage	425	545	320	707	270	55	800
Residential Population	747	810	270	1,341	1,278	396	5,200
Population Equivalent - Other Zoning	2,416	3,020	6,270	8,788	5,950	714	1,890
Total Projected Population	3,163	3,830	6,540	10,129	7,228	1110	7,090
Average Daily Base Flow - Residential	0.171	0.185	0.062	0.307	0.293	0.091	1.191
Average Daily Flow -Other Zoning	0.121	0.151	0.314	0.439	0.298	0.036	0.095
Average Daily Base Domestic Flow	0.29	0.34	0.38	0.75	0.59	0.13	1.29
Peaking Factor for Domestic Flow	2.1	2.0	1.9	1.8	1.9	2.5	1.9
Peak Domestic Flow Rate from Basin	0.61	0.68	0.72	1.35	1.12	0.33	2.45
Infiltration Allowance Within Basin	0.21	0.27	0.16	0.35	0.14	0.03	0.40
Total Peak Flow from Basin	0.82	0.95	0.88	1.70	1.26	0.36	2.85
Basin S1 - South Airport							
Basin S2 - East Airport							
Basin S3 - North Airport							
Basin S4 - West Hwy 101							
Basin S5 - South Beach existing							
Basin S6 - Idaho Point							
Basin S7 - Thiel Creek							

City of Newport Wastewater Facility Plan, 1995 Update [CH2Mhill]

As identified in the Facility Plan and as shown in Exhibit 5A & B, Basins S4 and S5 are currently served by the sewer system. These two existing service areas include the Hatfield Marine Sciences Center to 35<sup>th</sup> Street, residential areas near Jetty Way, South Beach State Park, and the South Shore development. Expansion of the sewer system in these areas should only require connecting to the existing facilities, as the area is infilled with new developments. The remaining five sewer basins require expansion of the sewer system to new and existing development areas. Areas proposed for development that are outside of the existing UGB will also require expansion of the sewer system.

### *c. Storm Water System*

The City of Newport's South Beach Storm Water System Master Plan [SHN Consulting Engineers & Geologists, 2004] was evaluated to determine if the recommended drainage system capital improvements would facilitate the development potential identified in the South Beach Land Use Plan. In preparation of the storm water master plan, efforts were made to predict the impact to drainage courses from land-use developments allowed by current zoning during a 50 year design storm. The analysis of the system was, however, limited to areas inside the UGB (except where rural areas outside the UGB were anticipated to have low density development in accordance with Lincoln County rural land zoning).

The existing Master Plan was found to be in general conformance with the land use developments proposed by the South Beach Land Use Plan for all areas inside the UGB. Development potential for areas proposed outside of the current UGB were determined to have a significant impact on the recommended Master Plan drainage improvements. Additional revisions to two of the recommended storm drainage system improvements will be required to facilitate the developments proposed in the expanded UGB areas.

#### Existing Study

The existing South Beach Storm Water Master Plan was used as the basis of study for the recommended storm water capital improvements. Plan recommendations were based on the following:

- Discreet analysis of 13 drainage basins identified within the Study Area.
- Evaluation of the City's rules and regulations related to storm drainage.
- Solicitation of Local Stakeholder and Public input.

Revisions to the plan were performed for the outside UGB areas including the Community College, commercial areas, and new residential areas. These proposed land use changes had a significant impact on the proposed storm drainage facilities.

## **5. Historic Areas, Sites, Structures and Objects**

The City's Comprehensive Plan does not identify any historic areas, structures or objects in the South Beach area, although there is one potential historic site. The Pioneer Cemetery located west of Hwy. 101, north of SW 30th St. and east of SW Brant St., contains graves that date back to the late 1800's. The cemetery lies hidden among the jack pines on the bay ridge just south of the Davis home site, an early family in the South Beach area. The cemetery predates the south jetty and was apparently set aside by Davis as a community service. It was known as the Newport Cemetery in the early days.

It is impossible, after many years of neglect, to identify more than a few graves. Of the known markers, three are military issue for men of the Fourth Infantry of California Volunteers who remained in Newport after their discharge. The site should be retained as an historic site.

Another historic structure that is not technically in the South Beach Study area but is highly visible and an important identifying feature is the Yaquina Bay Bridge. Built in 1936, the City's acknowledged Comprehensive Plan designates the bridge as an historic structure important enough to protect. It states that, if it is necessary to expand the bridge, it should be in the same corridor, should preserve the silhouette and be located on the west side of the existing bridge.



## **VII. SOUTH BEACH NEIGHBORHOOD PLAN**

The Neighborhood Plan for the South Beach neighborhood of the City of Newport is based on an analysis of the:

Economic base of the City (Section IV of the September 2005 Employment Lands document)

Existing environmental and natural conditions of the South Beach area

Existing institutional, commercial, industrial and residential uses, and

The vision and aspirations of the residents, landowners and public officials who participated in formulating the Plan.

The Plan represents a reasonable proposal for the long term development of the neighborhood given Newport's location on the Oregon Coast.

### **A. Land Use Plan**

#### **1. Challenges of the South Beach Area**

There are many conditions in South Beach that offer difficult challenges to proposing an attractive, efficient and cost-effective land use pattern. The characteristics of the area that offer the challenges include:

- The neighborhood is a narrow elongated land area which stretches approximately 5½ miles from the Yaquina Bay Bridge to the southern tip of the City limits. This narrow shape is inefficient and costly to extend services and has resulted in an inefficient use of land.
- The existing configuration of the City Limit boundary has created pockets of unincorporated Lincoln County parcels surrounded by incorporated land areas. This checkerboard pattern has made it difficult to plan and manage a cohesive development pattern, as evidenced by the existing development adjacent to Highway 101.
- In many cases, the existing Comprehensive Plan and Zoning Map designations are inappropriate for many of the assigned land uses given the site characteristics such as extensive wetlands and steep slopes. The wetlands (totaling 184 acres) and steep slopes over 10% limit the suitability of these parcels for commercial and industrial uses. Slopes over 10% for these uses increase site improvement costs because of the scope of excavation required for large buildings. Although the parcels with steep slopes up to 20% with stable geologic conditions are appropriate for residential uses at lower densities.
- As described above, the area is not only a narrow land area; it is also fragmented by large public and institutional uses such as the South Beach State Park, the Airport and the Aquarium. Further limitations are imposed on land areas north and south of the Newport Municipal Airport in order to protect the Runway Protection and Approach zones. These large public areas coupled with the

wetlands, fragment the neighborhood and interrupt the efficient use of land for other purposes.

- Transportation access is limited due to the area's elongated shape and topography. Highway 101 provides a north-south corridor but there are only a few small segments of east-west roads which intersect with the highway. Consequently, many of the industrial land parcels have limited accessibility.
- Finally, these areas have only limited water supply and the sanitary sewer infrastructure is limited to the northern part of the South Beach area. Consequently, the cost to extend water and sewer lines long distances to serve narrow strips of land on either side of the highway is cost prohibitive.

## **2. General Description of the Neighborhood Plan**

In response to the challenges outlined above, the Neighborhood Plan has been designed to re-direct the shape of future growth within the South Beach neighborhood in two potential phases. The following summary of land use changes is predicated on the completion of both phases. The main feature of the Plan is a proposal to redraw the Urban Growth Boundary (UGB) by adding approximately 268 acres south of Idaho Point and east of Highway 101 and by trading out approximately 309 acres east of the airport. **See Exhibit 6.** Exhibit 6A is the September 2005 draft plan map replaced in part by the Exhibit 6 map. The current Exhibit 6 map includes a proposed study area of property both within the current UGB and some acreage north of the waste water treatment plant proposed to be added to the UGB. The proposed area added to the UGB will retain the existing applicable city or county comprehensive plan and zoning designations until changed through the annexation process or at a later date. The Exhibit 6 (South Beach Village: Option 9) map was prepared by SERA and proposed for use by Double E Northwest, Inc., in the South Beach Neighborhood Plan. The Exhibit 6 map was accepted for use in the South Beach Neighborhood Plan by the Newport City Council through the formal public hearing process as recommended by the Newport Planning Commission. Exhibit 6A shows the property to be removed from the UGB.

The 268 acres to be added to the UGB are more suitable for urban level development than the 309 acres to be removed for the following reasons, including:

- Presence of primarily flat, buildable land;
- Proximity to existing infrastructure, allowing more efficient use of existing and future public investments;
- Potential to create a new neighborhood "node" that reinforces and will provide services to the existing nearby residences;
- Opportunity for mixed use developments; and
- Option for a transportation network that provides access, removes some traffic from Highway 101, and provides future development opportunities. The proposed road network provides an alternate north-south route for local trips and provides connectivity to the east and west sides of Highway 101.

In contrast, the 309 acres proposed for removal from the UGB have limited development potential due to the presence of steep slopes, convoluted accessibility which isolates the area from other land uses, is expensive to service, and inefficient to develop.

The Land Use Plan redraws the UGB to include approximately 309 acres south of the existing residential development on Idaho Point and east of existing industrial development along Highway 101. The Land Use Plan converts approximately 22 acres of existing Industrial and Public land already within Newport’s Urban Growth Boundary from the Industrial (one area immediately south of Mike Miller Park on property currently owned by Double E Northwest and currently identified as Lincoln County Assessor's Map 11-11-20 Tax Lot 100 to a Low Density Residential/R-1 Comprehensive Plan Map and Zoning Map designation and one area in the southeast corner of property currently owned by GVR Investments and currently identified as Lincoln County Assessor's Map 11-11-20-AB Tax Lot 100 from a Comprehensive Plan Map designation of Industrial to a Comprehensive Plan Map designation of High Density Residential)) and from the Public (the north portion of the triangle tip of a property owned by the City of Newport currently identified as Lincoln County Assessor's Map 11-11-20 Tax Lot 2700) the Comprehensive Plan designations and Zones to both Low Density Residential and High Density Residential designations as illustrated in Exhibit 6. In addition, approximately 48 acres are proposed to be re-zoned to open space with the addition of an open space overlay zone to be completed when the property owner has finished a formal wetland delineation of the property. These changes avoid the wetlands and steep slopes which are not suitable for industrial development.

**TABLE 29**  
**South Beach Neighborhood UGB Addition Description by Acreage**  
**(Based on information provided by SERA)**

<b>Comprehensive Plan Designation</b>	<b>Potential Zoning Designation upon Annexation</b>	<b>Acres</b>
Public	P-1	26
Low Density Residential	R-1	118
Low Density Residential	R-2	51
High Density Residential	R-3	45
Commercial	C-1	12
Industrial	I-1	16
		Total – 268

*Note: An additional 48 acres (approximate) of wetlands and wetlands buffers with an Industrial Comprehensive Plan designation are recommended to be added under the proposed South Beach Open Space Zone designation.*

Further discussion of each of the proposed land uses is found below. The net result of the Neighborhood Plan will be a reduction of the area within Newport’s Urban Growth Boundary by approximately 41 acres. Additionally, approximately 22 acres of land currently designated Public and Industrial with the UGB will be converted to a mix of Low Density Residential and High Density Residential designations as illustrated in Exhibit 6.

Exhibit 6

## *Residential*

The property traded out of the UGB will include approximately 309 acres of High Density Residential property (part of the Wolf Tree Planned Destination Resort (PDR) property) and the property brought into the UGB will include approximately 214 acres of residential property (approximately 45 acres of High Density Residential and 169 acres of Low Density Residential Property). Currently, approximately 11 acres of the 214 residential acres added within the UGB is already designated as Lincoln County RR-2 (Rural Residential) and contains established residences. Within the UGB, approximately 22 acres of existing Industrial and Public designated property will be converted to a mix of approximately 20.5 acres of Low Density Residential property (identified for future R-1 zoning on Lincoln County Assessor's Map 11-11-20 Tax Lot 2500) with a small amount (approximately 1.5 acres) of High Density Residential property (southeastern portion of Lincoln County Assessor's Map 11-11-20-AB Tax Lot 100).

The following figures illustrate the acreage and dwelling unit potential comparisons for the property to be traded out and the property to be added to UGB:

**TABLE 30  
DWELLING UNIT COMPARISON**

<b>Type of Area Added to UGB</b>	<b>Acreage</b>	<b>Dwelling Units</b>
Low Density Residential/R-1	118 acres	377
Low Density Residential/R-2	51 acres	269
High Density Residential/R-3	45 acres	705
		Total - 1,351
<b>Type of Area Removed from UGB</b>		
High Density Residential/R-4 (PDR)	309 acres	Total - 1,545

The dwelling unit calculations for the area added to the UGB were based on the residential buildable land methodology found in the City of Newport Comprehensive Plan Housing Section which nets out 20 % of an acre for roads and other infrastructure/requirements and the estimated average density per net buildable acre by zoning classification found on Table 12 on page 109. The average estimated dwelling units (du) per net buildable acre (ac) by zone are: R-1/4.0 du/ac, R-2/6.6 du/ac, R-3/19.6 du/ac and R-4/19.0 du/ac. Additionally, for the High Density Residential/R-4 (PDR) to be removed from the UGB, a projected 5 dwelling unit per gross acre average (although the calculation methodology still assumes the R-4/19.0 du/per net buildable acre) estimate from the Comprehensive Plan) was calculated based on the topographical constraints on the site and the limitations on development required by the City of Newport Planned Destination Resort zoning ordinance requirements. The calculations methodology for the property to be removed is explained in detail below. Because the property to be added to the UGB is more readily developable, the calculations for that property follows the straight forward methodology (standard 20 % deduction, average dwelling unit per net buildable acre estimates based on zoning) adopted in the Newport Comprehensive Plan Housing Section. The following summarizes the calculations overall for the property to be added to the UGB:

R-1: 118 acres x .80 (net) = 94.4 ac x 4 units/ac = 377 units  
R-2: 51 acres x .80 (net) = 40.8 ac x 6.6 units/ac = 269 units  
R-3: 45 acres x .80 (net) = 36 ac x 19.6 units/ac = 705 units

The proposed UGB amendment reduces the number of acres included within the UGB for high density residential uses through the proposed removal of approximately 309 acres of High Density Residential land (within the UGB but currently outside of the city limits) that was originally added to the Newport UGB as part of the Wolf Tree Planned Destination Resort. Development of the 309 acres is limited by a number of factors, including distance from available public infrastructure (including sewer, water, and transportation), location of the property to the east of the Newport Municipal Airport in relative isolation from additional urbanizable property, topographic constraints (considerable areas of steep slopes and significant creek drainages that bisect the property), and zoning requirements related to the planned destination resort designation such that to obtain a realistic projection of dwelling unit potential a more detailed set of analysis than was used for the property being added to the UGB is utilized. The Urbanization Section of the Newport Comprehensive Plan contains a discussion of the Newport Urban Growth Areas, including the Wolf Tree Planned Destination Resort property, and makes the finding on page 277 that "The project [the Wolf Tree Destination Resort] complies with Goal 8/'Destination Resort'. The property cannot be developed except as a destination resort consistent with state and city law." If the approximately 309 acres were to be annexed and developed, the development would occur consistent with the Planned Destination Resort requirements of the Newport Zoning Ordinance (NZO) (Ordinance No. 1308, as amended) Section 2-5-9 (PDR, Planned Destination Resort). Approximately 1,545 dwelling units (based on a 5 dwelling unit/gross acre estimate). As the approximately 309 acres have not been brought into the city limits with a plan approved through the Conceptual Master Planning process for PDRs, the following residential unit analysis supports the 5 dwelling unit/gross acre estimate as follows:

- 1) A minimum of at least 50% of the 309 acres (excluding yards, streets, and parking areas) would be in open space consistent with NZO Section 2-5-9.025 (General Requirements [for PDRs] (C) (1) which requires that: "At least 50% of the sum total of the acreage for all approved FDPs [Final Development Plans], including previously approved FDPs, of the entire planned destination resort site must be dedicated to permanent open space, excluding yards, streets and parking areas."
- 2) Topographic constraints on the approximate 309 acres are significant and limit the buildable portions of the property as illustrated on the map for the Wolf Tree property.
- 3) In addition to the minimum 50% open space requirement, the standard 20% net reduction from the remaining property for roads and other public infrastructure would further reduce the remaining acreage available for residential development. To verify that the estimated 5 dwelling units per gross acre is within the range of likely development density (using the 19 units per buildable acre average for R-4 zoned property from the Comprehensive Plan), a range of possible development would

include, for example, the minimum 70% netted to a 75% netted figure.

A) For the 70% netted out, the overall gross acreage density would be 5.7 units per acre (Calculation:  $309 \times .3 = 92.7 \times 19$  units/acre (per R-4 average from Comprehensive Plan) = 1,761 units / 309 acres = 5.7 units per gross acre)

B) For the 75% netted out, the overall gross acreage density would be 4.7 units per gross acre. (Calculation:  $309 \times .25 = 77.25 \times 19$  units/acre (per R-4 average from Comprehensive Plan) = 1,467 units / 309 acres = 4.7 units per gross acre)

4) The Wolf Tree PDR will likely include a mix of both single-family and multi-family residential units for both full time and vacation rental use as was proposed in the original application for adding the Wolf Tree PDR to the City of Newport UGB. The Southshore Planned Development (located to the west of Highway 101 in the South Beach area of Newport) provides an example of a similar development in an R-4 zone designation that was approved to include both tourist oriented commercial development, multi-family and single-family residential. The project included 326 residential units per the findings of approval for the Southshore planned development final order (86 single-family residences, 90 multi-family (condos) units, and a 150 unit residential hotel). The Southshore project contained significant wetland constraints with approximately 43 acres of the 79 total project acres devoted to open space (approximately 55% open space). The gross dwelling unit per acre figure was calculated in the findings approving the Southshore project as 4.12 dwelling units/acre (or with 55% open space and assuming 20% net of the remaining area for roads and other infrastructure, the net per buildable acre density as approved was 19.75 units).

### ***Industrial***

An additional 16 acres of Industrial property is added to the UGB while the Plan will decrease the amount of land planned or zoned for Industrial use through conversion to residential use by approximately 22 acres. Additionally, approximately 48 acres of Industrial land comprising of wetlands is recommended to be designated with a South Beach Open Space Overlay zone when the property owner completes a formal wetland delineation on the property that is currently underway. Since much of this land is comprised of wetlands and steep slopes in excess of 10 per cent, it is not suitable for industrial use.

### ***Commercial***

As discussed in earlier sections of the report, there is a strong need for additional commercial land in the City. Additional evidence is provided by the building permit data from 2004 which indicated that the valuation of new commercial construction of commercial space has steadily declined since 2000. The Land Use Plan will provide an additional 12 acres in association with a new site for an institutional use to serve as the focus for a new community

“node”. The plan also recommends several polices evaluating the potential for conversion of additional industrial land to commercial land in a portion of South Beach near other commercial and tourist oriented uses such as the Oregon Coast Aquarium. These 12 acres will not satisfy the entire City-wide need for new commercial land however, the remainder of that need will need to be met through redevelopment, revitalization and conversion of other existing land uses in South Beach and north of the Yaquina Bay.

### ***Business Park***

A total of 16 acres of additional industrial property is added to the UGB north of the waste water plant that is recommended for Business Park use. The purpose of a new Business Park area is to provide sites for a mix of light industrial, office and service types of businesses in a more formal campus type of setting that could be developed through the master planning process upon annexation of the site.

### ***Institutional***

Twenty six acres near Mike Miller Park within the area proposed to be added to the UGB have been identified for Institutional use. It is anticipated that a major institution such as the Oregon Coast Community College or school will locate on this site. This area is part of the approximately 268 acres to be added to the UGB.

### ***Recreation and Open Space***

The Land Use Plan includes the designation of an area of open space north of the Municipal Airport that is consistent with the identification of an open space area (OS-7) on the 1993 City of Newport Park System Master Plan Facility Plan. In addition to the open space designation consistent with OS-7, the Land Use Plan proposes to relocate community park site C-2 of the 1993 City of Newport Park System Master Plan to the City owned property east of the wastewater plant and zoned P-1. This location would be nearer the proposed residential areas and on a generally flat area. The C-2 community park site was originally recommended to be situated on land near the City's proposed wastewater plant. Since the adoption of the 1993 City of Newport Park System Master Plan, the City has purchased land further to the east and constructed the wastewater treatment plant. No changes to the recommended facilities for the C-2 park site identified in the 1993 City of Newport Park System Master Plan are proposed at this time. However, it is recommended that the "Open multi-purpose grass area, large enough for pick up games" identified as part of the facilities for the C-2 park site should be designed in such a fashion as to support soccer usage.

For the residential area included within the new area added to the UGB, it is recommended that the master planning for the area include a park meeting the definition of a neighborhood park (3-5 acres) (established in the 1993 City of Newport Park System Master Plan on page VI-2) on the northern portion of the area. Park and Open space connectivity is an important element in the development of trails and bike paths. The master planning for the site added to the UGB should also at a minimum provide links to the trail system as proposed in the 1993 Newport Park System Master Plan (or the Park System Master Plan current at the time of master planning and other adopted City plans).



Other than those items identified above, the Land Use Plan does not propose any additional specific locations for Recreation land as it appears that most of the 1993 City of Newport Park System Master Plan Facility Plan for the South Beach area remains to be implemented.

A new South Beach Open Space zoning designation is proposed to allow the open space designation to be applied to privately owned property and to allow property owners to seek tax incentives for open space preservation under Oregon Revised Statutes Section 308A. Tax incentives are available for private property owners that wish to preserve open space by requesting an open space designation for lands that may qualify under the ORS 308A.300 definitions (such as those lands that would conserve and enhance natural or scenic resources, protect air or streams or water supply, promote conservation of soils, wetlands, beaches, or tidal marshes, conserve landscaped area which reduce air pollution and enhance the value of abutting or neighboring property, enhance the value to the public of abutting or neighboring parks, forests, wildlife preserves, nature reservations or sanctuaries or other open space, enhance recreation opportunities, preserve historic sites, promote orderly urban or suburban development, and for other reasons).

A policy is also included encouraging the acquisition by either public or private entities of areas for open space preservation (such as wetlands), especially areas adjacent existing park facilities such as the South Beach State Park or Mike Miller Park."

### *Existing land uses*

Many land use designations in South Beach are not proposed to be changed. The Wolf Tree Planned Destination Resort at the southern end of the City will remain. The two South Beach residential neighborhoods on either side of Highway 101 at the northern end of South Beach are reinforced by the presence of the proposed new residential uses. The Newport Municipal Airport, the Hatfield Marine Science Center, and the Aquarium shall be enhanced in the future because they help to define the character of the area and have the potential to generate new business opportunities. Several policies are included within the proposed plan to evaluate some areas of South Beach for possible future changes that may be desired by the property owners.

## **B. Transportation Plan**

*Note: Changes in proposed land use designations that occurred as part of the public hearing process required the detailed transportation analysis previously included in the original September 2005 and March 2006 revised South Beach Neighborhood Plan to be amended to reflect new and additional information. Several exhibits and tables were removed from the text of the transportation plan portion of the South Beach Neighborhood Plan. The amended transportation analysis is now a separate supporting document. Additionally, at the time of adoption of this Plan, the City had initiated an update to the City's Transportation System Plan which would include a review of the transportation improvements in the South Beach area.*

As part of the Land Use Plan, new transportation infrastructure is proposed. A new Parkway is proposed to provide access to the area proposed for addition to the UGB. This Parkway will allow north-south transportation off Highway 101 and will serve to connect the existing development to the proposed development. Another transportation enhancement includes improvements to the east-west road network to provide connectivity across Highway 101; for example, re-positioning the entrance to South Beach State Park to align with 50th Street will allow traffic to cross the highway at a signalized intersection. The additional road network will also provide more opportunity for non-motorized circulation such as bicycles and pedestrians.

The proposed land development plan for the South Beach area of Newport will generate a substantial volume of additional traffic. The removal of the 309 acres of High Density Residential property will provide a reduction in the volume of traffic anticipated. Through a combination of the addition of property to the UGB and the removal of property from the UGB the goal is to minimize impacts on the transportation system. The property added into the UGB will result in traffic patterns different from those that now exist in South Beach. To assure that the new traffic volumes and patterns do not become an impediment to the desired land development, the roadway system must be made to accommodate the traffic safely and efficiently. This means that adequate facilities for pedestrians and bicycles as well as vehicular traffic should be provided.

The need for new transportation facilities was determined by first collecting information about existing traffic volumes and patterns. Then, based on the types and locations of the proposed new development areas, a sketch-level roadway network was created that would serve the new developments. The number of trips that will be created by the planned new land development was estimated, and the new trips were then assigned to the conceptual street network. Critical intersections within the street network were analyzed in detail to verify that the proposed street network would be adequate and to determine the lane configuration that will likely be needed to accommodate all the new trips. The analysis assumed that most of the planned development areas would be built out within 20 years.

Based on the results of the traffic analysis, recommendations were made for the design of the new roadways and the intersections. It is important to note that, first, some of the recommended roadway improvements will not be needed until a substantial amount of the planned land development occurs. This means that the improvements can be constructed in phases over a period of years. Some roadway links will not need to be constructed initially,

and some roadways can be constructed initially but not built to their full width until a later time. As land development projects are proposed, the appropriate phasing of roadway improvements can be determined.

Second, the need for the recommended roadway improvements could change if land development plans change from the current plans. More or less intensive development could result in a greater or lesser need for roadway improvements. The roadway improvement recommendations in this report can serve as a basic framework, allowing changes and adjustments to be made as development plans are revised.

### ***Roadway Network***

To accommodate traffic from the proposed area added to the UGB, a conceptual plan for a network of roadways was produced (see **Exhibit 11**). The primary component of the network is a loop roadway to the east of 101 which would bisect the area added to the UGB. The north end of the loop would be located at 40th Street, and the south end would be at the present location of 50th Street. A potential extension of the south end of the loop west of US 101 could serve as a new access to South Beach State Park as a replacement for the existing access. Similarly, a potential extension of the north end of the loop to the west of US 101 could provide additional access to properties on the west side of US 101 between 40th and 32nd. It is likely that both the north and south intersections of this loop with US 101 will ultimately be controlled by traffic signals.

The south end of Ferry Slip Road presently intersects US 101 at an acute angle. To eliminate this awkward intersection and to provide a street system that will encourage long-term redevelopment of Area D east of US 101, a realignment of Ferry Slip Road is proposed. The intersection with US 101 would be eliminated, and Ferry Slip would be extended to Ash Street and to the south to intersect with the proposed new roadway loop through the area added to the UGB.

This realignment would provide a continuous street east of US 101 that would extend from 32nd on the north to the proposed loop roadway on the south. There is an existing signal on US 101 at 32nd, and a future signal is likely to be installed on US 101 at the proposed loop roadway. As part of this realignment a restriction of turning movements on US 101 at 35th Street should be considered. Limiting the access to US 101 at 35th to right turns in and right turns out would reduce congestion and improve safety on the highway, particularly with traffic signals at both 32nd and 40th (the location of the proposed loop roadway).

## **Recommendations**

### ***Roadway Configuration***

The recommended roadway configuration for South Beach is shown in **Exhibit 11**. This configuration includes the following improvements:

- Construction of a new loop roadway through the area added to the UGB
- Widening of US 101 to four through lanes from the Yaquina Bridge through the 50th

#### Street intersection

- Realignment of Ferry Slip Road and Ash Street to provide a continuous street
- Elimination of the intersection of Ferry Slip Road and US 101
- Turn restrictions at the intersection of US 101 and 35th Street
- Installation of a traffic signal on US 101 at 40th Street
- Installation of a traffic signal on US 101 at 50th Street

The required lane configuration of the proposed roadway intersections was determined from the capacity analysis of the intersections. The capacity analysis was based on full build-out of all the planned land development and redevelopment in the South Beach area, except that less than full build-out of high-density residential is expected within 20 years. The analysis determined that the lane configurations as shown in Exhibit 10 will be necessary.

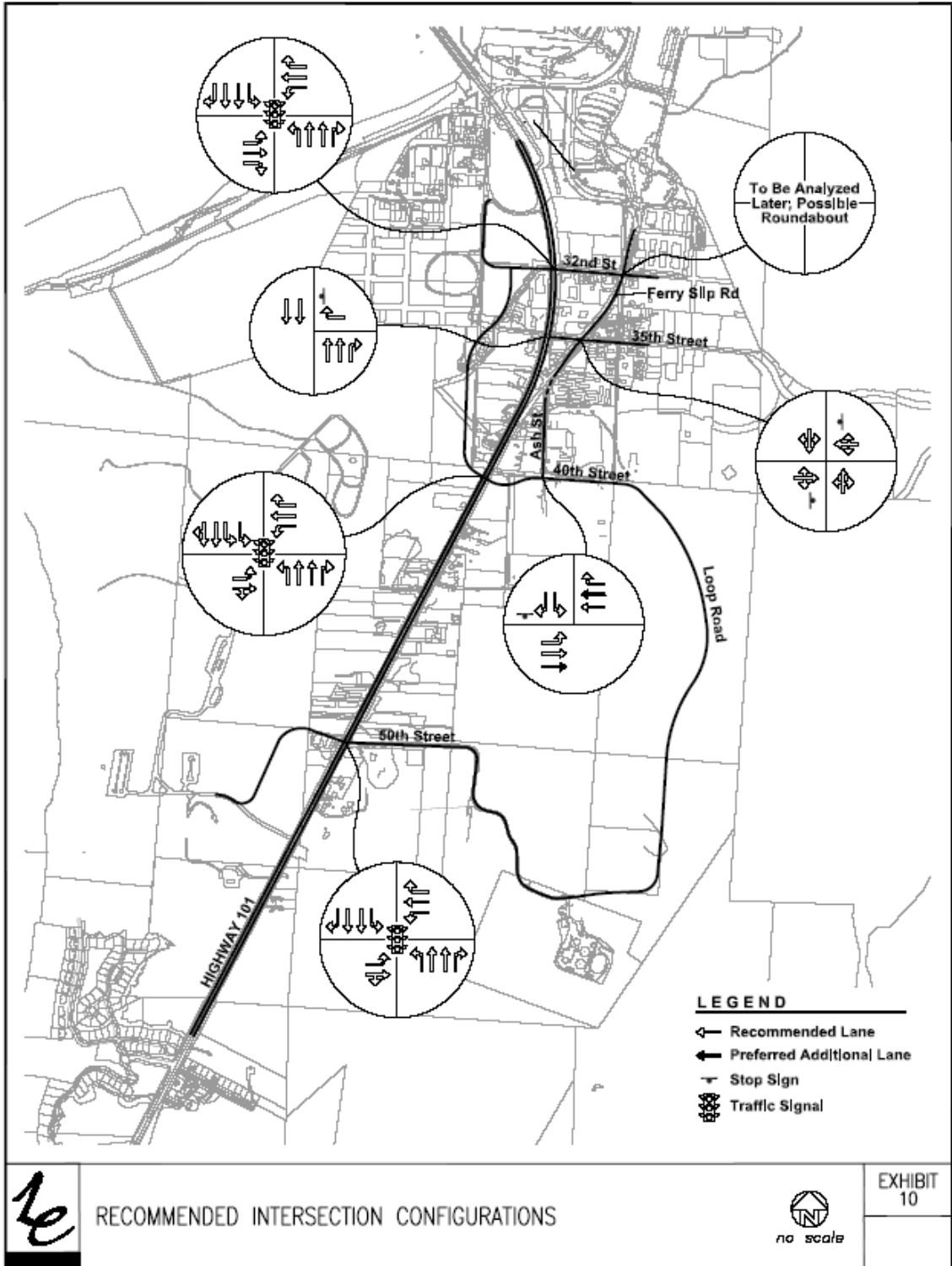
Because full build-out of the planned land development will require 20 years or more, the roadway and intersection improvements may be constructed incrementally. For example, as new intersections are constructed, they could be constructed initially with only through-traffic lanes and no turn lanes. As traffic volumes increase, turn lanes can be added. But right-of-way for the full improvement should be obtained when possible with the initial construction.

#### *US 101*

The capacity analysis indicates that four through traffic lanes will be required on US 101 from the Yaquina Bridge to 50th Street. The transition from four lanes to two lanes should be south of 50th so that four lanes are provided through the intersection. In addition to the through lanes, turn lanes will be required at the major intersections on US 101 as shown in Exhibit 11.

The existing traffic signal on US 101 at 32nd and the proposed traffic signals at 40th and 50th will provide sufficient capacity for the land development included in this study. However, the 32nd Street intersection will be close to capacity with full build-out of the assumed development. If the planned land-use study for the Port of Newport indicates that redevelopment of the marina area will generate a substantial volume of new trips, additional improvements to the 32nd Street intersection will be required. Retaining free-flowing traffic on the entrance and exit ramps on US 101 at the south end of the Yaquina Bay Bridge and encouraging their use through signing will reduce the need for improvements of the 32nd Street intersection.

The projected traffic volumes for full build-out of all the planned development in South Beach indicate that ultimately four lanes will be required on the Yaquina Bay Bridge to avoid traffic backups on the bridge approaches. This is consistent with the current Newport Transportation System Plan, which projects that the bridge will exceed capacity in 2016. In the future, as long-term transportation planning is undertaken for the Newport area, the need for additional vehicular capacity across Yaquina Bay should be addressed.



### ***Scenic Parkway***

As part of the development of the area added to the UGB east of US 101, the proposed network includes a new loop road through that area. Although two lanes (one through lane in each direction) on the loop roadway appears to provide sufficient capacity for the projected traffic volumes, it is on the borderline of needing four traffic lanes. With only two traffic lanes slow speeds could be expected during the peak traffic hours, particularly when slow-moving trucks are traveling up the hill. In any case, two eastbound lanes will be needed on 40th for a distance east of US 101 to accommodate the southbound double left turn from US 101.

The initial construction of the loop roadway can be limited to two lanes, but it is recommended that sufficient right-of-way be obtained and the roadway designed to accommodate widening to four lanes in the future. The future four lanes should extend from the north intersection with US 101 (40th Street) to approximately the center of the area added to the UGB. At that point the roadway can transition back to two lanes.

The ultimate design and construction of the loop roadway as a scenic parkway should be considered if future analysis indicates that it is feasible and practical to do so. This would include two through lanes in each direction on the north half of the parkway, and a landscaped center median the entire length of the parkway that would be used as a left-turn lane at intersections. Trees and other landscaping could be provided both in the center median and on each side of the street between the curb and the sidewalk. A landscaped parkway design would be an attractive and inviting entrance to the entire area added to the UGB.

With development of the area added to the UGB and redevelopment of the area south of SE 35<sup>th</sup> Street with shops, restaurants, and other tourist-oriented businesses, there may be a demand for travel between the two areas. Because the distance between the two areas is relatively short, it is recommended that a pedestrian and bicycle path be developed between the two areas. A pedestrian/bicycle path would have the potential to eliminate some vehicular trips. A possible location for the path would be on the easterly and northerly side of the loop roadway, then to the north along Ash Street and Ferry Slip. The pedestrian/bicycle route would then connect with the pedestrian/bicycle route to the north of 32nd as shown in the Transportation System Plan.

### ***Ferry Slip Road/Ash Street***

There is a potential for redevelopment of the area east of US 101 and between 32nd and 40th, over the next 20 years and beyond. To facilitate this redevelopment, it is recommended that Ferry Slip Road and Ash Street be realigned and reconstructed to provide a continuous street between 32nd and 40th (the loop parkway).

Construction of this street could result in several benefits. First, by providing a street parallel to US 101, it would permit travel throughout this area without the necessity of entering and exiting US 101. Second, it would provide access from all of this area to the existing signal at 32nd and the proposed signal at 40th. Third, it would provide the opportunity to construct

the street as a landscaped local street with parking which would be attractive to tourists. This would encourage the development of tourist-oriented businesses such as shops, restaurants, lodging, and other retail operations.

As part of the construction of this street, a connection should be maintained on 35th Street between US 101 and Ferry Slip Road. As traffic volumes in the area increase, turns should be restricted at the 35th/101 intersection to eliminate left turns onto and off of US 101 to avoid safety concerns (see **Exhibit 11**).

The Parkway is expected to cost approximately 2 ½ million dollars per mile. This preliminary estimate assumes that the public right of way will be donated by the landowner and no unusual circumstances are encountered that might impact the construction.

### ***32nd Street/Ferry Slip Intersection***

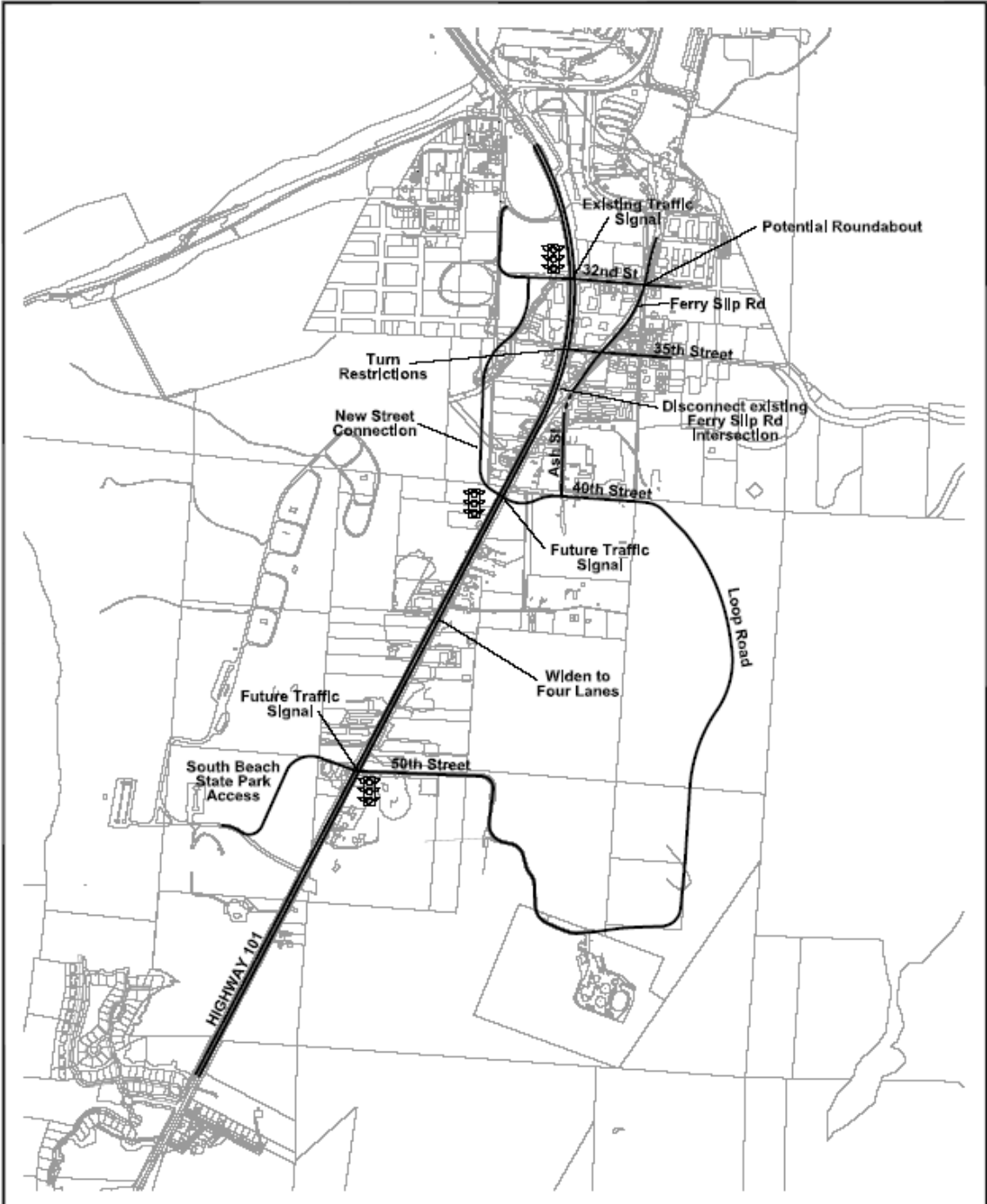
Because of the proposed land-use and transportation study of the Port of Newport marine district, the 32nd/Ferry Slip intersection was not analyzed as part of this study. It is not known at this time what the ultimate required lane configuration for this intersection will be, and whether a traffic signal will be needed.

Due to the location of this intersection, and because the signalized intersection of US 101 and 32nd offers easy access to this intersection, the 32nd/Ferry Slip intersection will in effect serve as a gateway to both the marine district to the north and the redevelopable Ferry Slip/Ash Street district to the south. To enhance the attractiveness of this intersection as a gateway, it is recommended that this location be considered for a roundabout with a landscaped center island. A roundabout would eliminate the potential need for a signal, would keep traffic free-flowing, would avoid backups that might extend back to the existing signal at US 101 and 32nd, and would eliminate the need for extra street width for left-turn lanes. It would also provide a landscaped park-like entrance to the two districts.

### ***South Beach State Park Access***

The existing access from US 101 to South Beach State Park is located approximately 950 ft south of the proposed traffic signal at 50th Street. During peak days in the summer there can be extensive delays to traffic attempting to enter US 101 from the park. Because of the close proximity to the proposed signal at 50th, it is unlikely that a signal will be installed at the park access.

It is recommended that the feasibility of relocating the park access be investigated. Relocating the park access to serve as the west leg to the 50th Street intersection, and removing the existing access, would provide a signalized access to the park when a signal is installed at 50th. There would be cost, wetland, and right-of-way issues involved with a relocation of the access, but the benefits to park users in terms of both safety and delay would be substantial.



RECOMMENDED TRANSPORTATION SYSTEM



EXHIBIT 11



### ***Roadway Improvement Priorities***

Because the development of new areas and the redevelopment of existing areas of South Beach will take place over a period of 20 years or more, the proposed roadway network can be constructed over a period of years. It is not necessary to construct all the new streets initially, and it is not necessary to construct new streets initially to their ultimate configuration.

The order in which roadway improvements should be constructed will depend to a large extent on the sequencing of land development. This in turn will depend on market conditions and financing availability and is difficult to forecast. But to assure an orderly development process and to facilitate implementation of the land-use plan, some general recommendations can be made for roadway improvement priorities:

- Begin to procure right-of-way based on preliminary design.
- Construct the north portion of the loop roadway through the area added to the UGB, from US 101 at 40th Street to a point within the area added to the UGB. It may be constructed initially as two lanes, but should be designed for ultimate expansion to a four-lane parkway if future analysis warrants it. This will allow development of the UGB to begin.
- Widen US 101 from Yaquina Bridge to a point south of 40th to four lanes with a center median. This will accommodate the increased traffic volumes between downtown Newport and the area to be added to the UGB.
- Realign and reconstruct Ferry Slip Road and Ash Street to provide a continuous street parallel to and east of US 101 from 32nd Street to the loop roadway.
- Construct the remaining portion of the loop roadway to an intersection with US 101 at 50th Street.
- Widen US 101 to four lanes with a center median from 40th to a point south of 50th. The transition from four lanes to two lanes should be south of 50th so that four lanes of capacity are provided through the intersection.

Traffic signals on US 101 at 40th and at 50th should be installed when traffic volumes meet the traffic signal warrants. Turn lanes at the intersections, as specified in this report, should be constructed when needed if they are not built as part of the initial roadway construction.

### ***Access to property southeast of the intersection of US 101 and 50<sup>th</sup> Street***

The development of about 14 acres of commercially zoned land at the southeast intersection of US 101 and 50<sup>th</sup> Street is identified as a possible area for future commercial development if the property owner decides to pursue a change from the current Industrial designation to a Commercial designation. To avoid safety and congestion issues on US 101, it is recommended that primary access to that area be from 50th Street rather than US 101. Depending on the layout of future development, it may be possible to include a right-in right-out access to US 101 near the south end of that area.

Locating the primary access on 50th Street will allow development traffic to use the future signal at the 50th/101 intersection. To assure that all trips within that area will have access to the 50th Street signal, it will be necessary to have a master plan for the area so that all parcels within that area will have access to 50th Street.

## C. Utilities Plan

In addition to the transportation improvements, the Neighborhood Plan also encourages more efficient use of public infrastructure. The existing water reservoir and wastewater treatment plant are located immediately adjacent to the land proposed for addition to the UGB and near the land proposed for conversion from industrial to other uses. This proximity will result in lower construction and maintenance costs, benefiting the City as a whole. The Land Use Plan proposes additional water and sewer infrastructure, along with storm drainage enhancements.

### 1. Sanitary Sewer

Expansion of the sewer system is required to provide wastewater service to areas proposed by the South Beach Land Use Plan. The recommended capital improvements identified as Phase I are necessary for providing service to the expanded UGB area east of Mike Miller Park. Phase II improvements address expansion of the sewer system to Idaho Point and the development areas located directly north of the airport. Future improvements for areas south of the South Beach Development and west of the airport and south to the Thiel Creek area have not been incorporated into this Plan but are identified in the existing Wastewater Facility Plan. The Phase I and Phase II improvements are discussed below. **See Exhibit 12.**

- ***Project #1 – 10” Sewer Trunk Line Urban Growth Boundary Road – Phase I***

Sewer service to the new UGB expansion area above Mike Miller Park will consist of 4,800 LF of new 10-inch and potentially 12-inch gravity main running north to 40<sup>th</sup> Street and 4,000 LF of new 8-inch gravity main running south to the south beach lift station. Routing of both mains should generally follow the alignment of the proposed UGB expansion area road. Each gravity main should also be designed to a depth that allows future developments to connect extensions of the collection system from the proposed residential, commercial, and community college development areas. The 10-inch line running north should flow by gravity to the existing 36-inch gravity interceptor which will allow collected flows to discharge to the influent pump station on Highway 101. The 8-inch line running south should flow by gravity directly to the south beach lift station. A small pump station may need to be constructed at the treatment plant to lift the flows received from the south interceptor into the headworks or the sewer should be extended down Mike Miller Road to connect into the influent pump station.

- ***Project #2 – 8-inch PVC Sewer -From Upper Idaho Point - Phase I***

Wastewater collected from the proposed 105 acre upper Idaho Point residential development should be collected through 3,800 LF of new 8-inch gravity main running west below the ridge line to the proposed north UGB road where it can be connected to the 10-inch UGB area sewer main. Portions of this development area on the north and westerly slopes of Idaho Point may require small pump stations or grinder pumping equipment with small diameter sewers to lift wastewater to the ridge line main collector sewer.

Exhibit 12

- ***Projects #4 – #5 - Idaho Point Sewer System – Phase II***

As development progresses east along the hilltop of the expanded UGB area, the Idaho Point area (Basin S 6) can be expected to experience development pressure. Expansion of sewer service into this area will be required to allow this growth to occur.

Sewer service could be provided to the Idaho Point area by routing 3,200 LF of 8-inch gravity main east along the ridge to the end of Idaho Point then west along 35th Street. A 350 gpm lift station and 3,800 LF of 6-inch force main running along 35th street should be constructed to convey flows collected from Idaho Point into the existing sewer system in Basin S5.

- ***Projects #6 - #8 – North Airport Sewer System – Phase II***

The South Beach Land Use Plan identifies the potential for development of residential property east of Highway 101 and north of the airport. Development of a sewer system in this area will be difficult, due to the steep terrain, deep canyons, and Henderson Creek tributaries. Onsite systems and lower density developments may be more appropriate for this development area.

If a public sewer system is extended into this development area, then approximately 4,100 lineal feet of 8-inch gravity main should be constructed to serve the north half of the 100-acre area. A 250 gpm lift station and 1,450 LF of 6-inch force main running along the old railroad right of way should also be constructed to lift flows up to the wastewater treatment plant. The remaining acreage proposed for development to the south will also require 8-inch gravity main and one or possibly two additional lift stations.

## **2. Water**

Improvements to the South Beach water system are identified according to short-term and long-term goals. The capital improvements recommended for the South Beach Development Lands Plan are summarized below. **See Exhibit 13.**

- ***Project #1. King Ridge 1.0 MG Reservoir (EL 320')***

The proposed South Beach developments will require construction of a new high level water system. This system will provide fire flows and potable water for human and commercial consumption. In order to service the recommended urban growth boundary additions and the airport, a new 1.0 MG water tank should be constructed on King Ridge (elevation = 320-ft +/-) according to the guidance provided by the City's Water System Master Plan. The King Ridge water tank should be constructed at an elevation of 320 feet to provide complete coverage of all areas proposed for development.

According to preliminary calculations, the proposed new development will require a minimum of approximately 750,000 gallons of storage to maintain the minimum fire flow requirement of 3,000-gpm for 3-hours at the community college, commercial, and industrial sites. An additional 250,000 gallons of storage is also necessitated by the need to provide storage for subsequent phases of new development that may occur during the life of the new water storage tank.

Exhibit 13

- ***Project #2. 16" Water Main to New High Water Tank***

Preliminary calculations and water modeling indicate that 5,500 lineal feet (LF) of 16-inch diameter water main should be constructed from the King Ridge tank to the new South Beach development areas. This water main is sized to maintain minimum fire flow requirements for the proposed commercial and institutional developments at the UGB expansion areas and the airport as discussed below.

- ***Project #3. 12" PVC Water Main Loop New Development***

Within the new UGB expansion area, approximately 9800 LF of 12-inch PVC water main should be constructed along the main road for the new development. This water main will connect to the existing 16" HDPE water main from the King Ridge tank to the existing 12-inch PVC water main located on Highway 101 to the north and the Mike Miller Park reservoir to the south. The 12-inch main will provide fire flows to the proposed new development including commercial, residential and the proposed community college. Pressure relieving valves will also need to be installed on the north and south ends of the loop.

- ***Project #4 - 12" PVC Water Main Loop New Development***

According to preliminary calculations, the approximately 3700 LF of 12" PVC water main through the proposed residential development west of King Slough and south of Idaho Point. Construction of this main will provide fire flows and residential pressures to new residential developments proposed for this area. In the long term, this water main should be extended to Idaho Point and then loop back along 35th Street on the North end of Idaho Point before connecting to the existing 12" water main at SE Chestnut and 35th Street.

- ***Project #5 – King Ridge pump station, 350 gpm***

Water from the existing Mike Miller Park reservoir will need to be pumped up to the King Ridge reservoir to create the new pressure zone recommended for these high elevation development areas. The Pump Station will be constructed to deliver water to the proposed King Ridge Tank while the tank floats on the system. Preliminary analysis indicates that a pump station should be capable of pumping 350 gpm at 120' of total dynamic head.

- ***Project #6 – 2-12" PRVs***

With the addition of the new high water tank at King Ridge, 2-12" PRVs will be required to back feed the lower pressure zone in the existing South Beach development area. The pressure reducing valves will need to be located on both the north and south ends of the UGB expansion loop road at an elevation of approximately 150-feet +. These valves will supplement the lower pressure zones during protracted (greater than 3-hour) fire fighting events.

- ***Project #7 – Newport Airport Water Main***

Approximately 5500 LF of 16" water main will be required to supply water to the

Newport Airport. According to preliminary calculations, this water main will provide the minimum required fire flows at the airport (3,000 gpm) plus potential consumptive use for developments around the airport. As part of Phase II, this water main will be looped back to the system with the construction of a 12" water main through the 100-acre residential development area just north of the airport.

- ***Project #8 – Miscellaneous South Beach Water System Improvements***

As indicated in Exhibit 13, some areas of South Beach are still served with 2", 3", and 4" water service lines. In these areas there is insufficient fire flow and likely degraded levels of water service due to losses in system pressure. Water modeling indicates that areas west of Highway 101 would have sufficient fire flow with the addition of a proposed 12-inch PVC water main located along Highway 101 connecting the existing 12" PVC South Beach State Park Loop to the new 6" PVC water main on SW 30th Street east of SW Coho Street (approximately 1300 LF of new 12" water main). However, adequate fire flow could also be obtained by replacing the existing 2" water line on SW 27th Street with a new 6" PVC water main (approximately 650 LF of new 6" water main).

### **3. Storm Sewer**

The proposed changes to the urban growth boundary will increase the percent of impervious area at build out in basins 2, 5, & 6, as well as sub-basins 13-E and 15-E of basin 3. The percent of impervious area in the proposed residential areas in basin 2 was increased to 38% (assuming ¼ acre residential lots). The percent of impervious area in basins 3, 5, 6 and was increased to 25% (assuming ½ acre lots due to the steep terrain in these areas). The percent of impervious area for the proposed commercial and institutional areas in basins 5 & 6 was increased to 55% impervious. These run-off factor were developed in the storm water master plan based on existing development patterns.

The increased percent impervious area will increase the runoff, resulting in the following recommended changes to the existing storm water master plan:

- ***Project #2 – Culvert Replacement, Ditch Renovation (east of 35th Street)***

This project involves upsizing the existing 24-inch culvert under SE 35<sup>th</sup> Street and expanding the ditch that runs along side SE 35th Street.

Based upon preliminary calculations, the proposed Idaho Point residential area will increase flow to the culvert from an estimated 105 cfs to an estimated 135 cfs. The recommended culvert should therefore be upsized from a 42-inch culvert to an 54-inch culvert. The recommended ditch improvements should also be expanded accordingly.

The estimated economic impact of this change is that the project cost nearly doubles from \$60,000 to \$80,000.

- ***Project #5a - Alt 1 Redirect Drainage to Basin #7***

This project involves construction of a series of channels and culverts parallel to, and along the west side of the highway to convey flow south from the proposed box culvert under Highway 101 (ODOT #144) to the existing natural channel in Basin 7(4) (See Sub-



basin Figures 4.1.1 and 4.1.2 in the South Beach SWMP).

Based upon preliminary calculations, the proposed development will increase the flow under Highway 101 from 129 cfs to 237 cfs. The recommended culverts and adjoining ditches should therefore be upsized. The recommended box culvert under the highway should likely be upsized from a 3'x6' (57-inch equivalent) box culvert to a 4' x 7' (71-inch equivalent) box culvert.

The estimated economic impact of these design changes is to increase the cost of Project #5a from approximately \$1.2 million to \$1.5 million.

On the June 2004 Storm Water Master Plan capital improvement project list, several changes would need to be made in relationship to proposed changes in land use designations as part of the proposed South Beach Neighborhood Plan. Specifically, Project #2 (Culvert Replacement/Ditch Renovation on SE 35th Street – at an estimated increase of \$20,000 from the \$60,000 originally estimated) and #5a (Alternate 1 – Redirect Flow – an estimated increase of \$300,000 from the \$1.2 million originally estimated) proposed would need to be upsized to accommodate additional storm drainage from the proposed changes in the Comprehensive Plan as explained above. Project #6 (Airport Drainage Improvements – estimated at \$1.426 million), however, would likely not be required as a project as the proposed improvements were necessary to serve an area of High-Density Residential east of the Airport (the proposed South Beach Neighborhood Plan adjusts the Urban Growth Boundary by moving the residential area to the north to abut the Idaho Point area and removes that property east of the Airport from the Urban Growth Boundary). The increase in the storm water capital improvement estimated costs to accommodate the proposed South Beach Neighborhood Concept Plan would be \$320,000. With Project #6 likely not needed in the current planning horizon, however, the overall impact on the proposed storm water capital improvements would be a reduction of approximately \$1.106 million in projected capital costs.

## **D. Urban Design Concepts**

As part of the South Beach Neighborhood Plan development process, an analysis of existing urban design opportunities and recommendations for the South Beach area was completed and is included in the Appendix material. Based on the analysis completed and the public input received from the public and from the Ad Hoc Advisory Committee, the Plan includes a policy identifying general urban design goals that should be considered and encouraged in the South Beach neighborhood for new and infill development.

Gateways identifying entry into the South Beach area of Newport were also considered to be an urban design feature lacking at both the north and south end of the South Beach area. For the purposes of this Plan, the Ad Hoc Advisory Committee focused on the north gateway. The U.S. Highway 101 Urban Gateway Design Concept for the north entrance into the South Beach area is included as **Exhibit 14**. The City should work with the Oregon Department of

Transportation and should pursue funding and implementation of the proposed U.S. Highway 101 Urban Gateway Design Concept identified in Exhibit 14 as appropriate.

Exhibit 14

*Commercial – Small*

<p><b>PARCEL</b></p> <p><u>Area:</u> 0.60 acres  <u>Street Frontage:</u> Shown-130’ on a local public street  <u>Density Target:</u> 0.4 –0.5 FAR  <u>Lot Coverage:</u> No maximum (Shown: 40%)  <u>Open space:</u> Approx. 80% of open space shall be treated for use by pedestrians or for outdoor dining. Shown: 2,000sf approx. covered dining terrace adjacent to the sidewalk, and 500sf approx. landscaped court adjacent to building.  <u>Surface water management:</u> Not shown on site-common off-site facility is assumed.</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk :</u> shall be appropriately landscaped for use and enjoyment by pedestrians. Enhanced materials encouraged.  <u>Trees:</u> Install 4-5 coast appropriate trees in planter strips along public streets (as shown). Install additional 4-5 coast appropriate trees.  <u>Conservation Areas:</u> Per City standards  <u>Fences and Walls:</u> Shall be Min. 18” and this space shall be landscaped with trees or shrubs.  <u>Buffers / Screens:</u> Per City standards.  <u>Signs:</u> Shall be pedestrian-oriented; directional signs are encouraged.</p>
<p><b>BUILDINGS</b></p> <p><u>Location:</u>  Setback-Front: 0-10’ (Shown –2’, landscaped)  Setback-Rear: 0  Setback-Sides: 10’  <u>Building Orientation:</u> The building shall be oriented to the public street (as shown).  <u>Max Height:</u> 35’  <u>Height Transition:</u> YES-adjacent to existing SF  <u>Entrance Door:</u> The entrance door shall be oriented to and directly accessible from the public sidewalk.  <u>Ground Floor Design:</u> Min 80% of ground floor along public streets shall incorporate windows with clear glass. (As shown: Glazed Porch)  <u>Other Architectural Design:</u> The following architectural features are encouraged: Corner entry (at a street intersection); cornice, roof projection; cupola, skylight, bay windows.</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking:</u> Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading:</u> Off-street loading area is preferred; some street parking may be time designated for delivery vehicles.  <u>Bike parking:</u> Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building main entrance, typically in the street furniture zone between the sidewalk and travelway.  <u>Shared parking:</u> Some of the off-street parking may be shared with complementary uses nearby.  <u>On-street parking:</u> Shall be incorporated on the adjacent public (City) street. (shown: 5 parallel parking stalls).</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation:</u> As shown: A shared driveway from public street; a rear alley, lane or road, connecting to the cross street.  <u>Pedestrian Access &amp; Circulation:</u> As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation:</u> Max block 2.5. ac. approx.; shall include an alley, lane or internal road connection between two streets forming the block.</p>	<p><b>SPECIAL FEATURES</b></p> <p>The SMALL Commercial Prototype Design has good potential to be the primary use in a vertical or horizontal Mixed-use development. Eg., part of the ground floor of a lodging facility; Exclusive ground floor use with 2<sup>nd</sup> floor office, (for local business space or services).  Pedestrian amenities shall include 3-4# 12-16’ height street lights, and a couple of benches, and flowers.</p>

**See Exhibit 15**

*Commercial – Medium/Tourist*

<p><b>PARCEL</b></p> <p><u>Area:</u> 1acre to 1.25 acres  <u>Street Frontage:</u> Parcel fronts on 2 public streets  <u>Density Target:</u> 0.50 FAR  <u>Lot Coverage:</u> No maximum (Shown: 35%)  <u>Open space:</u> Approx. 50% of open space shall be treated for use by pedestrians. Shown: 2,500sf approx. landscaped pedestrian plaza; 2,500sf landscaped courtyard; 5,000sf landscaped pedestrian space adjacent to sidewalks and between buildings.  <u>Surface water management:</u> Not shown on site-common off-site facility is assumed.</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk :</u> shall be appropriately landscaped for use and enjoyment by pedestrians. Enhanced materials encouraged.  <u>Trees:</u> Install 8-10 coast appropriate trees in planter strips along public streets (as shown). Install additional 10-15 coast appropriate trees.  <u>Conservation Areas:</u> Per City standards  <u>Fences and Walls:</u> Shall be setback Min. 18” and this space shall be landscaped with trees or shrubs.  <u>Buffers / Screens:</u> Per City standards.  <u>Signs:</u> Shall be pedestrian-oriented; directional signs are encouraged.</p>
<p><b>BUILDINGS</b></p> <p>(15,000sf retail plus 5,000sf other commercial, plus housing)</p> <p><u>Location:</u>  Setback-Front: 0-10’ (5’ shown)  Setback-Rear: 0  Setback-Sides: 0  <u>Building Orientation:</u> All buildings shall be oriented to public streets (as shown).  <u>Max Height:</u> 45’  <u>Height Transition:</u> YES-adjacent to existing SF  <u>Front Door (s):</u> Shall be oriented to and directly accessible from public sidewalk(s).  <u>Ground Floor Design:</u> Min 50% of ground floor along public streets shall incorporate windows with clear glass. (As shown: Storefronts with awnings)  <u>Other Architectural Design:</u> The following additional architectural features are encouraged: Corner architectural design and treatment (shown); cornice, roof projection; cupola; upper floor projecting balcony and/or window.</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking:</u> Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading:</u> Off-street loading area is optional; some street parking may be designated for business / retail use by delivery vehicles.  <u>Bike parking:</u> Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building and store entrances, typically in the street furniture zone between the sidewalk and travelway.  <u>Shared parking:</u> Some of the off-street parking may be shared with complementary uses nearby.  <u>On-street parking:</u> Shall be incorporated on public streets. (shown: 23 angle and 8 parallel parking stalls.</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation:</u> As shown  <u>Pedestrian Access &amp; Circulation:</u> As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation:</u> Max block 1.5 ac. approx.; shall include an alley connection (shown)</p>	<p><b>SPECIAL FEATURES</b></p> <p>The Medium Commercial-Tourist has great potential for vertical Mixed-use development. (Shown-2<sup>nd</sup> floor office above retail, and 2<sup>nd</sup> floor housing above retail.  Pedestrian amenities shall include 12-16’ height street lights, benches, and business directory.</p>

*Commercial – Large*

<p><b>PARCEL</b></p> <p><u>Area</u>: 5-8 acres  <u>Street Frontage</u>: Shown- public streets all around the parcel  <u>Density Target</u> : 0.25 FAR  <u>Lot Coverage</u>: No maximum  <u>Open space</u>: Approx. <u>tbd</u>% of open space shall be treated for use by pedestrians.  <u>Surface water management</u>: Required; Not shown on illustration</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk</u> : shall be appropriately landscaped for use and enjoyment by pedestrians. Enhanced materials encouraged.  <u>Trees</u>: Install coast appropriate trees in planter strips along public streets. Install additional coast appropriate trees within the large block.  <u>Conservation Areas</u>: Per City standards  <u>Fences and Walls</u>: Shall be Min. 18” setback from public streets, landscaped with trees or shrubs.  <u>Buffers / Screens</u>: Per City standards.  <u>Signs</u>: Shall be pedestrian-oriented; directional signs are encouraged.</p>
<p><b>BUILDINGS</b> (shown 70,000sf floor area)</p> <p><u>Location</u>: All buildings must be located closet to a public street ROW. Buildings at all street corners are strongly encouraged and is required at the intersection of streets with the highest ADT.  <u>Building Orientation</u>: The building shall be oriented to the public street (as shown).  <u>Max Height</u>: 35’  <u>Max. Length</u>: 300’; Min Separation 50’  <u>Entrance Door</u>: The entrance door shall be oriented to and directly accessible from the public sidewalk.  <u>Ground Floor Design</u>: Min 65% of ground floor along public streets shall incorporate windows with clear glass.  <u>Other Architectural Design</u>: The following architectural features are encouraged: Corner entry (at a street intersection); cornice, roof projection; cupola, skylight, bay windows.</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking</u>: Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading</u>: Off-street loading area is preferred; some street parking may be time designated for delivery vehicles.  <u>Bike parking</u>: Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building main entrance, typically in the street furniture zone between the sidewalk and travelway.  <u>Shared parking</u>: Some of the off-street parking may be shared with complementary uses nearby.  <u>On-street parking</u>: Shall be incorporated on the adjacent public (City) street.</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation</u>: As shown: An internal road connecting two public streets; driveway or alley connecting the other streets.  <u>Pedestrian Access &amp; Circulation</u>: As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation</u>: Max block 4 ac. approx.; shall include pedestrian and road connections through the entire block.</p>	<p><b>SPECIAL FEATURES</b></p> <p>Pedestrian amenities shall include raised internal crossings, 12-16’ height street lights, benches, trash cans, flowers, banners and enhanced paving materials including sidewalks, crosswalks and small pedestrian plazas.</p>

Exhibit 15

*Industrial – Small*

<p><b>PARCEL</b></p> <p><u>Area:</u> 0.55acres  <u>Street Frontage:</u> Public street on shorter side <u>Density Target:</u> NA  <u>Lot Coverage:</u> No maximum  <u>Open space:</u> Approx. tbd% of open space  <u>Surface water management:</u> Not Required on site; (Assumed off-site / common facility).</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk :</u> shall be appropriately landscaped for use and enjoyment by pedestrians.  <u>Trees:</u> Install 2-3coast appropriate trees in planter strips along public streets. Install 3-5 additional coast appropriate trees within parcel.  <u>Conservation Areas:</u> Per City standards  <u>Fences and Walls:</u> Shall be Min. 18” setback from public streets, landscaped with trees or shrubs.  <u>Buffers / Screens:</u> Per City standards.  <u>Signs:</u> per City standards, plus directional signs.</p>
<p><b>BUILDING</b> (Shown 6,000sf floor area)</p> <p><u>Location:</u> Close to the public street.  <u>Building Orientation:</u> As shown: “Showroom” (or front office) is oriented to the public street; “Loading” is oriented to the internal,  <u>Max Height:</u> 35’  <u>Max. Length:</u> 100’  <u>Entrance Door:</u> The primary office / public entrance door shall be oriented to and directly accessible from the public sidewalk.  <u>Ground Floor Design:</u> Min 65% of ground floor along public street shall incorporate windows with clear glass; Up to 18’ of the Assembly ground floor shall incorporate architectural treatments, including fenestrations, and exterior frontage wall modulation  <u>Other Architectural Design:</u> The following architectural features are encouraged); cornice, roof projection; cupola, skylight,</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking:</u> Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading:</u> Off-street loading area is optional; some street parking may be time designated for small delivery vehicles.  <u>Bike parking:</u> Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building entrances,  <u>Shared parking:</u> Some of the off-street parking may be shared if the nearby uses are complementary.  <u>On-street parking:</u> Incorporated 4-5 stalls on the public street close to the building.</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation:</u> Off-street parking &amp; loading from rear alley or lane or road.  <u>Pedestrian Access &amp; Circulation:</u> As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation:</u> Max block 3 ac. approx.; shall include north-south &amp; east-west pedestrian and road connections through the large block.</p>	<p><b>SPECIAL FEATURES</b></p> <p>Decorative low wall and landscaped courtyard along the sidewalk.  Outdoor or partially covered work area behind the building, oriented to the rear parking lot.</p>

**See Exhibit 16**



*Industrial – Medium*

<p><b>PARCEL</b></p> <p><u>Area:</u> 1.5acres  <u>Street Frontage:</u> Public street on shorter side <u>Density Target:</u> NA  <u>Lot Coverage:</u> No maximum  <u>Open space:</u> Approx. <u>tbd</u>% of open space  <u>Surface water management:</u> Not Required on site; (Assumed off-site / common facility).</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk :</u> shall be appropriately landscaped for use and enjoyment by pedestrians.  <u>Trees:</u> Install 10-12coast appropriate trees in planter strips along public streets. Install additional coast appropriate trees within the large block.  <u>Conservation Areas:</u> Per City standards  <u>Fences and Walls:</u> Shall be Min. 18” setback from public streets, landscaped with trees or shrubs.  <u>Buffers / Screens:</u> Per City standards.  <u>Signs:</u> per City standards, plus directional signs for visitors and deliveries.</p>
<p><b>BUILDING</b> (Shown 15,000sf floor area)</p> <p><u>Location:</u> Close to the public street.  <u>Building Orientation:</u> As shown: “Showroom” (or front office) is oriented to the public street; “Loading” is oriented to the internal, shared driveway.  <u>Max Height:</u> 35’  <u>Max. Length:</u> 150’  <u>Entrance Door:</u> The primary office / public entrance door shall be oriented to and directly accessible from the public sidewalk.  <u>Ground Floor Design:</u> Min 60% of ground floor Office along public street shall incorporate windows with clear glass; Up to 18’ of the Assembly ground floor shall incorporate architectural treatments, including fenestrations, exterior frontage wall modulation and enhanced building materials.  <u>Other Architectural Design:</u> The following architectural features are encouraged); cornice, roof projection; cupola, skylight,</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking:</u> Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading:</u> Off-street loading area is required; some street parking may be time designated for small delivery vehicles.  <u>Bike parking:</u> Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building entrances,  <u>Shared parking:</u> Some of the off-street parking may be shared if the nearby uses are complementary.  <u>On-street parking:</u> Incorporated 25-30stalls (angle and parallel stalls) on the two streets close to the building.</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation:</u> As shown:  <u>Pedestrian Access &amp; Circulation:</u> As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation:</u> Max block 6 ac. approx.; shall include north-south &amp; east-west pedestrian and road connections through the large block.</p>	<p><b>SPECIAL FEATURES</b></p> <p>Tbd</p>

*Industrial – Large*

<p><b>PARCEL</b></p> <p><u>Area:</u> 3 acres  <u>Street Frontage:</u> Public streets on min. two sides  <u>Density Target:</u> NA  <u>Lot Coverage:</u> No maximum  <u>Open space:</u> Approx. tbd% of open space  <u>Surface water management:</u> Required; (shown shared with adjacent parcel)</p>	<p><b>LANDSCAPING</b></p> <p><u>Space between building &amp; Sidewalk :</u> shall be appropriately landscaped for use and enjoyment by pedestrians.  <u>Trees:</u> Install 10-15coast appropriate trees in planter strips along public streets. Install additional 20-30 coast appropriate trees within the large block.  <u>Conservation Areas:</u> Per City standards  <u>Fences and Walls:</u> Shall be Min. 18” setback from public streets, landscaped with trees or shrubs.  <u>Buffers / Screens:</u> Per City standards.  <u>Signs:</u> per City standards, plus directional signs</p>
<p><b>BUILDING</b> (Shown 20,000sf floor area)</p> <p><u>Location:</u> Close to the two public streets.  <u>Building Orientation:</u> As shown: “Office” is oriented to one public street; “Assembly” is oriented to the other / cross street; “Warehouse/ Loading” is oriented to the rear parking lot.  <u>Max Height:</u> 45’  <u>Max. Length:</u> 200’  <u>Entrance Door:</u> The primary office / public entrance door shall be oriented to and directly accessible from the public sidewalk.  <u>Ground Floor Design:</u> Min 60% of ground floor Office along public street shall incorporate windows with clear glass; Up to 18’ of the Assembly ground floor shall incorporate architectural treatments, including fenestrations, exterior frontage wall modulation and enhanced building materials.  <u>Other Architectural Design:</u> The following architectural features are encouraged; “Green” roof, cornice, roof projection; cupola, skylight,</p>	<p><b>PARKING</b></p> <p><u>Off-street Auto parking:</u> Shall be behind or on side of building (not between building and public street).  <u>Deliveries / Loading:</u> Off-street loading area is required; some street parking may be time designated for small delivery vehicles.  <u>Bike parking:</u> Approx. 10% of the parking shall be bicycle parking spaces, Bike parking facilities shall be located near the building entrances,  <u>Shared parking:</u> Some of the off-street parking may be shared if the nearby uses are complementary.  <u>On-street parking:</u> Incorporated 30-35 stalls (angle and parallel stalls) on the two public (City) streets.</p>
<p><b>SITE ACCESS &amp; CIRCULATION</b></p> <p><u>Vehicle Access &amp; Circulation:</u> As shown: two driveways from public streets; private road connection to the other public street- stubbed.  <u>Pedestrian Access &amp; Circulation:</u> As shown</p> <p><b>Street Connectivity: Required</b></p> <p><u>Block Formation:</u> Max block 6 ac. approx.; include north-south &amp; east-west connections.</p>	<p><b>SPECIAL FEATURES</b></p> <p>Tbd</p>

Exhibit 16

Exhibit 17

## **E. Comprehensive Plan Policy Amendments**

### **1. Goals and Policies for South Beach Neighborhood Plan**

**Goal: To foster a sustainable, coastal living environment that will maintain and improve the character of the area by implementing the South Beach Neighborhood Land Use Plan.**

Policy 1: To encourage urban level development in an orderly and efficient manner, the City will amend the Urban Growth Boundary (UGB) to remove approximately 309 acres east of the Newport Municipal Airport, as indicated in **Exhibit 6A**, and to add approximately 268 acres south of Idaho Point and east of the existing UGB, as indicated in **Exhibit 6**.

Implementation Measure 1: To ensure orderly and efficient development in conjunction with the provision of urban level services for the area, or portions of the area, included within the UGB amendment, the city may require consents to annex from property owners included within the UGB amendment.

Implementation Measure 2: Until the property included within the UGB amendment is annexed to the City, the existing County map designations shall apply consistent with Policy 2 of the Urbanization Section of the Comprehensive Plan.

Implementation Measure 3: The City shall require that a Master Development Plan (such as that provided for through the Planned Development process) be submitted for Planning Commission review and approval in conjunction with a request for the annexation and development of the 268 acres, or any portion thereof 2 acres or larger, added to the UGB. If separate Master Plans are submitted for portions of the 268 acres, following the approval of the first Master Plan, subsequent Master Plans must be consistent with the previously approved Master Plan(s).

Implementation Measure 4: In considering a request for a Master Development Plan approval, in addition to the criteria that may be specified within the process such as that provided for in the Planned Development process, the City will also consider whether the proposed Master Plan could provide a suitable location for a neighborhood park (at least one neighborhood park should be included within area of the UGB expansion) and also whether appropriate provisions are made within the Master Plan for connections to existing or planned for bicycle and pedestrian trail systems as identified on an adopted City plan.

Implementation Measure 5: The City shall require that utilities and services be in place prior to the issuance of building permits (other than those building permits as necessary to construct utilities and services) in areas included in an annexation request.

Policy 2: The 309 acres to be removed from the UGB will be ranked as a high priority for consideration in the future should the City have a need for additional residential land.

Policy 3: The City will consider the re-designation of some portions of the South Beach area as indicated in **Exhibit 6**.

Implementation Measure 1: The City should undertake the re-designation of property as identified in Exhibit 6 in conjunction with the adoption of the South Beach Neighborhood Land Use Plan.

Policy 4: The City will work to maintain areas of Open Space in South Beach.

Implementation Measure 1: The City shall establish an Open Space designation to allow for the designation of private property as Open Space. The Open Space designation will be available for properties meeting the requirements for an Open Space designation under ORS 308A (which provides tax benefits to private property owners with property subject to an Open Space designation). The City will approve requests by private property owners for designation of their property with the Open Space designation under ORS 308A when such request meets the criteria of the ORS 308A program.

Implementation Measure 2: The City will work with the Oregon Parks and Recreation Department, the OSU Hatfield Marine Science Center, Lincoln County, and other entities to pursue grants and other funding to protect Open Space in the South Beach area through public or private purchase of land or easements.

Implementation Measure 3: If property within the South Beach area which contains a significant amount of wetlands, or other natural features considered to be important for preservation by the City, is acquired by the City or County through donation or through tax foreclosure (or other method for which the City or County did not intentionally acquire the property for a particular purpose), the City should evaluate maintaining the property for use as an Open Space area by rezoning the property to a Public Open Space designation.

Policy 5: The City will work to improve and enhance the appearance of industrial and commercial development in South Beach.

Implementation Measure 1: The City shall adopt design guidelines for use in the development of commercial and industrial uses.

Implementation Measure 2: The City shall adopt standards for when sidewalks are to be provided in conjunction with commercial and industrial uses.

Policy 6: The City will support the development and expansion of institutions of education within the South Beach area.

Implementation Measure 1: The City will provide for an area of land zoned for public use that can accommodate the Oregon Coast Community College.

Implementation Measure 2: The City may support requests for the rezoning of additional property to a public designation, or other such designation as needed by the institution of higher education, when such property is acquired by an institution of higher education as necessary for future growth or expansion of the institution.

Policy 7: The City should consider other potential changes to existing land use designations as follows:

Implementation Measure 1: The City Council should consider initiating the rezoning of areas of R-4 zoned land east of Highway 101 in the vicinity of SE 35<sup>th</sup> Street to an R-3 zoning designation upon petition of property owners filed within one (1) year of adoption of this plan. The petition should illustrate sufficient support by the property owners in that area of a desire to protect the existing neighborhood from potential conversion of existing residential uses to commercial uses that are allowed within the R-4 zone.

Implementation Measure 2: To encourage a tourist oriented commercial area that allows opportunities for mixed commercial and residential uses as allowed under the Newport Zoning Ordinance, the City should support, where appropriate, the re-designation of existing industrially zoned areas in the area from SE 29<sup>th</sup> Street south to the current end of SE Ash Street to commercial zoning when requested by property owners.

Implementation Measure 3: To accommodate the forecasted need for additional commercial land, the City should support when appropriate a property owner request to change from an industrial to a commercial designation in the area located southeast of the intersection of Highway 101 and SE 50<sup>th</sup> Street (Mike Miller Park Road).

Implementation Measure 4: The City Council should consider initiating the rezoning of areas of R-4 zoned land west of Highway 101 in the vicinity of the SW Jetty Road/SW 32<sup>nd</sup> Street area to an R-3 zoning designation upon petition of property owners filed within one (1) year of adoption of this plan.

The petition should illustrate sufficient support by the property owners in that area of a desire to protect the existing neighborhood from potential conversion of existing residential uses to commercial uses that are allowed within the R-4 zone.

Policy 8: The City shall consider the street, pedestrian and bicycle designs contained in this plan and or the Appendix of the September 2005 Employment Lands and Conceptual Land Use Planning document when building or expanding transportation systems.

Implementation Measure 1. Leeks High Road shall not be used as a collector street for service to or from the Idaho Point area to or from the property added to the Urban Growth Boundary as identified in Exhibit 6 except that a connection with Leeks High Road and the property added to the Urban Growth Boundary for the purposes of emergency access for vehicles should be required to be maintained as part of the approval of a master plan for that area.

Policy 9: The following general urban design goals should be considered and encouraged for use within the South Beach Neighborhood Land Use Plan area for new and infill development where appropriate:

A. Key Characteristics of Land Use:

- Compact development patterns
- Mix of uses including education, cultural, retail, tourist commercial, services lodging, residential, office and certain light industrial uses
- May be tourist-oriented commercial, retail and services, or emphasize a residential character with high density housing or lodging fronting on the corridor
- Many businesses serve the local neighborhoods and tourists, but some may draw from a wider area
- Transitions to lower-density development closer to surrounding single-family neighborhoods
- Reductions in impervious surfaces that would otherwise be created from new development through landscaping and wetland enhancement to help manage storm water and to create attractive development and open space

B. Key Characteristics of Buildings:

- New buildings oriented to the street
- Three-to-four story mixed use buildings
- Buildings generally have neighborhood serving retail and services on the ground floor with lodging, offices or housing in the upper stories
- Buildings along Highway 101 have windows on ground floor and can be three to five stories



C. Key Characteristics of Transportation and Parking:

- Provides alternatives for local travel within the South Beach neighborhood other than Highway 101
- Direct pedestrian connections to/from Oregon Coast Aquarium, visitor oriented attractions, South Beach State Park, and residential neighborhoods
- Potential future regional transit service, local circulator and/or water transportation, i.e. water taxis
- Parking requirements are lower (more walking, biking trips, potential transit trips)
- Structured or "tuck-under" parking is preferred, surface parking is located to the side or rear of buildings
- Adequately serves automobile traffic
- Improved pedestrian and bicycle facilities connecting various uses
- Creation of a direct and distinctive hike/bike gateway to South Beach State Park from Highway 101 near SW 35<sup>th</sup> Street

## F. SUMMARY OF RECOMMENDED TSP AMENDMENTS

To implement the roadway system as recommended, revisions will be required to the Newport Transportation System Plan (TSP).

Some of the recommended roadway improvements are consistent with the current TSP. Widening of US 101 to four lanes from the Yaquina Bay Bridge to 50th and the identification of future capacity deficiencies on the Yaquina Bay Bridge are in the TSP. Also, the proposed connection of Ferry Slip and Ash to form a continuous street from 32nd to 40th on the east side of US 101, and the proposed connection from 40th to 32nd on the west side of US 101, are supportive of the TSP recommendations for access management on US 101, as is the recommendation that the primary access to the area southeast of the intersection of US 101 and SE 50<sup>th</sup> Street be from 50th.

Several of the proposed roadway improvements are additions or revisions to the TSP:

- It is recommended that the proposed loop roadway through the area added to the UGB be classified as an arterial but designed as a parkway. A connection to the Henderson Creek portion of the area added to the UGB should be classified as a collector.
- Ferry Slip Road is presently classified as an arterial. With completion of a continuous street incorporating Ferry Slip and Ash, it is recommended that the entire street be classified as a collector, but with bicycle facilities. The function of the street will be to provide a connection to US 101 at each end but to also provide access to adjacent land uses. This would include closure of the current connection of Ferry Slip to US 101.

- The current TSP includes combining the present South Beach State Park access with the park management headquarters access. If relocation of the park access to 50th is feasible, this revision should be made to the TSP.
- A connecting street on the west side of US 101 from 32nd (Anchor Way) to 50th should be added as a collector with bicycle facilities.
- Traffic signals should be installed on US 101 at 40th and at 50th when signal warrants are met.

## **G. Summary of Public Facility Plan Amendments**

The additional development land proposed for the South Beach area will necessitate the construction of the afore mentioned water, sanitary and storm system improvements. The following capital improvements and associated costs are adopted to facilitate the proposed land use changes and development recommended in the South Beach Land Use Plan.

**Table 34  
WATER SYSTEM IMPROVEMENTS**

<b>Phase 1 Projects</b>		
Project No.	Project	Est. Cost
1	King Ridge 1.0 MG Reservoir (EL 320')	\$ 1,250,000
2	16" Water Main to New High Water Tank	\$ 570,788
3	12" PVC Water Main Loop New Development	\$ 902,860
4	12" Water Main Toward Idaho Point (105 acre Res.)	\$ 360,133
5	King Ridge pump station, 350 gpm	\$ 180,000
6	PRVs 2-12", 1-16"	\$ 60,000
7	Newport Airport Water Main	\$ 550,556
<b>Total Phase 1</b>		
Construction		<b>\$3,323,781</b>
Contingency (20%)		\$660,756
Engineering (18%)		\$594,681
Administration (4%)		\$132,151
<b>Total Phase 1 Project Cost</b>		<b>\$4,691,369</b>
<b>Phase 2 Projects</b>		
Project No.	Project	Est. Cost
8	6" Water Main SW Coho	\$ 44,550
9	8" Extension Ash Street to Elm Street (SE)	\$ 125,250
10	12" Water Main Ferry Slip Road	\$ 150,000
11	12" PVC Water Main Loop Highway 101	\$ 293,450
12	Airport Residential Water Main	\$ 636,000
13	PRVs 1-12", 1-8"	\$ 40,000
<b>Total Phase 2</b>		
Construction		<b>\$1,289,250</b>
Contingency (20%)		\$257,850
Engineering (18%)		\$232,065
Administration (4%)		\$51,570
<b>Total Phase 2 Project Cost</b>		<b>\$1,830,735</b>

\* Included in the water main costs is the cost of miscellaneous fittings, connections to the existing system, surfacing, and fire hydrants every 250-ft.

**Table 35  
SANITARY SEWER SYSTEM IMPROVEMENTS**

<b>Phase 1 Projects</b>		
<b>Project No.</b>	<b>Project</b>	<b>Est. Cost</b>
<b>1</b>	8-inch & 12-inch PVC Sewer UGB Road	\$1,056,000
<b>2</b>	8-inch PVC Sewer -From 105 acre Res.	\$424,920
<b>3</b>	Manholes	\$148,974
<b>Total Phase 1</b>		
Construction		<b>\$1,629,894</b>
Contingency (20%)		\$325,979
Engineering (18%)		\$293,381
Administration (4%)		\$65,196
<b>Total Phase 1 Project Cost</b>		<b>\$2,314,449</b>
<b>Phase 2 Projects</b>		
<b>Project No.</b>	<b>Project</b>	<b>Est. Cost</b>
<b>4</b>	10" PVC Sewer Main Idaho Point	\$ 492,000
<b>5</b>	8" PVC SSFM Idaho Point	\$ 285,000
<b>6</b>	Idaho Point Lift Station	\$ 250,000
<b>7</b>	8" PVC Sewer Main Airport Residential	\$ 499,200
<b>8</b>	6" PVC SSFM Airport Residential	\$ 100,000
<b>9</b>	Airport Residential Lift Station	\$ 250,000
<b>Total Phase 2</b>		
Construction		<b>\$1,876,200</b>
Contingency (20%)		\$375,240
Engineering (18%)		\$337,716
Administration (4%)		\$75,048
<b>Total Phase 2 Project Cost</b>		<b>\$2,664,204</b>

**Table 36  
STORM SEWER SYSTEM IMPROVEMENTS**

<b>SWMP Project #</b>	<b>Project Description</b>	<b>Estimated Cost</b>
2	Culvert Replacement and Ditch Renovation (East of 35 <sup>th</sup> Street	\$80,000
2a	Hwy 101 crossing and redirection of drainage south to Basin 7	\$1,500,000

## **D. Summary of Recommended Storm Water Regulations**

The South Beach Neighborhood Plan proposes that the Public Facilities Plan be revised to incorporate additional storm water regulations and design standards for commercial and industrial development. These amendments are intended to preserve and enhance the natural and built environments in South Beach.

The proposed development should not alter natural drainage patterns or divert drainage from one existing drainage basin to another. Instead, runoff should be controlled through best management practices that promote infiltration and retention. Ideally peak runoff will be maintained near predevelopment levels and more common storms, such as storms generating less than 1-inch of rainfall in 24 hours will not increase runoff above predevelopment conditions.

The use of best management practices to mitigate the additional run-off resulting from development of natural areas is especially important since much of the proposed development in South Beach is on hillsides with steep slopes. Care must be taken to preserve adequate ground cover and natural vegetation especially in forested areas where clearing may result in erosion from the increased run-off. Regulations requiring that new developments manage storm water discharges to near pre condition levels are strongly recommended. These regulations will be critical to the success of hillside and hilltop developments.

Best management practices (BMPs) recommended in the EPA phase II rules include detention and retention for controlling both volume and quality of run-off. Although the City of Newport is not currently a regulated municipal storm water system, implementing appropriate measures for mitigating increased run off (a) assures compliance with Oregon's drainage law, (b) encourages a favorable attitude in the community toward proposed development, and (c) saves costs in terms of on-site and off-site storm water utilities.

Some recommended structural BMPs are:

- Vegetative BMPs such as constructed wetlands, swales, filter strips, and rain gardens;
- Infiltration BMPs such as basins, trenches, dry wells, sand filters, and porous pavement;
- Treatment controls such as separators, filtration devices, catch-basin inserts, and skimmers

Designing for drainage mitigation may include: skinny streets, open spaces, traffic calming measures to enhance storm water infiltration, and the use of ditches and swales as a preference to hard piped curb and gutter streets.

# Final Report

## Newport Housing Needs Analysis, 2011 to 2031

Prepared for:  
The City of Newport

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CITY OF NEWPORT COMPREHENSIVE  
PLAN: APPENDIX 'D'

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May 2011



## **Disclaimer**

ECONorthwest completed this report on behalf of the City of Newport. This report is a housing needs analysis (HNA), which the City will use as a factual basis as part of the City's Comprehensive Plan update.

Throughout the report we identify the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECONorthwest has made every effort to check the reasonableness of the data and assumptions, and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO acknowledges that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.





# Acknowledgements

Numerous people contributed to the completion of this project. We would like to acknowledge the hard work of the project Technical Advisory Committee, State of Oregon Staff, and consultants.

This project was funded by a Department of Land Conservation and Development Technical Assistance Grant and in-kind contributions of participating jurisdictions.

## **Technical Advisory Committee (TAC)**

The Technical Advisory Committee (TAC) provided guidance on numerous topics, including the assumptions about the supply of buildable employment land, demand for residential land, and guidance on issues of importance to the community. TAC members included:

**Lorna Davis**, Greater Newport Chamber of Commerce  
**Barbara Dougherty**, Lincoln Commission on Children and Families  
**Gary East**, Newport Homebuilders Association  
**Lee Hardy**, Yaquina Bay Property Management  
**Larry Henson**, Longview Hills Manufactured Housing Community  
**Jim Patrick**, Newport Planning Commission chair  
**Bonnie Serkin**, Landwaves, Inc.  
**Valerie Soilhi**, Lincoln County Planning Director  
**Joanne Troy**, Housing Authority of Lincoln City

## **State of Oregon**

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# Executive Summary

This report presents a housing needs analysis consistent with requirements of Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

## WHAT ARE THE KEY HOUSING NEEDS IN NEWPORT?

Following are several key issues identified in the housing needs analysis:

- **Newport has experienced limited multifamily apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.
- **Land designated for higher-density housing is located in areas that are less desirable for high density housing types.** Desirable locations for multifamily housing are places with services and retail close by and with easy transportation linkages. While Newport has a large inventory of land designated for higher density housing, very little is in locations that are ideal for workers. This issue is not new — it was identified in the 1989 Housing element of the Comprehensive Plan.
- **Aging housing stock.** Nearly 20% of the city's housing stock was built before 1950. Data collected as part of the housing needs analysis suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters' willingness to rent in Newport.

- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010 – particularly to working households:
  - In 2010, a household needed to earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
  - More than one-third of Newport households could not afford a two-bedroom apartment at HUD’s fair market rent level of \$759 in the 2005-2009 period.
  - Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
  - About 39% of Newport’s households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
  - The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
  - Condominium sale prices increased 71% between 2000 and 2010.
  - Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
  - Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that housing costs are forcing some households to live in nearby communities. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville.

## HOW MUCH GROWTH IS NEWPORT PLANNING FOR?<sup>1</sup>

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Table S-1 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 23.8% of Lincoln County's population over the 20-year period. Table S-1 shows that Newport's population would grow by about 1,600 people over the 20-year period.

**Table S-1. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
<b>Change 2011 to 2031</b>		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).

Note: AAGR is average annual growth rate

**The housing needs analysis assumes population will grow by 1,603 people over the 2011 to 2031 period.**

## HOW MUCH BUILDABLE RESIDENTIAL LAND DOES NEWPORT CURRENTLY HAVE?

Table S-2 shows land with development capacity by constraint status. The data show that about 935 acres within tax lots with development capacity are developed. An additional 541 acres have development constraints that are unbuildable, leaving about 1,764 vacant buildable residential acres within the UGB.

---

<sup>1</sup> The U.S. Census population counts were released as this project was in the final stages. That data showed that Newport had a 2010 population of 9,989 persons. The City revised the population forecast downward to reflect the Census data. The new forecast results in about 130 fewer persons over the 20-year period than the figures shown in Table S-1.

**Table S-2. Residential land with development capacity by constraint status, Newport UGB, 2011**

<b>Plan Designation</b>	<b>Tax Lots</b>	<b>Total Acres in Tax Lots</b>	<b>Developed Acres</b>	<b>Constrained Acres</b>	<b>Buildable Acres</b>
Low Density Residential					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>
High Density Residential					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

## HOW MUCH HOUSING WILL NEWPORT NEED?

Newport will need to provide about 846 new dwelling units to accommodate forecast population growth between 2011 and 2031. About 508 dwelling units (60%) will be single-family types, which includes single-family detached, manufactured dwellings. About 33 (4%) will be single-family attached and 305 (36%) will be multifamily, which includes duplexes, structures with three to four dwellings, and structures with five or more dwellings.

## HOW MUCH LAND WILL BE REQUIRED FOR HOUSING?

Table S-3 allocates needed housing units by Newport’s residential plan designations and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table S-3 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).
- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.

- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

**Table S-3. Allocation of new housing units by plan designation, Newport, 2011-2031**

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
<b>Total</b>	<b>356</b>	<b>71</b>	<b>398</b>	<b>35</b>	<b>93</b>	<b>6</b>	<b>847</b>	<b>112</b>
<b>Percent of Acres and Units</b>								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
<b>Total</b>	<b>42%</b>	<b>64%</b>	<b>47%</b>	<b>31%</b>	<b>11%</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table S-4 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table S-1 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land (based on Table 2-5).
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land (based on Table 4-7).
- **Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

**Table S-4. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031**

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
<b>Total</b>	<b>1,763</b>	<b>106</b>	<b>1,657</b>

Source: ECONorthwest

Note: Buildable acres minus demand for residential equals residential land surplus or deficit.





This report presents a housing needs analysis for the City of Newport. Consistent with statewide planning Goal 10 and OAR 660-008, the primary goals of the housing needs analysis are to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

## **1.1 METHODS FOR THE HOUSING NEEDS ANALYSIS**

Oregon cities are required to comply with Statewide Planning Goal 10, which addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies. At a minimum, local housing policies must meet the requirements of Goal 10 (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).<sup>2</sup> Goal 10 requires incorporated cities to complete an inventory of buildable residential lands and to encourage the availability of adequate numbers of housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” ORS 197.303, which applies to Newport, defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;<sup>3</sup>
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and

---

<sup>2</sup> Newport is not required to comply with all of the implementing policies for Goal 10 (e.g., ORS 197.296) because the City’s population is less than 25,000.

<sup>3</sup> Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

The scope of this project is to complete the technical work for a housing needs analysis for the Newport UGB, in advance of the City entering periodic review

1. **Population forecast.** Lincoln County does not have a coordinated, adopted population forecast. The housing needs analysis used a safe harbor methodology to forecasting population growth in which a city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis's (OEA) population forecast for the County, assuming that the urban area's share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)). The method for developing this forecast is described in Appendix E.
2. **Housing Needs Analysis.** ECONorthwest conducted a housing needs analysis based on the requirements of Goal 10 and OAR 660-008. The housing types used in the housing needs analysis included those defined in ORS 197.303: single-family detached, single-family attached, multifamily, mobile or manufactured housing in parks and on lots, and government assisted housing. The HNA uses the following aggregations of housing types: single-family detached (including manufactured home), single-family attached dwellings, and multifamily housing (including duplexes, tri- and quad-plexes, and structures with more than five units. Additionally, the HNA evaluates secondary dwellings (e.g., vacation units) and government assisted housing. The housing needs analysis includes:
  - A) **Project new housing units needed.** We projected needed housing units based on forecast population growth for the Newport UGB between 2011 and 2031. We considered other factors, such as number of people expected to live in group quarters, household size, housing mix, and vacancy rates.
  - B) **Identify trends that may affect housing mix and density.** We reviewed national, state, and local demographic and economic trends that may affect housing mix and density. These trends include: changes in housing tenure, changes in housing mix, changes in the region's age structure, changes in ethnicity, changes in housing prices and recent increases in mortgage foreclosures, and other trends.

- C) **Determine types of housing that are likely to be affordable.** We reviewed trends in housing affordability, such as changes in income, changes in housing price, changes in rental costs, rate of cost-burden, and housing affordability by type of housing for households of different incomes.
  - D) **Estimate the number of units needed by housing type.** The estimate of the number of units needed by housing type will be based on the information described in 3 A through C.
3. **Determine actual mix and density of existing housing.** The analysis of housing mix and density of existing housing is based on analysis of building permits and land that was developed since 2000.
  4. **Determine average density and mix of needed housing.** ECO developed a housing needs projection that documents “needed” density and mix for future housing needs based on the conclusions about housing need from the housing needs analysis.
  5. **Determine residential land sufficiency.** We compared the needed acres of residential land with the inventory of residential land in each Plan Designation to determine whether there is enough land within the UGB to accommodate 20-years worth of growth.
  6. **Policies and programs to facilitate development of needed housing.** The types of policy measures considered as part of this project relate to affordable housing and ways to use the city’s residential land to meet housing needs of Newport residents. The analysis included a review of policies in the Newport Comprehensive Plan and Zoning Ordinance, as well as programs and partnerships.

## 1.2 ORGANIZATION OF THE REPORT

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The rest of this document is organized as follows:

- **Chapter 2. Residential Buildable Lands Inventory** summarizes the inventory of vacant, suitable residential land.
- **Chapter 3. Historical and Recent Development Trends** summarizes building permit and subdivision data to evaluate residential development by density and mix for the period 2000 to 2010.
- **Chapter 4. Housing Demand and Need** presents the housing needs analysis for Newport.

- **Chapter 5 Residential Land Sufficiency** estimates the Newport UGB's residential land sufficiency needed to accommodate expected growth over the planning period.
- **Appendix A. Framework for a Housing Needs Analysis**
- **Appendix B. Regional and Local Trends Affecting Newport's Housing Need**
- **Appendix C: National Housing Trends**
- **Appendix D: Interview Summary**
- **Appendix E: Additional Technical Information**
- **Appendix F: Buildable Lands Maps**

# Residential Buildable Lands Inventory

The residential lands inventory is intended to identify lands that are available for development within the UGB. The inventory is sometimes characterized as *supply* of land to accommodate growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the density of development.

This chapter presents the *residential* buildable lands inventory for the City of Newport. The results are based on analysis of Geographic Information System data provided by City of Newport staff and Lincoln County Tax Assessment data. The analysis also used aerial orthophotographs for verification.

**Maps from the residential buildable lands inventory are presented in Appendix F of this report.**

## 2.1 OVERVIEW OF LAND INVENTORY METHODOLOGY

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A key component of the Newport Housing Needs Analysis is the buildable lands inventory (BLI). The BLI consists of several steps:

1. Classifying land into mutually exclusive categories
2. Netting out development constraints
3. Developing tabular summaries of lands by classification and plan designation
4. Estimating land capacity in terms of dwelling units

This section describes the methods and definitions ECONorthwest used to complete the Newport residential buildable lands inventory.

### 2.1.1 BLI METHODS

The general structure of the buildable land (supply) analysis is based on the DLCD workbook "*Planning for Residential Growth – A Workbook for Oregon's*

*Urban Areas,*” which specifically addresses residential lands. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-008 and OAR 660-024. The steps in the supply inventory were:

- Generate residential “land base.” This involved “clipping” all of the tax lots in the Newport UGB with the comprehensive plan layer. The GIS function was followed by a quality assurance step to review the output and validate that the resulting dataset accurately represents all lands designated for residential use in the Newport UGB.
- Classify lands. Each tax lot was classified into one of the following categories:
  - Vacant land
  - Partially vacant land
  - Undevelopable land
  - Developed land
  - Public land
  - Right-of-way
  - Destination resort
  - Privately dedicated open space or common areas
- Identify constraints. The City identifies areas in floodways, wetlands identified in the Local Wetlands Inventory (LWI), landslide and shoreline erosion hazards, and land identified for future public facilities as constrained or committed lands. These areas were deducted from lands that were identified as vacant or partially vacant. To estimate the constrained area within each tax lot, all constraints listed above were merged into a single constraint file which was overlaid on tax lots.
- Tabulation and mapping. The results are presented in tabular and map format with accompanying narrative. The maps include lands by classification, and maps of vacant and partially vacant lands with constraints.

## **2.1.2 DEFINITIONS**

The first step in the buildable inventory was to develop working definitions and assumptions. ECO began the buildable lands analysis with a tax lot database provided by the City’s Community Development Department. The tax lot database was current as of December 2010. The supply analysis

builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands analysis was to classify each tax lot into a set of mutually exclusive categories. Consistent with the DLCD *Residential Lands Workbook*, as well as applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, residential lands with improvement values under \$10,000 are considered vacant (not including lands that are identified as having mobile homes which were considered developed).
- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. We use the safe harbor described in OAR 660-024-0050(2):
  - (a) The infill potential of developed residential lots or parcels of one-half acre or more may be determined by subtracting one-quarter acre (10,890 square feet) for the existing dwelling and assuming that the remainder is buildable land;
  - (b) Existing lots of less than one-half acre that are currently occupied by a residence may be assumed to be fully developed.
- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained. The majority of undevelopable land identified in the inventory is located in the active beach zone within the UGB.
- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.
- *Public land.* Lands in public ownership are considered unavailable for residential development. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lincoln County Assessment property tax exemption codes. This category only includes public lands that are located in residential plan designations.



- *Private open space.* Review of assessment data shows that Newport has many developments with private open space. This includes common areas around condominiums and dedicated open space owned by subdivisions. ECO identified these areas by reviewing maps and aerial photos. Classification was then determined by ownership.
- *Destination resort.* Lands identified in the Newport Comprehensive Plan as designated for the proposed Wolf Tree destination resort.
- *Right of way.* Some tax lots in the database are dedicated to private right of way. These tax lots are fairly obvious upon reviewing maps; most of them are paved streets.

ECO initially classified land using a rule-based methodology. ECO then generated maps that show the results of the application of those rules, with some adjustments made through a validation step based on review of aerial photos and building permit data. The classification maps were provided to City staff for review and comment.

### 2.1.3 DEVELOPMENT CONSTRAINTS

Consistent with state guidance on buildable lands inventories, ECO deducted certain constraints from the buildable lands inventory including wetlands and steep slopes. We use categories that are consistent with OAR 660-008-0005(2):

- (2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses. Land is generally considered “suitable and available” unless it:
- (a) Is severely constrained by natural hazards as determined under Statewide Planning Goal 7;
  - (b) Is subject to natural resource protection measures determined under statewide Planning Goals 5, 15, 16, 17, or 18;
  - (c) Has slopes of 25 percent or greater;
  - (d) Is within the 100-year flood plain; or
  - (e) Cannot be provided with public facilities.

Based on the Division 8 rule and data provided by the City of Newport and discussions with City staff, ECO deducted the following constraints from the residential lands inventory.

- *Land constrained by natural hazards.* The City provided three GIS datasets that map the extent of Goal 7 hazards:
  - Active hazard zone region
  - Active landslide hazards
  - Bluff erosion hazard zones
  - Dune hazard zones

We classified portions of residential taxlots considered that fall within areas considered “high risk” as constrained (unbuildable).

- *Land within natural resource protection areas.* We will use the Newport Local Wetlands Inventory to identify areas within wetlands. The City also adopted an Ocean Shorelands Overlay that prohibits development within Parks, Outstanding Natural Areas, and Significant Habitat which was deducted from the buildable lands inventory.
- *Land with slopes over 25%.* We created a digital elevation model using the following classes: 0%-5%, 5%-15%, 15%-25%, 25%-35%, 35%-45%, and 45%+. We did not deduct any land due to slope constraints because the Newport development code does not specify an upper boundary. We mapped slope constraints on vacant and partially vacant lands.
- *Lands within 100-year floodplains.* We did not deduct these lands from the buildable lands inventory. Most jurisdictions, including Newport, allow development in floodplains contingent upon meeting specific conditions.

We did not deduct any lands due to service constraints.

## **2.2 SUMMARY OF RESIDENTIAL LAND SUPPLY**

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The remainder of this chapter summarizes key findings of the draft buildable lands inventory.

## 2.2.1 LAND BASE

Table 2-1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

**Table 2-1. Acres in Newport UGB and City Limit, 2011**

Area	Tax Lots	Total Acres
City Limits	7,066	7,151
Urban Growth Area	602	1,028
<b>Total</b>	<b>7,668</b>	<b>8,179</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Note: Table includes all areas within the UGB, including non-residential areas  
Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 2-1 summarizes all land in the Newport UGB. The next step was to identify the residential land base (e.g., lands with plan designations that allow housing or “residential lands”). The land base includes traditional residential designations – Low-Density Residential and High-Density Residential.

Table 2-2 shows that about 3,241 acres within the Newport UGB is included in the residential land base. Thus, about 39% of land within the Newport UGB is included in the residential land base. The land base includes all land in tax lots that have any portion that is in a residential plan designation.

**Table 2-2. Lands designated for residential uses, Newport UGB, 2011**

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Residential Land	
Tax Lots in Residential Designations	5,114
Acres in Land Base in Residential Designations	3,241

Source: City of Newport GIS data; analysis by ECONorthwest

The third step in the inventory was to classify lands into mutually-exclusive categories that relate to their development status. The categories include:

- Vacant land
- Partially vacant land
- Undevelopable land
- Developed land
- Public land
- Right-of-way
- Destination resort
- Privately dedicated open space or common areas

ECO used the rules described in the methods section to perform the land classifications. We then reviewed the results in map form overlaid on a 2009 aerial photo to validate the classifications. After making adjustments, we provided the draft classification maps to City staff for review and comment.

Of special note is the area south of the Newport Airport designated as the Wolf Tree destination resort. The Newport Comprehensive Plan limits use of this site to a destination resort as defined in statewide planning Goal 8. While the land is designated high-density residential, it is not clear how much of it will be available to provide housing for future Newport residents. Because of the special circumstances related to the Wolf Tree area, we included this as a separate Destination Resort category.

Table 2-3 shows all residential land in the Newport UGB by classification and plan designation. The results show that of the 3,241 acres in the UGB, about 1,204 are in classifications with no development capacity, and the remaining 2,035 have development capacity.

Further analysis by plan designation shows that about 55% (1,772 acres) of the residential land in the Newport UGB is designated low-density residential, and the remaining 45% (1,469 acres) high-density residential. About 38% of lands in low-density designations are classified as committed or unbuildable, while about 36% in high-density designations are in similar classifications. Note that this does not include deductions for physical constraints to development (e.g., areas of geologic hazard, wetlands, etc.)

**Table 2-3. Residential acres by classification and plan designation, Newport UGB, 2011**

Classification	Plan Designation					
	Low Density Res		High Density Res		Total	
	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
<b>Land with no development capacity</b>						
Developed	2,011	545	1,759	333	3,770	878
Public	59	36	68	97	127	133
Unbuildable	79	87	31	74	110	161
Right of Way	6	4	14	9	20	13
Private Open Space	0	0	20	19	20	19
<b>Subtotal</b>	<b>2,155</b>	<b>672</b>	<b>1,892</b>	<b>532</b>	<b>4,047</b>	<b>1,204</b>
<b>Land with development capacity</b>						
Vacant	544	878	339	225	883	1,103
Partially Vacant	129	222	24	43	153	265
Destination Resort	0	0	31	668	31	668
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>394</b>	<b>936</b>	<b>1,067</b>	<b>2,036</b>
<b>Total</b>	<b>2,828</b>	<b>1,772</b>	<b>2,286</b>	<b>1,469</b>	<b>5,114</b>	<b>3,241</b>

Source: City of Newport data; analysis by ECONorthwest

Table 2-4 shows residential acres by classification and constraint status for the Newport UGB in 2011. Analysis by constraint status (the table columns) shows that about 935 acres are classified as built or committed (e.g., unavailable for development), 541 acres were classified as constrained, and 1,764 were classified as vacant buildable. Of the 1,764 acres, 575 are within the Wolf Tree Destination Resort area, 202 are partially vacant, and 988 are vacant. Note that Table 2-4 does not make any adjustments for slope constraints.

**Table 2-4. Residential acres by classification, Newport UGB, 2011**

Classification	Tax Lots	Total Ac	Land not available for housing		Land available for housing
			Developed Ac	Constrained Ac	Buildable Ac
<b>Land with no development capacity</b>					
Developed	3,770	878	780	97	0
Public	127	133	78	54	0
Unbuildable	110	161	13	148	0
Right of Way	20	13	12	2	0
Private Open Space	20	19	16	3	0
<b>Subtotal</b>	<b>4,027</b>	<b>1,185</b>	<b>899</b>	<b>305</b>	<b>0</b>
<b>Land with development capacity</b>					
Vacant	883	1,103	0	116	988
Partially Vacant	153	265	36	28	202
Destination Resort	31	668	0	93	575
<b>Subtotal</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>
<b>Total</b>	<b>5,094</b>	<b>3,222</b>	<b>935</b>	<b>541</b>	<b>1,764</b>

Source: City of Newport data; analysis by ECONorthwest  
 Note: Constraints do not include any deductions related to slope.

## 2.2.2 VACANT BUILDABLE LAND

The next step in the buildable land inventory was to net out portions of vacant tax lots that are unavailable for development. Areas unavailable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with physical constraints (in this instance areas with shoreline buffers, wetlands, geologic buffers, or floodways), or (3) lands that are already committed to a use (public/quasi-public or private open space).

Table 2-5 shows land with development capacity by constraint status. The data show that about 36 acres within tax lots with development capacity are developed. An additional 237 acres have development constraints that are unbuildable, leaving about 1,764 buildable residential acres within the UGB.

**Table 2-5. Residential land with development capacity by constraint status, Newport UGB, 2011**

Plan Designation	Tax Lots	Total Acres		Developed	Constrained	Buildable
		in Tax Lots	Acres	Acres	Acres	Acres
Low Density Residential						
Partially Vacant	129	222	30	20	172	
Vacant	544	878	0	52	826	
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>	
High Density Residential						
Destination Resort	31	668	0	93	575	
Partially Vacant	24	43	6	8	29	
Vacant	339	225	0	64	162	
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>	
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>	

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

The final step in our analysis was to develop a slope model and calculate the amount of vacant, partially vacant, and destination resort land by slope class. Table 2-6 shows that about 45% of the residential land with development potential in the Newport UGB have slopes over 25%.

**Table 2-6. Residential land by plan designation, classification and slope class for lands with development capacity, Newport UGB, 2011**

Plan Designation	Tax Lots	Slope Class						Total	<25%	>25%
		0-5%	5-15%	15-25%	25-35%	35-45%	45%+			
High Density Residential										
Destination Resort	31	82	195	124	86	66	114	668	401	266
Partially Vacant	24	12	10	5	4	3	10	43	27	17
Vacant	339	49	71	32	22	18	33	225	152	73
<b>Subtotal</b>	<b>394</b>	<b>142</b>	<b>277</b>	<b>160</b>	<b>112</b>	<b>87</b>	<b>158</b>	<b>936</b>	<b>580</b>	<b>356</b>
Low Density Residential										
Partially Vacant	129	22	49	41	33	24	52	222	113	109
Vacant	544	63	188	147	127	106	247	878	398	480
<b>Subtotal</b>	<b>673</b>	<b>85</b>	<b>237</b>	<b>188</b>	<b>160</b>	<b>130</b>	<b>300</b>	<b>1100</b>	<b>511</b>	<b>589</b>
<b>Total</b>	<b>1,067</b>	<b>228</b>	<b>515</b>	<b>348</b>	<b>272</b>	<b>216</b>	<b>457</b>	<b>2,036</b>	<b>1,091</b>	<b>945</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: the total area in the slope analysis (2,270 acres) is the same figure as total acres in tax lots from Table 2-5. Some slope areas identified in Table 2-6 are also in areas with other constraints.

# Historical and Recent Development Trends

Analysis of historical development trends in Newport provides insights into how the local housing market functions. The intent of the analysis is to understand how local market dynamics may affect future housing – particularly the mix and density of housing by type. The housing mix and density by type are also key variables in forecasting future land need. The specific steps are described below:

1. Determine the time period for which the data must be gathered
2. Identify types of housing to address (at a minimum, all needed housing types identified in ORS 197.303)
3. Evaluate permit/subdivision data to calculate the actual mix, average actual gross density, and average actual net density of all housing types

The analysis of housing mix and density in Newport is based on building permits issued between 2000 and 2010. Analysis of building permit activity over the prior decade provides sufficient information to describe recent residential development trends and includes both times of high housing production and times of low housing production.

The housing needs analysis presents information about residential development by housing types. For the purposes of this study, we grouped housing types based on: (1) whether the structure is stand-alone or attached to another structure and (2) the number of dwelling units in each structure. The housing types used in this analysis are:

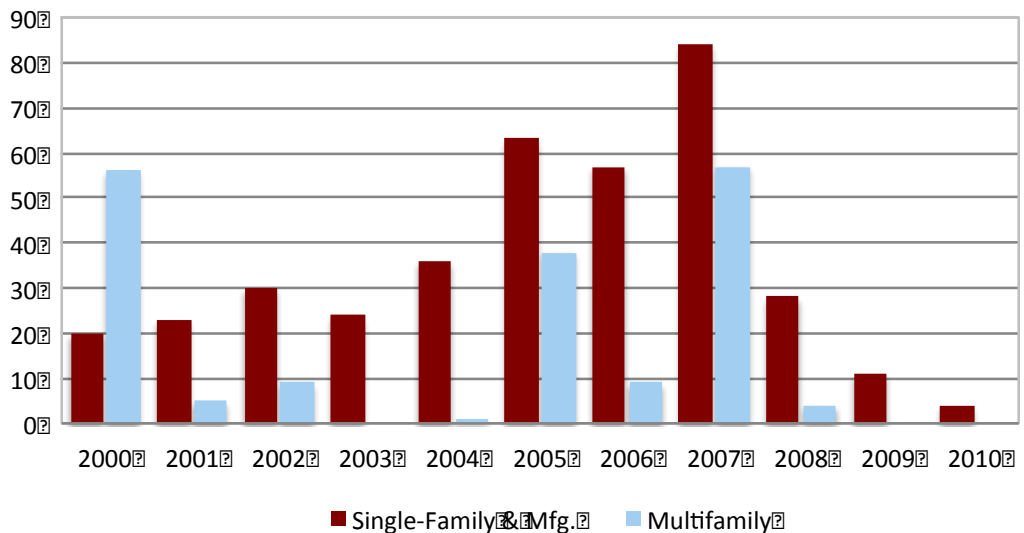
- **Single-family detached** includes single-family detached units, single-family attached units, and manufactured homes on lots and in mobile home parks.
- **Multifamily** is all attached structures, ranging from duplexes to structures with more than five units.



### 3.1 RESIDENTIAL DEVELOPMENT TRENDS

Figure 3-1 shows residential building permits issued in Newport between January 1, 2000 and December 31, 2010. During this period, a total of 412 building permits were issued for new residential construction that allowed 572 dwelling units. Figure 3-1 shows that the number of dwelling units approved varies from year to year and peaked at about 150 units in 2007 and decreased to four units in 2010.

**Figure 3-1. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**



Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
Analysis by ECONorthwest

Note: Figure 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

### 3.2 TRENDS IN HOUSING MIX

Housing mix is the share or distribution of housing (structure) by type (e.g., single-family detached or apartments) within a city. The housing mix by type (i.e., percentage of single family or multi-family units) is an important variable in any housing needs assessment. Distribution of housing types is influenced by a variety of factors, including the cost of new home construction, area economic and employment trends, demographic characteristics, and amount of land zoned to allow different housing types and densities.

Several ways exist to look at change in housing mix over time, each of which shows a slightly different mix of housing.

- **Building permit data.** Table 3-1 shows the mix of building permits issued in the Newport UGB between 2000 and 2010.
- **Census data.** Table 3-2 shows changes in the mix of housing stock in the Newport city limits over the 1990 to 2009 period, based on Census data.

The information about housing mix for building permits issued and for dwelling units built over the last few years (Tables 3-1) provides useful information about recent trends in housing mix, which may be useful in forecasting changes in housing mix. Longer term information about the mix of the entire housing stock in Newport (Table 3-2) also provides useful information for forecasting changes in housing mix over the 20-year planning period.

Table 3-1 shows permits issued for new residential construction between January 2000 and December 2010 in Newport. Table 3-1 shows that 559 dwelling units were permitted, at an average of 51 dwellings permitted annually.<sup>4</sup> Sixty-eight percent of permitted units were single-family housing types (including single-family detached, single-family attached, and manufactured) and 32% were multifamily.

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<sup>4</sup> This number is slightly lower than the 572 permits reported in the previous section. The analysis eliminated 13 permits that were issued in 2007 that did not result in new dwellings.

**Table 3-1. Dwelling units approved through building permits issued for new residential construction, Newport UGB, January 1, 2000 and December 31, 2010**

Year	Single-Family & Mfg.	Multifamily	Total
2000	20	56	76
2001	23	5	28
2002	30	9	39
2003	24	0	24
2004	36	1	37
2005	63	38	101
2006	57	9	66
2007	84	57	141
2008	28	4	32
2009	11	0	11
2010	4	0	4
<b>Total</b>	<b>380</b>	<b>179</b>	<b>559</b>
<b>Percent of total</b>	<b>68%</b>	<b>32%</b>	
<b>Annual average</b>	<b>35</b>	<b>16</b>	<b>51</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010  
Analysis by ECONorthwest

Note: Table 3-1 does not include 13 permits issued for single-family dwellings in Newport in 2007 that were never acted on as a result in changes to the City's system development charges in 2007.

Table 3-2 shows changes in Newport's housing mix from 1990 to 2009, based on U.S. Census data. Between 1990 and 2009<sup>5</sup>, Newport increased its housing stock by 35%, adding 1,423 dwelling units. The mix of housing did not change substantially between 1990 and the 2005-2009 period. The share of single-family detached units (e.g., single-family houses and manufactured homes) remained nearly 70% over the 17-year period, with more than 800 single-family units built.

About 30% of new dwellings built in Newport over the 1990 to 2005-2009 period were multi-family housing types (e.g., structures with two or more units), accounting for 419 new units built. The share of attached structures did not change substantially, accounting for 5% of new dwellings built in Newport over the 1990 to 2005-2009 period.

<sup>5</sup> Census Data used for this analysis include 1990 and 2000 decennial census results and the 5-year American Community Survey (ACS) estimates for 2005-2009. The 2005-2009 ACS employs a continuous measurement methodology that uses a monthly sample of the U.S. population. By pooling several years of survey responses, the ACS can generate detailed statistical portraits of small geographies, such as Newport. The 2005-2009 ACS provides estimates of information, based on responses to the ACS from households in Newport over the 2005 to 2009 period. The results of the 2005-2009 ACS are not results for one year but an estimate for the five year period.

**Table 3-2. Dwelling units by type, Newport city limits, 1990, 2000, and 2005-2009**

	1990		2000		2005-2009		Change 1990 to 2005-2009		
	Units	Percent	Units	Percent	Units	Percent	Units	% of total	% increase
Single-family detached	2,864	70%	3,226	64%	3,803	69%	939	66%	53%
Single-family attached	149	4%	188	4%	214	4%	65	5%	44%
Two to four units	589	14%	795	16%	612	11%	23	2%	4%
Five or more units	503	12%	810	16%	899	16%	396	28%	79%
<b>Total</b>	<b>4,105</b>	<b>100%</b>	<b>5,019</b>	<b>100%</b>	<b>5,528</b>	<b>100%</b>	<b>1,423</b>	<b>100%</b>	<b>35%</b>

Source: U.S. Census 1990 SF3 H020, U.S. Census 2000, SF3 H30, American Community Survey 2005-2009 B25024

Note: Single-family detached housing includes manufactured homes. The Census does not distinguish between manufactured homes in parks or on single lots.

Note: The number of dwelling units in Newport shown in Tables 3-2, 3-3 and 3-4 differ because the tables show different information and are based on different data sources. Table 3-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

This analysis shows that the mix of housing types over the 1990 to 2009 period was similar to the mix of housing permitted over the 2000 to 2010 period. Seventy-three percent of Newport’s housing stock was single-family housing types (single-family detached, single-family attached, and manufactured homes) during the 2005 to 2009 period. During the 2000 to 2010 period, a smaller share of permits issued by Newport (68%) were single-family housing types.

### 3.3 TRENDS IN TENURE

Table 3-3 shows changes in Newport’s tenure for occupied units from for 1990 and the 2005-2009 period. Newport’s tenure shifted over the period, with a 9% increase in homeownership. About 58% of occupied housing in Newport was owner-occupied in 2005-2009, up from 54% in 1990. In comparison, Lincoln County’s homeownership rate was 67% and the State average of 64% in the 2005-2009 period.

**Table 3-3. Change in tenure, occupied units, Newport, 1990 and 2005-2009**

	1990		2005-2009		Change 1990 to 2005-2009	
	Number	Percent	Number	Percent	Number	Percent
Owner Occupied	1,905	54%	2,579	58%	674	35%
Renter Occupied	1,640	46%	1,874	42%	234	14%
<b>Total</b>	<b>3,545</b>	<b>100%</b>	<b>4,453</b>	<b>100%</b>	<b>908</b>	<b>26%</b>

Source: U.S. Census 1990 SF3 H008, American Community Survey 2005-2009 B25003

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 3-3 does not include the more than 1,000 dwelling units that were vacant, the majority of which were vacant for recreational or seasonal use. Vacancy is discussed in more detail in Chapter 4.

Table 3-4 shows type of dwelling by tenure (owner or renter-occupied) in Newport over the 2005-2009 period. The results show that single-family detached housing types have a higher ownership rate than other housing types – about 92% of owner-occupied units were single-family detached. By contrast, 17% of renter-occupied housing was single-family detached units. Renter-occupied units were generally two to four unit structured (31%) or structures with five or more units (47%).

**Table 3-4. Housing units by type and tenure, occupied dwelling units, Newport, 2005-2009**

Housing type	Owner Occupied		Renter Occupied	
	Number	Percent	Number	Percent
Single-family detached	2,295	92%	208	17%
Single-family attached	83	3%	72	6%
Two to four units	36	1%	380	31%
Five or more units	82	3%	576	47%
<b>Total</b>	<b>2,496</b>	<b>100%</b>	<b>1,236</b>	<b>100%</b>

Source: American Community Survey 2005-2009 B25032

Note: Single-family detached includes manufactured homes.

Note: The number of dwelling units in Newport shown in Tables B-2, 3-3 and 3-4 differ because the tables show different information. Table B-2 shows all units, Table 3-3 shows occupied units, and Table 3-4 shows occupied units where housing type is known.

Table 3-5 shows that vacancy rates in Newport and reasons for vacancy for 1990, 2000, and the 2005-2009 period. Vacancy rates ranged from about 14% in 1990 to 18% in 2000, and 19% in the 2005-2009 period. Table 3-5 shows that the main reason for vacancy was seasonal (or recreational) use. Houses vacant for seasonal uses increased from 260 units in 1990 to 885 units in the 2005-2009 period. The increase in vacancy rates in Newport is the result, in large part, of increases in the number of seasonal units.

**Table 3-5. Vacancy Status for Newport, 1990, 2000, 2005-2009**

	1990		2000		2005-2009	
	Units	Percent	Units	Percent	Units	Percent
Occupied	3,545	86%	4,112	82%	4,453	81%
Vacant	560	14%	922	18%	1,075	19%
For Sale	31	1%	108	2%	28	1%
For Rent	96	2%	277	6%	71	1%
Rented or Sold	35	1%	30	1%	50	1%
Seasonal	260	6%	437	9%	885	16%
Other	138	3%	70	1%	41	1%

Source: U.S. Census 1990 SF3 H003 and H005, 2000 SF 3 H3 and H5, and American Community Survey 2005-2009 B25002 and B25004

Preliminary results of the 2010 Census estimated overall vacancy rates in Newport at 21%. This equates to 1,186 of the 5,540 dwelling units the Census reported existed within the Newport city limits. This figure is slightly higher than the figure presented in Table 10.

The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner's ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained. The Urban Land Institute forecasts that homeownership will decline to the low 60 percent range by 2015.<sup>6</sup>

The Joint Center for Housing Studies indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. The location of these homes may be different than recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential are "global gateway, 24-hour markets," which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, or San Francisco). Development in these areas may be nearer city centers, with denser infill types of development.<sup>7</sup>

### **3.4 RESIDENTIAL DEVELOPMENT DENSITY**

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Table 3-6 shows residential density achieved in Newport over the 2000 to 2010 period. Some of the dwellings permitted during the 10-year period were located on lots with existing dwelling units. This is most frequently the case for manufactured dwellings (often in manufactured home parks) or apartments. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Table 3-6 shows that Newport's average residential density achieved over the 10-year period was 8.8 dwelling units (DU) per net acre. Single-family housing types averaged 7.0 du per net acre and multifamily housing types averaged 18.7 du per net acre.

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<sup>6</sup>John McIlwain, "Housing in America: The Next Decade," Urban Land Institute

<sup>7</sup>Urban Land Institute, "2011 Emerging Trends in Real Estate"

**Table 3-6. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre, Newport UGB, January 1, 2000 and December 31, 2010**

	DU Permitted 2000 to 2010	Total DU, Lots with a Permit Issued 2000 to 2010	Acres of Land	Density (DU/Acre)
<b>Single-family types</b>				
Single-Family	343	344	52	6.6
Manufactured	50	121	14	8.7
<b>Single-family subtotal</b>	<b>393</b>	<b>465</b>	<b>66</b>	<b>7.0</b>
<b>Multifamily</b>				
Duplex, Triplex, and Quad	9	10	0	21.7
Condo	157	157	8	19.3
Apartment	13	59	3	17.0
<b>Multifamily subtotal</b>	<b>179</b>	<b>226</b>	<b>12</b>	<b>18.7</b>
<b>Total</b>	<b>572</b>	<b>691</b>	<b>78</b>	<b>8.8</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: "Total DU, Lots with a Permit Issued 2000 to 2010" shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots.

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

Table 3-7 shows residential density achieved in Newport over the 2000 to 2010 period by housing type and plan designation. Table 3-7 shows:

- The average density of residential permits in Low Density Residential (LDR) was 5.3 du per net acre.
- The average density of residential permits in High Density Residential (HDR) was 9.9 du per net acre.
- Nearly half of development was single-family (detached and attached), with the majority in HDR (210 du) at an average of 8.2 du per net acre and most of the remaining single-family development in LDR (128 du) at 4.8 du per net acre.
- Most high density multifamily development was in HDR or Commercial Plan Designations
  - In HDR condos and apartments averaged 14.2 and 16.4 du per net acre respectively
  - In Commercial Plan Designations condos average 32.6 du per net acre

**Table 3-7. Density of dwelling units approved through building permits issued for new residential construction, dwelling units per net acre by**

**Comprehensive Plan Designation, Newport UGB, January 1, 2000 and December 31, 2010**

	<b>Total DU, Lots with a Permit Issued 2000 to 2010</b>	<b>Percent of DU</b>	<b>Acres of Land</b>	<b>Density (DU/Acre)</b>
<b>Low Density Residential</b>				
Single-Family	128	19%	26.5	4.8
Manufactured	34	5%	4.2	8.2
Dup/TrSF/Quad	2	0%	0.2	12.5
Condo	2	0%	0.2	8.7
<b>LDR Subtotal</b>	<b>166</b>	<b>24%</b>	<b>31</b>	<b>5.3</b>
<b>High Density Residential</b>				
		0%		
Single-Family	210	30%	25.5	8.2
Manufactured	86	12%	9.6	9.0
Dup/TrSF/Quad	4	1%	0.2	25.0
Condo	81	12%	5.6	14.4
Apartment	56	8%	3.4	16.4
<b>HDR Subtotal</b>	<b>437</b>	<b>63%</b>	<b>44</b>	<b>9.9</b>
<b>Commercial Plan Designation</b>				
		0%		
Single-Family	6	1%	0.4	14.0
Manufactured	1	0%	0.1	9.1
Dup/TrSF/Quad	4	1%	0.1	28.6
Condo	74	11%	2.3	32.6
Apartment	3	0%	0.1	42.9
<b>Commercial Subtotal</b>	<b>88</b>	<b>13%</b>	<b>3</b>	<b>29.1</b>

Source: City of Newport Building Permit Database and Lincoln County Assessor's Database, 2010

Analysis by ECONorthwest

Note: DU is dwelling units

Note: "Total DU, Lots with a Permit Issued 2000 to 2010" shows the number of dwelling units on lots where a permit was issued during the 10-year period. Accounting for the newly permitted and existing dwellings on the lots is important for accurately calculating the density of development on the lots

Note: Density was calculated based on Total DU divided by acres of land. Although some of the total dwellings were not developed over the 10-year period, accurately calculating residential density requires accounting for existing dwelling units.

The Joint Center for Housing Studies indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.



Chapter 2 described the framework for conducting a housing "needs" analysis. A recommended approach is described in "Planning for Residential Growth: A Workbook for Oregon's Urban Areas," the Department of Land Conservation and Development's guidebook on local housing needs studies. As described in the Workbook, the specific steps in the housing needs analysis are:

1. Project number of new housing units needed in the next 20 years.
2. Identify relevant national, state, and local demographic and economic trends and factors that may affect the 20-year projection of structure type mix.
3. Describe the demographic characteristics of the population and, if possible, housing trends that relate to demand for different types of housing.
4. Determine the types of housing that are likely to be affordable to the projected households based on household income.
5. Estimate the number of additional needed units by structure type.
6. Determine the needed density ranges for each plan designation and the average needed net density for all structure types.

This chapter is structured based on these steps.

## 4.1 STEP 1: PROJECT NUMBER OF NEW HOUSING UNITS NEEDED IN THE NEXT 20 YEARS

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Step 1 in the housing needs analysis is to project the number of *new* housing units needed during the planning period. This section describes the key assumptions and presents an estimate of new housing units needed in the Newport UGB between 2011 and 2031. The key assumptions are based on the best available data and may rely on safe harbor provisions, when available.<sup>8</sup> Trends that may affect these assumptions and the Newport UGB housing need are described in Step 2 of the housing needs analysis.

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<sup>8</sup> A safe harbor is an assumption that a city can use in a housing needs analysis that the State has said will satisfy the requirements of Goal 14. OAR 660-024 defined a safe harbor as "... an optional course of action that a local government may use to satisfy a requirement of Goal 14. Use of a safe harbor prescribed in this division will satisfy the requirement for which it is prescribed. A safe harbor is not

## 4.1.1 POPULATION

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Lincoln County does not have a coordinated, adopted population forecast for the cities within the County. Newport does not have an adopted population forecast. As a result, Newport will need to develop and adopt a population forecast for the urban growth boundary (UGB).

OAR 660-024 provides “safe harbor” approaches for forecasting population in cities that do not have a coordinated, adopted population forecast. A city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis’s (OEA) population forecast for the County, assuming that the urban area’s share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)). The complete methodology used to estimate population growth in Newport based on this methodology is described in Appendix E.

Newport’s 2010 population accounted for 23.8% of Lincoln County’s population, based on the Portland State University Population Research Center’s estimate of population in 2010. Table 4-1 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 23.8% of Lincoln County’s population over the 20-year period. Table 4-1 shows that Newport’s population would grow by about 1,600 people over the 20-year period.

**Table 4-1. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
<b>Change 2011 to 2031</b>		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).

Note: AAGR is average annual growth rate

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the only way or necessarily the preferred way to comply with a requirement and it is not intended to interpret the requirement for any purpose other than applying a safe harbor within this division.”

**The housing needs analysis assumes population will grow by 1,603 people over the 2011 to 2031 period.** <sup>9</sup> The population forecasts for Newport will need to be adopted by the City and Lincoln County before it can be used in the final housing needs analysis.

## 4.1.2 PERSONS IN GROUP QUARTERS

Persons in group quarters do not consume standard housing units: thus, any forecast of new people in group quarters is typically backed out of the population forecast for the purpose of estimating housing demand. Group quarters can have a big influence on housing in cities with colleges (dorms), prisons, or a large elderly population (nursing homes). In general, any new requirements for these housing types will be met by institutions (colleges, government agencies, health-care corporations) operating outside what is typically defined as the housing market. Group quarters, however, require land and are typically built at densities that are comparable to multiple-family dwellings.

Table 4-2 shows persons in group quarters in Newport based on Census data. In 2000, about 2.9% of Newport’s population lived in group quarters.<sup>10</sup>

**Table 4-2. Persons in group quarters, Newport, 1990 and 2000, and 2008**

	1990	2000
Total Population	8,437	9,532
Persons in Group Quarters	195	281
Percent in Group Quarters	2.3%	2.9%

Source: U.S. Census 1990 SF1 P028, U.S. Census 2000 SF1 P37, American Community Survey 2005-2009 B26001

**The housing needs analysis assumes that 2.9% of new population in the Newport UGB (47 persons) between 2011 and 2031 will live in group quarters.**

<sup>9</sup> Note that this figure is slightly higher than the increase of 1,466 persons reported in the Population section. The difference exists because the housing analysis was done before the 2010 Census count for Newport was issued. The Population section uses the new Census data. The difference of 137 persons over the 2011-2031 period does not affect any of the major conclusions of the housing needs analysis.

<sup>10</sup> The data for group quarters from the 2005 to 2009 American Community Survey that 127 people (1.3% of population) lived in group quarters. This estimate had a high margin of error, which was larger than the number of people reported as living in group quarters. As a result, ECONorthwest judged that it was not reliable enough for use in the housing needs analysis.

### 4.1.3 HOUSEHOLD SIZE

OAR 660-024 established a safe harbor assumption for average household size – which is the figure from the most recent Census. According to the U.S. Census’ American Community Survey, the average household size during the 2005 to 2009 period was 2.19 persons per household in Newport. Table 4-3 shows average household size in Oregon, Lincoln County, and Newport in 2000 and 2005-2009.

**Table 4-4. Average household size, Oregon, Lincoln County, Newport, 2000 and 2005-2009**

	Oregon	Lincoln County	Newport
<b>2000</b>			
Average household size	2.51	2.27	2.25
Owner-occupied units	2.59	2.24	2.17
Renter-occupied units	2.36	2.34	2.34
<b>2005-2009</b>			
Average household size	2.49	2.27	2.19
Owner-occupied units	2.58	2.27	2.28
Renter-occupied units	2.32	2.28	2.05

Source: U.S. Census 2000 SF1 H12, American Community Survey 2005-2009 B25010

**The housing needs analysis assumes that Newport will have an average household size of 2.19 persons per household for the 2011 to 2031 period.**

### 4.1.4 VACANCY RATE

Vacant units are the final variable in the basic housing need model. Vacancy rates are cyclical and represent the lag between demand and the market’s response to demand in additional dwelling units. Vacancy rates for rental and multiple family units are typically higher than those for owner-occupied and single-family dwelling units.

Table 4-5 shows that vacancy rates in Newport and reasons for vacancy for 1990, 2000, and the 2005-2009 period. Vacancy rates ranged from about 14% in 1990 to 18% in 2000, and 19% in the 2005-2009 period. Table 4-5 shows that the main reason for vacancy was seasonal (or recreational) use. Houses vacant for seasonal uses increased from 260 units in 1990 to 885 units in the 2005-2009 period. The increase in vacancy rates in Newport is the result, in large part, of increases in the number of seasonal units.

**Table 4-5. Vacancy Status for Newport, 1990, 2000, 2005-2009**

	1990		2000		2005-2009	
	Units	Percent	Units	Percent	Units	Percent
Occupied	3,545	86%	4,112	82%	4,453	81%
Vacant	560	14%	922	18%	1,075	19%
For Sale	31	1%	108	2%	28	1%
For Rent	96	2%	277	6%	71	1%
Rented or Sold	35	1%	30	1%	50	1%
Seasonal	260	6%	437	9%	885	16%
Other	138	3%	70	1%	41	1%

Source: U.S. Census 1990 SF3 H003 and H005, 2000 SF 3 H3 and H5, and American Community Survey 2005-2009 B25002 and B25004

**The housing needs analysis assumes a 19% average vacancy rate in Newport for the 2011 to 2031 period.<sup>11</sup>**

#### **4.1.5 FORECAST OF NEW HOUSING UNITS, 2011-2031**

The preceding analysis leads to a forecast of new housing units likely to be built in the Newport UGB during the 2011 to 2031 period. Table 4-5 shows an estimate of needed housing in the Newport UGB during the 2011 to 2031 period, based on recent data. The projection is based on the following assumptions about the Newport UGB:

- Population will increase by 1,603 people from 2011 to 2031 in the Newport UGB.
- About 2.9% percent of the new population in the Newport UGB, or 47 people, will locate in group quarters. This assumption is based on the share of population in group quarters from the 2000 Census.
- The average household size within the UGB will be 2.19 people per household, based on information from the 2005-2009 Census, a “safe harbor” assumption established in OAR 660-024-0040(7)(a).
- Vacancy rates for all housing types within the UGB will be 19% based on recent vacancy rates in Newport.
- The assumed mix of housing for the UGB is 60% single-family detached housing (including manufactured housing) and 40% multi-family housing types (including single-family attached). This mix is roughly equivalent to the mix of housing stock in Newport in 2000 and assumes that a smaller share of new housing will be single-family detached housing.

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<sup>11</sup> Note that this assumption is slightly lower than the 21% Census figure that was released in May 2011.

Based on the assumptions shown in Table 4-5, the Newport UGB will need 846 new dwelling units to accommodate population growth between 2011 and 2031, not including new group quarters. The results indicate that Newport will need to issue permits for an average annual total of 42 new dwelling units during the planning period. This figure represents a decrease over the average of 51 permits issued annually over the 2000 to 2010 period.

**Table 4-5. Forecast of demand for new housing units, Newport, 2011-2031**

<b>Variable</b>	<b>Estimate of Housing Units (2011-2031)</b>
Change in persons	1,603
<i>minus</i> Change in persons in group quarters	47
<i>equals</i> Persons in households	1,556
Average household size	2.19
New occupied DU	711
<i>times</i> Aggregate vacancy rate	19.0%
<i>equals</i> Vacant dwelling units	135
<b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units by structure type	
Single-family detached	
Percent single-family detached DU	60%
<i>equals</i> <b>Total new single-family detached DU</b>	<b>508</b>
Single-family attached	
Percent single-family attached DU	4%
<i>equals</i> <b>Total new single-family attached DU</b>	<b>33</b>
Multifamily	
Percent multifamily detached DU	36%
<b>Total new multifamily DU</b>	<b>305</b>
<i>equals</i> <b>Total new dwelling units (2011-2031)</b>	<b>846</b>
Dwelling units needed annually	42

Source: Calculations by ECONorthwest

The forecast of new units does not include dwellings that will be demolished and replaced. This analysis does not factor those units in; it assumes they will be replaced at the same site and will not create additional demand for residential land.

## **4.2 IDENTIFY RELEVANT NATIONAL, STATE, AND LOCAL DEMOGRAPHIC AND ECONOMIC TRENDS AND FACTORS**

## THAT MAY AFFECT THE 20-YEAR PROJECTION OF STRUCTURE TYPE MIX

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Demographic and housing trends are important to a thorough understanding of the dynamics of the Newport housing market. Newport exists in a regional economy; trends in the region impact the local housing market. This section documents national, state, and regional demographic and housing trends relevant to Newport and the mid-Oregon Coast region.

Demographic trends provide a broader context for growth in a region; factors such as age, income, migration and other trends show how communities have grown and shape future growth. To provide context, we compare Newport to Lincoln County and Oregon where appropriate. Characteristics such as age and ethnicity are indicators of how population has grown in the past and provide insight into factors that may affect future growth.

### 4.2.1 NATIONAL HOUSING TRENDS SUMMARY

The overview of national, state, and local housing trends builds from previous work by ECO and conclusions from The *State of the Nation's Housing, 2010* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook for the next decade as follows:

“Even as the worst housing market correction in more than 60 years appeared to turn a corner in 2009, the fallout from sharply lower home prices and high unemployment continued. By year’s end, about one in seven homeowners owed more on their mortgages than their homes were worth, seriously delinquent loans were at record highs, and foreclosures exceeded two million. Meanwhile, the share of households spending more than half their incomes on housing was poised to reach new heights as incomes slid. The strength of job growth is now key to how quickly loan distress subsides and how fully housing markets recover.”

The national housing market continues to suffer from high loan delinquencies and high foreclosure rates. The eventual recovery of the national housing market is dependent on near-term resolution of outstanding foreclosures and long-term job growth and expansion of the economy. Some national housing experts expect recovery of the housing market to take three to five years (from 2010). During that period, experts

are projecting little growth in single-family housing types and slow growth in multifamily housing types.<sup>12</sup>

National housing market trends include:<sup>13</sup>

- **Continuation of housing market depression.** The last three years saw a continuation of the significant departure from the recent housing boom that had lasted for 13 consecutive years (1992-2005). By 2007 and early 2008, housing market problems had reached the rest of the economy, resulting in a nationwide economic slowdown and recession. Since 2008, the housing market has declined, with an over-supply of housing stock, decreases in housing prices, and increases in foreclosures.
- **Oversupply of housing.** From 2000 to 2005 housing starts and manufactured home placements appeared to have been roughly in line with household demand. In 2005, with demand for homes falling but construction coming off record levels, the surplus of both new and existing homes was much higher than in recent years. Between July 2006 and January 2009, the number of new homes for sale fell by 41% and demand dropped even faster and the supply of new homes for sale reached 12.4 months, the highest in U.S. history. This resulted in a strong buyer's market, leaving many homes lingering on the market and forcing many sellers to accept prices lower than what they were expecting. The Joint Center for Housing Studies predicts the oversupply will eventually balance as housing starts continue to fall, lower prices motivate unforeseen buyers, and the rest of the economy begins to recover.
- **Declines in homeownership.** After 13 successive years of increases, the national homeownership rate slipped in each year from 2005 to 2009 and is currently 67.4%, although the number of homeowners grew from in 2009 for the first time since 2006. The Urban Land Institute projects that homeownership will decline to around the low sixty percent range.
- **Increases in foreclosures.** The number of delinquent loans or home foreclosures continues to increase. The share of severely

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<sup>12</sup> Urban Land Institute, "2011 Emerging Trends in Real Estate"

<sup>13</sup> These trends are based on information from: (1) The Joint Center for Housing Studies of Harvard University's publication "the State of the Nation's Housing 2010," (2) Urban Land Institute, "2011 Emerging Trends in Real Estate," and (3) the U.S. Census.



delinquent loans ranged from 5.1% of prime fixed-rate mortgages to 42.5% of subprime adjustable rate mortgages in the first quarter of 2010. Between early 2007 and the first quarter of 2010, 6.1 million foreclosure notices were issued on first-lien loans. In early 2010, the number of loans in the foreclosure process was 2.1 million, which was nearly four times the number of foreclosures in process three years earlier.

- **Decreases in housing prices.** Since 2008, foreclosures have contributed to a sharp decrease in housing prices, leaving nearly 5 million homeowners “under water” on their mortgages (where the value of the house is less than the owner’s mortgage). Home prices will have to increase by about 25% before these homes are worth as much as the amount owed on the mortgage.
- **Growth in rentals.** The supply of rental units continues to grow, with an addition of 3 million rental households from 2005 to 2009. The rental vacancy rate increased from 9.6% in 2007 to 10.5% in 2009, in part because some homeowners choose to rent a house they are unable to sell, rather than leaving it vacant or lowering the sales price.
- **Housing affordability.** In 2009, more than one-third of American households spent more than 30% of income on housing, and 16% spent upwards of 50%. The number of severely cost-burdened households (spending more than 50% of income on housing) increased by 7.4 million households from 2000 to 2008, to a total of nearly 18 million households in 2008. Nearly 40% of low-income households with one or more full-time workers are severely cost burdened, and nearly 60% of low-income households with one part-time worker are severely cost burdened.

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude the 2.5 million households that live in crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work.

- **Changes in housing characteristics.** National trends show that the size of single-family and multi-family units and the number of household amenities (e.g., fireplace or two or more bathrooms)

increased since the early 1990s. Between 2007 and 2009 the trend towards larger units with more amenities declined, with a decrease in unit size and a decline in the share of units with additional amenities. It is unclear whether this short-term trend represents a fundamental change in the housing market or a reaction to the current housing market.

- **Long-term growth and housing demand.** The Joint Center for Housing Studies indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. Much of the demand will come from baby boomers, echo boomers, and immigrants.
- **Changes in housing preference.** Housing preference will be affected by changes in demographics, most notably the aging of the baby boomers, housing demand from the echo-boomers, and growth foreign-born immigrants. Baby boomers housing choices will affect housing preference and homeownership, with some boomers likely to stay in their home as long as they are able and some preferring other housing products, such as multifamily housing or age-restricted housing developments.

In the near-term, echo-boomers and new immigrants may increase demand for rental units. The long-term housing preference of echo-boomers and new immigrants is uncertain. They may have different housing preferences as a result of the current housing market turmoil and may prefer smaller owner-occupied units or rental units. On the other hand, their housing preferences may be similar the baby-boomers, with a preference for larger units with more amenities.

## 4.2.2 STATE DEMOGRAPHIC TRENDS

Oregon's Draft *2011-2015 Consolidated Plan* includes a detailed housing needs analysis as well as strategies for addressing housing needs statewide.<sup>14</sup> The plan concludes that "Oregon's changing population demographics are having a significant impact on its housing market." It identified the following population and demographic trends that influence housing need statewide. Oregon is:

- Growing more slowly than the national average since 2007

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<sup>14</sup> [http://www.ohcs.oregon.gov/OHCS/HRS\\_Consolidated\\_Plan\\_5yearplan.shtml](http://www.ohcs.oregon.gov/OHCS/HRS_Consolidated_Plan_5yearplan.shtml)

- Facing housing cost increases but higher unemployment and lower wages, when compared to the nation
- Having higher foreclosure rates since 2005, compared with the previous two decades
- Losing federal subsidies on about 8% of federally subsidized Section 8 housing units
- Losing housing value in some markets within Oregon
- Losing manufactured housing parks, with a 25% decrease in the number of manufactured home parks between 2003 and 2010
- Increasingly older, more diverse, and, less affluent households<sup>15</sup>

### **4.2.3 LOCAL AND REGIONAL TRENDS IN DEMOGRAPHICS AND HOUSING AFFORDABILITY**

Appendix B describes local and regional demographic trends in detail. This section summarizes key findings about demographic and housing trends described in Appendix B.

#### **Homeownership rates increased in Newport**

- Owner-occupied units in Newport increased from 54% of the housing stock in 1990 to over 63% in the 2005-2009 average. This increase was consistent with State and National trends in ownership.
- Single-family housing types had a higher ownership rate (92%) than multi-family (11%).

#### **The average vacancy rate for Newport was higher than the State average**

- Newport's vacancy rate in 2005-2009 (19%) was higher than the State average (9%). The 2010 Census reported a 21% vacancy rate in Newport.
- The most common cause for vacancy in Newport was seasonal or recreational use at 16% in 2005-2009, compared to the State average of 3%.

#### **Commuting is common for workers in Newport**

- Commuting is typical throughout the region: Newport's workforce lives in Lincoln County, but two-thirds do not reside in the City of Newport.

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<sup>15</sup> State of Oregon *Draft Consolidated Plan 2011 to 2015*

**The population in Newport and Lincoln County was older than the State average.**

- Forty-five percent of Newport's households were 50 years or older during the 2005-2009 period, compared with 33% of the State's population.
- Households residing in Newport were less likely to have children (19%) than the average State household (28%).
- The OEA forecasts that 37% of Lincoln County's population will be 60 years or older by 2030, compared with the State average of 25%.

**Newport's households were generally smaller than the State average.**

- Newport had fewer people per household in the 2005-2009 period, with an average household size of 2.19 people, compared to the County average of 2.27 and State average of 2.49 people per household.

**Newport had a larger share of non-family households and smaller share of households with children than Lincoln County or the State.**

- Newport had a larger share of non-family households (44%) than the Lincoln County average (29%) or State average (36%).
- Newport had a smaller share of households with married couples (43%) than the State (50%) or County (47%).
- Newport had a slightly larger share of households with children (19%) compared to Lincoln County (18%), but a smaller share than the State as a whole (28%).

**Homeownership and household size are related with age in Newport, which is consistent with State and national trends.**

- More than half of householders aged 35 and older were homeowners (61%). Homeownership increases with age until it starts to decrease at age 75.
- Householders younger than 44 years were more likely to be renters in households with two or more persons.

**Newport became more ethnically diverse.**

- Hispanic and Latino population accounted for 8% of Newport's population during the 2005-2009 period, up from 2% of the population in 1990. In comparison, Hispanic and Latino population accounted for 7% of Lincoln County's population and 11% of Oregon's population during the 2005-2009 period.

- Newport's Hispanic/Latino population grew by 385% (650 people) between 1990 and the 2005-2009 period.

### **Newport's housing affordability decreased**

- In 2010, a household must earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- Average annual household expenditures for necessities (e.g., food, transportation, clothing, utilities, health care, other necessities) in Newport are similar to larger cities in the Willamette Valley (e.g., Eugene or Salem) and are higher than smaller cities in the Willamette Valley (e.g., Cottage Grove or Lebanon). The types of expenses that are most frequently higher in Newport than in the smaller cities in the Willamette Valley are transportation (including gasoline), food, utilities, and health care. The higher cost of living in Newport (relative to small Willamette Valley cities) magnifies the problem of decreased housing affordability.

### **Newport's housing costs increased substantially**

- Newport's median housing value doubled between 2000 and the 2005-2009 period. Lincoln County's housing prices increased by 71% over the same period.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.

### **Housing costs are increasing much faster than rents and incomes.**

- Since 2000, median owner value increased 77%, compared to a 31% increase in median household income, and a 14% increase in median rents.
- The ratio of housing value to household income increased from 2.8 in 1989 to 6.3 during the 2005-2009 period. Across the state, the ratio increased from 2.5 to 5.0.

## **4.3 DESCRIBE THE DEMOGRAPHIC CHARACTERISTICS OF THE POPULATION AND, IF POSSIBLE, HOUSING TRENDS THAT RELATE TO DEMAND FOR DIFFERENT TYPES OF HOUSING**

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The purpose of the analysis thus far has been to give some background on the kinds of factors that influence housing choice, and in doing, to convey why the number and interrelationships among those factors ensure that generalizations about housing choice are difficult and prone to inaccuracies.

In the context of housing markets, what one observes when looking at past and current housing conditions is *the intersection of the forces of housing supply and demand at a price of housing*. Analysts typically focus a description of housing demand on the characteristics of households that create or are correlated with *preferences* for different types of housing, and *the ability to pay* (the ability to exercise those preferences in a housing market by purchasing or renting housing; in other words, income or wealth).

One way to forecast housing demand is with detailed analysis of demographic and socioeconomic variables. If one could do the measurement fine enough, one might find that every household has a unique set of preferences for housing. But no city-wide housing analysis can expect to build from the preferences of individual households.<sup>16</sup> Most housing market analyses that get to this level of detail try to describe *categories* of households on the assumption that households in each category will share characteristics that will make their preferences similar.

The main demographic and socioeconomic variables that may affect housing choice include: age of householder, household composition (e.g.,

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<sup>16</sup> Not only could one not measure the preferences of all existing households (now and in the future); one could not know what specific households would be migrating to the region.

married couple with children or single-person household), size of household, ethnicity, race, household income, or accumulated wealth (e.g., real estate or stocks). The literature about housing markets identify the following household characteristics so those most strongly correlated with housing choice are: age of the householder, size of the household, and income.<sup>17</sup>

- **Age of householder** is the age of the person identified (in the Census) as the head of household. Households make different housing choices at different stages of life. For example, a person may choose to live in an apartment when they are just out of high school or college but if they have children, they may choose to live in a single-family detached house.

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<sup>17</sup> The research in this section is based on numerous articles and sources of information about housing, including:

M. Dieleman. *Households and Housing*. New Brunswick, NJ: Center for Urban Policy Research. 1996.

*The State of the Nation's Housing 2010*. The Joint Center for Housing Studies of Harvard University. 2010.

*The Case for Multifamily Housing*. Urban Land Institute. 2003

E. Zietz. *Multifamily Housing: A Review of Theory and Evidence*. Journal of Real Estate Research, Volume 25, Number 2. 2003.

E. Birch. *Who Lives Downtown*. Brookings Institution. 2005.

C. Rombouts. *Changing Demographics of Homebuyers and Renters*. Multifamily Trends. Winter 2004.

J. McIlwain. *Housing in America: The New Decade*. Urban Land Institute. 2010.

M. Lerner. *The New American Renters*. Multifamily Trends. May/June 2006.

W. Hudnut III. *Impact of Boomer Retirement on Sprawl*. Urban Land, February 2005.

D. Myers and S. Ryu. *Aging Baby Boomers and the Generational Housing Bubble*. Journal of the American Planning Association. Winter 2008.

M. Riche. *The Implications of Changing U.S. Demographics for Housing Choice and Location in Cities*. The Brookings Institution Center on Urban and Metropolitan Policy. March 2001.

L. Lachman and D. Brett. *Generation Y: America's New Housing Wave*. Urban Land Institute. 2010.

AARP. *Home and Community Preferences of the 45+ Population*. 2010.

AARP. *Approaching 65: A Survey of Baby Boomers Turning 65 Years Old*. 2010.

*U.S. Interim Projections by Age, Sex, Race, and Hispanic Origin: 2000 to 2050*. Bureau of the Census.

ECONorthwest's analysis of 2000 Census Public Use Microdata Sample (PUMS) data for Oregon and counties within Oregon.

U.S. Census data for 1990, 2000, and American Community Survey data.

- **Size of household** is the number of people living in the household. Younger and older people are more likely to live in single-person households and people in their middle years are more likely to live in multiple person households (often with children).
- **Income** is the household income. Income is probably the most important determinant of housing choice. Income is strongly related to the type of housing a household chooses (e.g., single-family detached, duplex, or a building with more than five units) and to household tenure (e.g., rent or own). A review of census data that analyzes housing types by income in most cities will show that as income increases, households are more likely to choose single-family detached housing types. Consistent with the relationship between income and housing type, higher income households are also more likely to own than rent.

### 4.3.1 TRENDS AFFECTING HOUSING MIX

The previous section described the three household characteristics that are most closely correlated with household choice. This section describes the demographic and socioeconomic trends in Newport and Lincoln County related to these characteristics by describing the characteristics of households currently in Newport. The majority of Newport’s population growth, however, is expected to be the result of in-migration.<sup>18</sup> It is difficult (if not impossible) to accurately project the characteristics of households that may move to Newport over the next 20 years, beyond the projections for changes in population by age group. To some degree, projecting future housing preference relies on estimating the ways that the characteristics of new households in Newport will be different and make different housing choices than existing households.

The national demographic trends that will affect housing demand across the U.S., as well as Oregon and Newport are:

- **Ageing of the baby boomers.** By 2029, the youngest baby boomers will be 65 years old. By 2030, people 65 years and older are projected to account for about 20% of the U.S. population, up from about 12% of the population in 2000. The State forecast that people over 60

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<sup>18</sup> The Portland State University Population Research Center’s annual estimate of population shows that all of Lincoln County’s population growth between 1990 and 2009 is the result of in-migration. We assume that in-migration will continue to account for the majority of growth in Lincoln County over the planning period.



years will grow from 25% of Lincoln County's population in 2000 to 37% in 2030, an addition of 8,500 people over age 60.

- **Growth in echo boomers.** Echo boomers are a large group of people born from the late-1970's to early 2000's, with the largest concentration born between 1982 and 1995. By 2030, echo boomers will all be older than 25 years old, with the majority between the ages of 35 to 48 years old. The echo boomers will form households and enter their prime earnings years during the 20 year planning period.
- **Growth of immigrants.** One of the fastest growing groups in the U.S. will be immigrants, with Hispanics the fastest growing groups. By 2030, Hispanics are projected account for about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000.
- **Increase in diversity.** One of the fastest growing ethnic groups in the U.S. are Hispanics and Latinos. By 2030, Hispanics and Latinos are projected account for about 20% of the U.S. population, an increase from about 13% of the U.S. population in 2000. Growth in Hispanics and Latinos will be the result of natural increase (more births than deaths) and immigration from other countries.
- **Change in household composition.** The composition of households is changing, in part as a result of the aging of the population, growth of immigrants, and increase in diversity. Traditional household composition (e.g., households with children and married couples) are becoming less common and non-traditional household composition (e.g., single-family households and non-family households) are becoming more common.

Table 4-6 summarizes the affect of demographic and socioeconomic trends on Newport's housing need.

**Table 4-6. Demographic trends and their affect on housing demand in Newport and Lincoln County**

	Demographic trends	Affect of trends on household choice			Potential Affect on Housing Demand
		Age of household head	Household size and composition	Household income	
<p><b>Baby boomers</b>  <b>Age in 2010</b>  <b>46 to 65</b>  <b>years old</b>  <b>Age in 2030</b>  <b>66 to 85</b>  <b>years old</b></p>	<p>Baby boomers are the fastest growing segment of Lincoln County's population.</p> <ul style="list-style-type: none"> <li>• People over 60 years are forecasted to grow from 25% of Lincoln County's population in 2000 to 37% in 2030.</li> <li>• Growth in people over 65 years old in Lincoln County will result in growth of over additional 8,500 people in this age group, or 94% of population growth over the 2000 to 2030 period.</li> </ul>	<p>Newport's older householders are more likely to be homeowners.</p> <ul style="list-style-type: none"> <li>• Homeownership peaks for householders age 65 to 74 (at 77%). More than half of householders 45 and older in Newport are homeowners.</li> <li>• Homeownership begins to decrease for households over 75 years old. About 75% of householders over 75 in Newport are homeowners.</li> <li>• About 78% of people over 65 years own a single-family house (either detached or attached), with 75% of people over 75 years living in a single-family house.</li> <li>• About 22% of people over 65 live in a multifamily unit.</li> <li>• A majority of people over 45 years old express an interest in remaining in their home or in their community as long as possible.<sup>19</sup></li> </ul>	<p>Household size decreases after age 45 in Newport.</p> <ul style="list-style-type: none"> <li>• About 56% of households 65 to 74 have two or more persons.</li> <li>• About 52% of households 75 years and older have two or more persons.</li> <li>• More than 40% of households 45 years and older are single-person households.</li> <li>• Growth in households 45 years and older will result in growth in single-person households.</li> </ul>	<p>Newport's household income peaks around age 45 to 54.</p> <ul style="list-style-type: none"> <li>• Household income decreases after age 65. About 47% of Newport's households over 65 had income of less than \$25,000, compared with 30% of households 45 to 64.</li> <li>• Households with householders over 65 years have a lower than average household income, at about 84% of Newport's median household income.</li> <li>• Lower income does not necessarily result in greater problems with housing affordability or lower homeownership rates for people over 65 year. In general in Oregon: <ul style="list-style-type: none"> <li>• Nearly most of the lowest income householders (making less than \$20,000 in the year 2000) over 65 were homeowners.</li> <li>• Some householders over 65 have paid off their mortgage. For households who have paid off their mortgage, lower income does not necessarily result in lower disposable income or affect their ability to continue to own their home.</li> <li>• Older householders may have more accumulated wealth, such as the value of their house or investments.</li> </ul> </li> </ul>	<p>The major impact of the aging of the baby boomers on demand for new housing will be through demand for housing types specific to seniors, such as assisted living facilities. Baby boomers will make a range of housing choices in Newport:</p> <ul style="list-style-type: none"> <li>• Many will choose to remain in their houses as long as they are able.</li> <li>• As their health fails, some will choose to move to group housing, such as assisted living facilities or nursing homes. If these facilities are not available in Newport, they will move to a community where they are available.</li> <li>• Some may downsize to smaller single-family homes (detached and attached) or multifamily units. These will be a mixture of owner and renter units.<sup>20</sup></li> <li>• Some may choose to move to retirement or age-restricted communities, if they are available in Newport.</li> </ul>

<sup>19</sup> Multiple studies show that people over age 45 prefer to stay in their home or community as long as possible, including multiple surveys by AARP (see <http://www.aarp.org/research/surveys>). The AARP survey *Home and Community Preferences of the 45+ Population* shows that 85% of respondees want to stay in their current residence and community as long as possible.

<sup>20</sup> The AARP survey *Approaching 65: A Survey of Baby Boomers Turning 65 Years Old* of people 65 years old shows that about 15% of responding households are planning to downsize to smaller homes over the next few years.

		Affect of trends on household choice			
	Demographic trends	Age of household head	Household size and composition	Household income	Potential Affect on Housing Demand
<p><b>Echo boomers</b>  <b>Age in 2010</b>  <b>15 to 28</b>  <b>years old</b>  <b>Age in 2030</b>  <b>35 to 48</b>  <b>years old</b></p>	<p>Echo boomers are one of the slowest growing segments of Lincoln County's population</p> <ul style="list-style-type: none"> <li>By 2030, the State projects that there will be nearly 9,400 people age 20 to 39 years in Lincoln County, a 6% increase from the 8,900 echo boomers in 2000.</li> <li>Growth in people 20 to 39 years year old will result in growth of about 500 people in this age group or 1% of total population growth over the 2000 to 2030 period.</li> </ul>	<p>Younger households are more likely to rent and live in multi-family homes.</p> <ul style="list-style-type: none"> <li>About 97% of people under 25 years old and 88% of people 25 to 34 years old were renters in Newport.</li> <li>Homeownership rates increase for householders 35 to 44 years old; 39% of these Newport households are owners.</li> <li>Over three-quarters of people 15 to 24 years live in a multifamily unit, compared with 34% of people 25 to 34 years or 29% of people 35 to 44 years in Newport.</li> </ul>	<p>Household size increases slightly until age 34.</p> <ul style="list-style-type: none"> <li>More than 80% of households between age 15 and 34 years have two or more persons.</li> <li>About 19% of households between 15 to 24 years are single-person households, compared with 30% of households 45 to 54 years.</li> <li>Ninety percent of households with two or more persons younger than age 34 are renters.</li> </ul>	<p>Younger households have lower income on average.</p> <ul style="list-style-type: none"> <li>Almost half of households under 25 years (which includes college students) had income less than \$25,000. About 77% of households between 25 and 44 had an income of less than \$50,000 in Newport.</li> <li>About 58% of householders under 25 years have an income of \$30,000 or lower. In comparison, 46% of all of Lincoln County's households have income of \$30,000 or less.</li> <li>Households between 25 and 44 years have lower than average income, at about 97% of Newport's median household income.</li> <li>Younger households generally have less accumulated wealth, such as housing equity.</li> <li>In general in Oregon, younger households with income more than \$45,000 (in 2000) were likely to be homeowners in 2000, with the large majority owning single-family detached dwellings.</li> </ul>	<p>The share of young population attracted to Newport will be relatively small, consistent with recent trends in Newport's age structure. As Echo Boomers age, some of those wanting to live at the Oregon Coast may choose to move to Newport.</p> <p>Some recent research hypothesizes that echo boomers may make different housing choices than their parents as a result of the on-going recession and housing crisis. They suggest that echo boomers will prefer to rent and will prefer to live in multifamily housing, especially in large cities.<sup>21</sup></p> <p>Other studies suggest that the majority of echo boomers' housing preference is to own a single-family home.<sup>22</sup> Our conclusion based on review of recent research is that it seems unlikely that the majority of echo boomers will make fundamentally different housing choices than previous generations as they age and have families.</p> <ul style="list-style-type: none"> <li>It seems likely that echo boomers are likely to choose to rent when they are under 30 years, most frequently a multifamily unit. This choice may be made from preference but is likely to be necessitated by lower income.</li> <li>As they establish their careers, their income increase, and they form families, it seems likely that a large share of echo boomers in Newport will choose to live in an owner-occupied single family house.</li> <li>Recent articles suggest that echo boomers who prefer single-family units may prefer (or only be able to afford) smaller single-family units.</li> <li>Newport is a Oregon Coastal market, with amenities that may appeal to echo boomers who prefer to live at the Oregon Coast. Newport itself does not have suburbs but nearby smaller cities (e.g., Toledo) fill he role of suburbs for Newport by providing housing that is more affordable than Newport's. Echo boomers may choose to live in Newport's nearby smaller cities, if housing in Newport is not affordable.</li> </ul>

		Affect of trends on household choice			
	Demographic trends	Age of household head	Household size and composition	Household income	Potential Affect on Housing Demand
<b>Growth of immigrants and change in ethnic composition</b>	<p>Immigrants are a growing segment of Newport's population. Newport is becoming more ethnically diverse, with growth in the Hispanic and Latino population (both from immigration and from current residents in Newport).</p> <ul style="list-style-type: none"> <li>Lincoln County's population growth between 1990 and 2009 was the result of in-migration to the County, from other areas in Oregon or from outside the State.</li> <li>Lincoln County became more ethnically diverse, with Hispanic and Latino population growing by more than 450% between 1990 and 2009, an addition of 2,700 Hispanic or Latino residents.</li> <li>Lincoln County became more racially diverse between 1990 and 2009, with the near doubling of the population of Asian and Pacific Islanders, from nearly 350 people in 1990 to more than 650 people in 2008.</li> </ul>	<p>Hispanic and Asian populations in Newport have a different age structure than Newport's overall population:</p> <ul style="list-style-type: none"> <li>About 61% of Newport's population is between age 18 to 64 years, with 22% younger than 18 years and 17% older than 65 years.</li> <li>Asian residents of Newport are less likely to be over 65 years. About 60% of Asians are 18 to 64 years, 32% younger than 18 years and 7% older than 65 years.</li> <li>Hispanic residents of Newport are more likely to be younger. About 63% of Hispanics are 18 to 64 years, 35% younger than 18 years and 2% older than 65 years.</li> </ul> <p>The following national housing trends are likely to apply to immigrant households in Newport:</p> <ul style="list-style-type: none"> <li>Immigrant households are generally younger than the household average in the U.S.</li> <li>About 55% of immigrant households own their homes, compared with 76% of native-born households. Reasons for this include: (1) immigrants are younger than the average of the population, (2) some immigrants may expect their stay in the U.S. will be temporary, and (3) immigrant households are more likely to have a lower income and have no established credit record in the U.S.</li> </ul>	<p>Hispanic households in Newport are more likely to have children and live in crowded households and less likely to be homeowners.</p> <ul style="list-style-type: none"> <li>Three-quarters of Hispanic households in Newport have children under 18 years, compared with about 44% of white non-Hispanic households</li> <li>About 56% of Hispanic households had more than one occupant per room, compared with 4% of all households in Lincoln County.</li> <li>Hispanic households in Newport are less likely to live in single-family houses (detached and attached) with about the same frequency as non-Hispanic households, with about one-third of Hispanic households living in single-family dwellings.</li> <li>About 13% of Hispanic households are owners, compared with an ownership rate of a little more than 50% for all households in Newport.</li> </ul>	<p>Hispanic families in Newport have lower than average income.</p> <ul style="list-style-type: none"> <li>Immigrant households generally have lower family income, in part as a result of their relatively young age and as result of generally lower educational achievement.</li> <li>Hispanic households in Newport have higher than average income, with household income at 104% of Newport's median (\$31,996) .</li> <li>Hispanic family income in Newport is 86% of Newport's median (\$36,682).</li> </ul>	<p>Growth in immigrants may result in increased demand for multifamily housing in Newport.</p> <ul style="list-style-type: none"> <li>Housing affordability is a problem for many households in Newport. Affordability is likely to be a more common problem for immigrants, especially recent immigrants, because immigrants have lower income on average.</li> <li>Recent immigrants are likely to choose multifamily housing, in part because that is what they can afford.</li> <li>Homeownership increases the longer immigrants stay in the U.S. Longer-term immigrants may become home owners, depending on their ability to afford homeownership.</li> <li>Homeownerships increase for second-generation immigrant households.</li> </ul>

<sup>21</sup> Examples of such research include *Housing in America: The New Decade* from the Urban Land Institute or *The Rise of the Non-Traditional Household* from Multifamily Trends.

<sup>22</sup> A national survey of Echo Boomers in 2010 shows that: two-thirds of Echo Boomers expect to own their home by 2015, that nearly two-thirds expect to live in a single-family home, one-quarter expects to live in an apartment or condominium. These results are from the Urban Land Institute study *Generation Y: America's New Housing Wave*.

## 4.4 DETERMINE THE NEEDED DENSITY RANGES FOR EACH PLAN DESIGNATION AND THE AVERAGE NEEDED NET DENSITY FOR ALL STRUCTURE TYPES.

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This section summarizes the forecast of new housing units in Newport for the period 2011 to 2031. The forecast of needed housing units (Table 4-5) uses the following assumptions, based on recent data:

- **Housing mix** will be 60% single-family detached units and 40% multifamily units (including single-family attached).
- **Residential density** will be the same as achieved densities over the 2000 to 2010 period: 7.0 dwelling per net acre for single-family detached and 18.7 dwelling units per net acre for multifamily.<sup>23</sup> The average density is 9.3 dwelling units per net acre, which is consistent with the OAR 660-024 housing density safe harbor.<sup>24</sup>
- **The net to gross factor**, which converts from net acres to gross acres, will be 20% for single-family housing types and 15% for multifamily types. These net-to-gross assumptions are consistent with previous empirical analysis of net-to-gross conversions in other cities.

Table 4-7 shows the results. The forecast assumes an average density of 9.3 dwelling units per net acre (about 7.6 dwelling units per gross acre). Based on the mix and density assumptions, Newport will need about 112 gross residential acres to accommodate new housing between 2011 and 2031.

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<sup>23</sup> OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

<sup>24</sup> OAR 660-024, Table 1, establishes housing density safe harbors for cities forecast to be between 10,001 and 25,000 during the planning period. The density safe harbors are: required overall minimum of 5 dwelling units per net buildable acre, assume for UGB analysis 7 dwelling units per net buildable acre, and zone to allow 9 dwelling units per net buildable acre. Newport's housing needs analysis meets these standards.

**Table 4-7. Forecast of new housing by type and density, Newport, 2011-2031**

Housing Type	New Dwelling Units (DU)	Percent	Net Acres		Net to Gross Factor	Gross Acres	
			Density (DU/net ac)	Net Res. Acres		Gross Res. Acres	Density (DU/gross res ac)
Single-Family	508	60%	7.0	73	20%	91	5.6
Multi-family	338	40%	18.7	18	15%	21	16.1
<b>Total</b>	<b>846</b>	<b>100%</b>	<b>9.3</b>	<b>91</b>		<b>112</b>	<b>7.6</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table 4-7 provides an allocation of housing units by Newport’s residential plan designations and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table 4-7 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period. The acreages are based on the gross density assumptions shown in Table 4-6. The residential land needs presented in Table 4-7 may change based on adjustments to the assumptions or based on policy decisions

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).
- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.
- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

**Table 4-7. Allocation of new housing units by plan designation, Newport, 2011-2031**

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
<b>Total</b>	<b>356</b>	<b>71</b>	<b>398</b>	<b>35</b>	<b>93</b>	<b>6</b>	<b>847</b>	<b>112</b>
<b>Percent of Acres and Units</b>								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
<b>Total</b>	<b>42%</b>	<b>64%</b>	<b>47%</b>	<b>31%</b>	<b>11%</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

# Residential Land Sufficiency within the Newport UGB

This chapter presents an evaluation of the sufficiency of vacant residential land with the Newport UGB to accommodate expected residential growth over the 2011 to 2031 period. This section includes an estimate of Newport's residential land sufficiency, based on the analysis in the housing needs analysis.

Table 5-1 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table 5-1 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land (based on Table 2-5).
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land (based on Table 4-7).
- **Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

**Table 5-1. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031**

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
<b>Total</b>	<b>1,763</b>	<b>106</b>	<b>1,657</b>

Source: ECONorthwest



# Framework for a Housing Needs Analysis

Economists view housing as a bundle of services for which people are willing to pay. Those services include shelter certainly, but also proximity to other attractions (jobs, shopping, recreation), amenity (type and quality of fixtures and appliances, landscaping, views), prestige, and access to public services (quality of schools). Because it is impossible to maximize all these services and simultaneously minimize costs, households must, and do, make tradeoffs. What they can get for their money is influenced by both economic forces and government policy. Moreover, different households will value what they can get differently. They will have different preferences, which in turn are a function of many factors like income, age of household head, number of people and children in the household, number of workers and job locations, number of automobiles, and so on.

Thus, housing choices of individual households are influenced in complex ways by dozens of factors; and the housing market in Newport is the result of the individual decisions of thousands of households. These points suggest the difficulties of projecting what types of housing will be built between 2011 and 2031.

The complexity of a housing market is a reality, but it does not obviate the need for some type of forecast of future housing demand and need, and for an assessment of the implications of that forecast for land demand and consumption. Such forecasts are inherently uncertain. Their usefulness for public policy often derives more from the explanation of their underlying assumptions about the dynamics of markets and policies than from the specific estimates of future demand and need. Thus, we start our housing analysis with a framework for thinking about housing and residential markets, and how public policy affects those markets.

## A.1 HOUSING DEMAND VERSUS NEED

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The language of Goal 10 and ORS 197.296 refers to housing *need*: it requires communities to provide needed housing types for households at all income levels. Goal 10's broad definition of need covers all households – from those with no home to those with second homes.

State policy does not make a clear distinction between need and demand. Following is our definition, which we believe to be consistent with definitions in state policy:

- *Housing need* can be defined broadly or narrowly. The broad definition is based on the mandate of Goal 10 that requires communities to plan for housing that meets the needs of households at all income levels. Goal 10, though it addresses housing, emphasizes the impacts on the households that need that housing. Since everyone needs shelter, Goal 10 requires that a jurisdiction address, at some level, how every household will be affected by the housing market over a 20-year period. Public agencies that provide housing assistance (primarily the Department of Housing and Urban Development - HUD, and the Oregon Housing and Community Services Department - HCS) define housing need more narrowly. For them, households in need do not include most of the households that can purchase or rent housing at an “affordable” price, consistent with the requirements of their household characteristics. Households that cannot find and afford such housing have need: they are either unhoused, in housing of substandard condition, overcrowded, or paying more than their income and federal standards say they can afford.
- *Housing market demand* is what households demonstrate they are willing to purchase in the market place. Growth in population means growth in the number of households and implies an increase in demand for housing units. That demand is met, to the extent it is, primarily by the construction of new housing units by the private sector based on its judgments about the types of housing that will be absorbed by the market. ORS 197.296 includes a market demand component: buildable land needs analyses must consider the density and mix of housing developed over the previous five years or since their most recent periodic review, whichever is greater. In concept, what got built in that five-year period was the *effective demand for new housing*: it is the local equilibrium of demand factors, supply factors, and price.

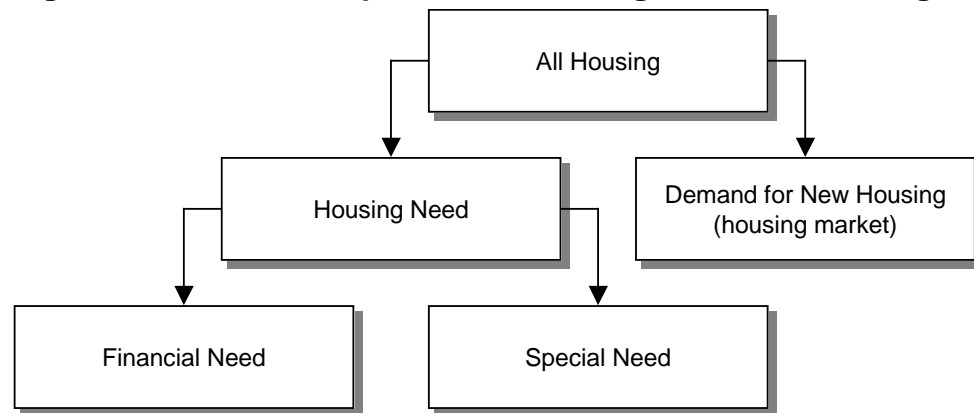
In short, a housing needs analysis should make a distinction between housing that people might need (a normative, social judgment) and what the market will produce (an observable outcome).

Goal 10 does not make a clear distinction between the existing stock of housing and new housing. Because a lot of Goal 10 (and Goal 9, the Economy) is aimed at Goal 14 (Urbanization) and a determination of whether more land should be added to urban growth boundaries, there is

usually more emphasis on *new* housing, which will require buildable land. In essence, a Goal-10 evaluation looks at (1) new households that the population forecasts presume will be living in a jurisdiction 20 years in the future, (2) estimates a number of new (“needed”) housing units, by type, and (3) estimates the amount of land they will consume when they are constructed.

Figure A-1 distinguishes between housing needs that are unmet and those that are met via market transactions. Housing need is the total number of housing units required to shelter the population. In that sense, housing need is approximately the number of households: every household needs a dwelling place. Some housing need is met through market transactions without much government intervention because households have the income to *demand* (purchase) housing services (as owners or renters). That demand is shown in the box on the right. Other households, however, have needs unmet, usually because they lack the resources to purchase housing services (financial need), but because of special needs as well (though, even here, the issue is still one of financial resources).

**Figure A-1. Relationship between housing need and housing demand**



Most housing market analyses and housing elements of comprehensive plans in Oregon make forecasts of new demand (what housing units will get built in response to market forces). Work by housing authorities is more likely to address housing need for special classes, especially low-income. It is the role of cities under Goal 10 to adopt and implement land use policies that will encourage provision of housing units that meet the needs of all residents.

It is unlikely that housing markets in any metropolitan area in the U.S. provide housing to meet the needs of every household. Even many upper-income households probably believe they "need" (want) more housing than

their wealth and income allows them to afford. A typical standard, used by housing agencies around the country, is *excess cost burden*: does a household spend more than 30% of its income on housing? But even that standard may not comport with a common-sense notion of housing need: if upper income households are spending 40% of their income on housing because they are highly leveraged, betting on increases in property value, and have substantial wealth that they can invest in mortgage payments, do they have a housing need?

Independent of a strict legal interpretation, it is clear that any housing agency is focused on more basic housing needs. At the extreme there is homelessness: some people do not have any shelter at all. Close behind is substandard housing (with health and safety problems), space problems (the structure is adequate but overcrowded), and economic and social problems (the structure is adequate in quality and size, but a household has to devote so much of its income to housing payments that other aspects of its quality of life suffer). Location can also be a burden—households that live farther from work and shopping opportunities will have to spend more money on transportation. Moreover, while some new housing is government-assisted housing, public agencies do not have the financial resources to meet but a small fraction of that need. New housing does not, and is not likely to, fully address all these needs because housing developers, like any other business, strive for profits.

In fact, many of those needs are much more likely to be satisfied by existing housing: the older, used stock of structures that is usually less expensive per square foot than new housing. Thus, forecasting the type of new units that might be built in a region (by type, size, and price) is unlikely to bear any relationship to the type of housing to which most people with acute housing needs will turn to solve their housing problems. One key reason for this is that the cost of building new housing (land, services, materials, labor) is such that it is not “affordable” to low-income households at a price that recovers cost, much less one that generates normal profit. This “trickle-down” effect is well known among housing specialists. In most communities a quick comparison of new home prices with income distributions will underscore the fact that developers tend to focus on the move-up market and not on entry-level housing.

Viewed in the light of those definitions (e.g., housing demand and housing need), the requirements of Goal 10 need clarification. Goal 10 mandates that communities plan for housing that meets the needs of households at all income levels. Thus, Goal 10 implies that everyone has a housing need. As we have noted, however, it is hard to justify spending public resources on the needs of high-income households: they have the income to purchase

(demand) adequate housing services in the housing market. The housing they can afford may not be everything they want, but most policymakers would agree that the difference does not classify as the same kind of need that burdens very-low-income households.

In the context of the statewide land use program, planning for housing is addressed through local comprehensive plans and development codes. Moreover, state policy places some restrictions on what local governments can do. For example, ORS 197.309 prohibits local governments from requiring housing meet certain price points (often called inclusionary zoning).<sup>1</sup> In other words, cities are limited to regulating housing types and densities that correspond roughly to housing costs. It is important to note that increased density can decrease housing costs, but high density housing is not always low cost housing.

This study is not the place to resolve debates about definitions of housing need and the purposes of Goal 10. Our analysis of need addresses the Goal 10 requirements regarding financial need (ability to obtain housing) for future households as well as those households whose circumstances suggest that they will have special problems in finding adequate and affordable housing services. That analysis occurs after, and largely independent of, the forecast of new housing that is likely to be built to supply effective demand.

In summary, Goal 10 intends that cities and counties identify housing need and develop a land use policy framework that meets identified needs. One of the key issues that is addressed in a housing needs analysis is how much land is needed for different housing types, and therefore must be designated for different housing types. Providing sufficient land in the proper designations is one of the most fundamental land use tools local governments have to meet housing need.

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<sup>1</sup> ORS 197.309 states: "...a city, county or metropolitan service district may not adopt a land use regulation or functional plan provision, or impose as a condition for approving a permit under ORS 215.427 or 227.178, a requirement that has the effect of establishing the sales price for a housing unit or residential building lot or parcel, or that requires a housing unit or residential building lot or parcel to be designated for sale to any particular class or group of purchasers."

## A.2 WHAT IS AFFORDABLE HOUSING?

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The terms “affordable” and “low-income” housing are often used interchangeably. These terms, however, have different meanings:

- *Affordable housing* refers to a household’s ability to find housing within its financial means. A number of indicators exist that can be used to determine whether housing is affordable. One indicator is cost burden: households that spend more than 30% of their income on housing and certain utilities are considered to experience *cost burden*.<sup>2</sup> Any household that pays more than 30% experiences cost burden and does not have *affordable* housing. Thus, affordable housing applies to all households in the community.
- *Low-income housing* refers to housing for “low-income” households. HUD considers a household low-income if it earns 80% or less of median family income. In short, low-income housing is targeted at households that earn 80% or less of median family income.

These definitions mean that any household can experience cost burden and that affordable housing applies to all households in an area. Low-income housing targets low-income households. In other words, a community can have a housing affordability problem that does not include only low-income households.

Many (maybe most) households that experience cost burden are composed of people who have jobs and are otherwise productive members of society. A household earning 80% of median family income in Newport earns about \$40,000 annually – or about \$19.00 per hour for a full-time employee. Based on HUD affordability standards, the maximum affordable purchase price for a household earning \$40,000 annually is about \$120,000. Depending on household size, many of these households are eligible for government housing assistance programs.

In summary, any household can face housing affordability problems. Because they have more limited financial means, the incidence of cost burden is higher among low-income households. Statewide planning Goal

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<sup>2</sup> Cost burden is a concept used by HUD. Utilities included with housing cost include electricity, gas, and water, but do not include telephone expenses. All of the indicators ECO has reviewed, including cost burden, have limitations that can distort results. Cost burden does not consider the impact of household size or accumulated assets. As a result a single-person household with an annual income of \$20,000 and accumulated assets of \$500,000 would be in the same category as a family of seven with an annual income of \$20,000 and no accumulated assets.

10 requires cities to adopt policies that encourage housing at price ranges commensurate with incomes. State land use policy does not distinguish between households of different income levels and requires cities to adopt policies that encourage housing for all households.

### **A.3 WHAT OBJECTIVES DO HOUSING POLICIES TYPICALLY TRY TO ACHIEVE?**

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The *Practice of State and Local Planning*<sup>3</sup> classifies goals that most government housing programs address into four categories:

- *Community life.* From a community perspective, housing policy is intended to provide and maintain safe, sanitary, and satisfactory housing with efficiently and economically organized community facilities to service it. In other words, housing should be coordinated with other community and public services. Although local policies do not always articulate this, they are implicit in most local government operations. Comprehensive plans, zoning, subdivision ordinances, building codes, and capital improvement programs are techniques most cities use to manage housing and its development. Local public facilities such as schools, fire and police stations, parks, and roads are usually designed and coordinated to meet demands created by housing development.
- *Social and equity concerns.* The key objective of social goals is to reduce or eliminate housing inadequacies affecting the poor, those unable to find suitable housing, and those discriminated against. In other words, communities have an obligation to provide safe, satisfactory housing opportunities to all households, at costs they can afford, without regard to income, race, religion, national origin, family structure, or disability.
- *Design and environmental quality.* The location and design of housing affect the natural environment, residents' quality of life, and the nature of community life. The objectives of policies that address design and environmental quality include neighborhood and housing designs that meet: household needs, maintain quality of life, provide efficient use of land and resources, reduce environmental impacts, and allow for the establishment of social and civic life and institutions. Most communities address these issues through local

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<sup>3</sup> *The Practice of Local Government Planning, 2<sup>nd</sup> Edition*, International City Managers Association, 1988.

building codes, comprehensive land use plans, and development codes.

- *Stability of production.* Housing is a factor in every community's economy. The cyclical nature of housing markets, however, creates uncertainties for investment, labor, and builders. The International City Manager's Association suggests that local government policies should address this issue – most do not. Moreover, external factors (e.g. interest rates, cost of building materials, etc.) that bear upon local housing markets tend to undermine the effectiveness of such policies.

Despite the various federal and state policies regulating housing, most housing in the U.S. is produced by private industry and is privately owned. While the land use powers of local government have been an important factor in the production of housing, the role of local government has largely focused on regulation for public health and safety and provision of infrastructure. More recently, awareness has grown regarding the impact policies and regulations have had on the other aspects of community life such as costs of transportation and other infrastructure, access of residents to services and employment, and social interactions.

## **A.4 FRAMEWORK FOR DETERMINING WHETHER RESIDENTIAL LAND IS SUFFICIENT (STATE REQUIREMENTS)**

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The passage of the Oregon Land Use Planning Act of 1974 (ORS Chapter 197), established the Land Conservation and Development Commission (LCDC), and the Department of Land Conservation and Development (DLCD). The Act required the Commission to develop and adopt a set of statewide planning goals. Goal 10 addresses housing in Oregon and provides guidelines for local governments to follow in developing their local comprehensive land use plans and implementing policies.

At a minimum, local housing policies must meet the requirements of Goal 10 (ORS 197.295 to 197.314, ORS 197.475 to 197.490, and OAR 600-008).<sup>4</sup> Goal 10 requires incorporated cities to complete an inventory of buildable residential lands<sup>5</sup> and to encourage the availability of adequate numbers of

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<sup>4</sup> Newport is not required to comply with all of the implementing policies for Goal 10 (e.g., ORS 197.296) because the City's population is less than 25,000.

<sup>5</sup> The definition of buildable residential land from OAR 660-008 is presented in the glossary in Appendix A.



housing units in price and rent ranges commensurate with the financial capabilities of its households.

Goal 10 defines needed housing types as “housing types determined to meet the need shown for housing within an urban growth boundary at particular price ranges and rent levels.” ORS 197.303, which applies to Newport, defines needed housing types:

- (a) Housing that includes, but is not limited to, attached and detached single-family housing and multiple family housing for both owner and renter occupancy;
- (b) Government assisted housing;<sup>6</sup>
- (c) Mobile home or manufactured dwelling parks as provided in ORS 197.475 to 197.490; and
- (d) Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured dwelling subdivisions.

The scope of this project is to complete the technical work for a housing needs analysis for the Newport UGB, in advance of the City entering periodic review

1. **Population forecast.** Lincoln County does not have a coordinated, adopted population forecast. The housing needs analysis used a safe harbor methodology to forecasting population growth in which a city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis’s (OEA) population forecast for the County, assuming that the urban area’s share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)). The method for developing this forecast is described in Appendix E.
2. **Housing Needs Analysis.** ECONorthwest conducted a housing needs analysis based on the requirements of Goal 10 and OAR 660-008. The housing types that used in the housing needs analysis included those defined in ORS 197.303: single-family detached, single-family attached, multifamily, mobile or manufactured housing in parks and on lots, and government assisted housing. The HNA uses the following aggregations housing types: single-family detached (including manufactured home), single-family attached

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<sup>6</sup> Government assisted housing can be any housing type listed in ORS 197.303 (a), (c), or (d).

dwellings, and multifamily housing (including duplexes, tri- and quad-plexes, and structures with more than five units. Additionally, the HNA evaluates secondary dwellings (e.g., vacation units) and government assisted housing. The housing needs analysis includes:

- A) **Project new housing units needed.** We projected needed housing units based on forecast population growth for the Newport UGB between 2011 and 2031. We considered other factors, such as number of people expected to live in group quarters, household size, housing mix, and vacancy rates.
  - B) **Identify trends that may affect housing mix and density.** We reviewed national, state, and local demographic and economic trends that may affect housing mix and density. These trends include: changes in housing tenure, changes in housing mix, changes in the region’s age structure, changes in ethnicity, changes in housing prices and recent increases in mortgage foreclosures, and other trends.
  - C) **Determine types of housing that are likely to be affordable.** We reviewed trends in housing affordability, such as changes in income, changes in housing price, changes in rental costs, rate of cost-burden, and housing affordability by type of housing for households of different incomes.
  - D) **Estimate the number of units needed by housing type.** The estimate of the number of units needed by housing type will be based on the information described in 3 A through C.
- 3. **Determine actual mix and density of existing housing.** The analysis of housing mix and density of existing housing is based on analysis of building permits and land that was developed since 2000.
  - 4. **Determine average density and mix of needed housing.** ECO developed a preliminary housing needs projection that documents “needed” density and mix for future housing needs based on the conclusions about housing need from the housing needs analysis.
  - 5. **Determine residential land sufficiency.** We compared the needed acres of residential land with the inventory of residential land in each Plan Designation to determine whether there is enough land within the UGB to accommodate 20-years’ worth of growth.

# Regional and Local Trends Affecting Newport's Housing Need

This appendix contains background information and analysis necessary for a housing needs analysis. The appendix is organized into the following sections:

- Demographics
- Housing Affordability

## DEMOGRAPHIC TRENDS

### POPULATION GROWTH

Newport's population has grown over the last two decades. Table B-1 shows population change in selected areas in Newport, Lincoln County, and Oregon between 1990 and 2010. Over the 20-year Newport added over 2,000 people, a 26% increase in population, at an average annual rate of 1.4%. Newport grew at a slower rate (1.8% per year) than Oregon (1.9% per year), but faster than Lincoln County (0.8% per year).

**Table B-1. Population change, Oregon, Lincoln County, and Newport, 1990 to 2010**

Area	Population			Change 1990 to 2010		
	1990	2000	2010	Number	Percent	AAGR
U.S.	248,709,873	281,421,906	301,461,533	52,751,660	21%	1.1%
Oregon	2,842,321	3,421,399	3,844,195	1,001,874	35%	1.9%
Lincoln County	38,889	44,479	44,620	5,731	15%	0.8%
Newport	8,437	9,532	10,605	2,168	26%	1.4%

Source: U.S. Census 1990 SF1 P001, U.S. Census 2000 SF1 P1, Portland State University Population Research Center 2010 Certified Oregon Population Estimates.

Note: AAGR is average annual growth rate.

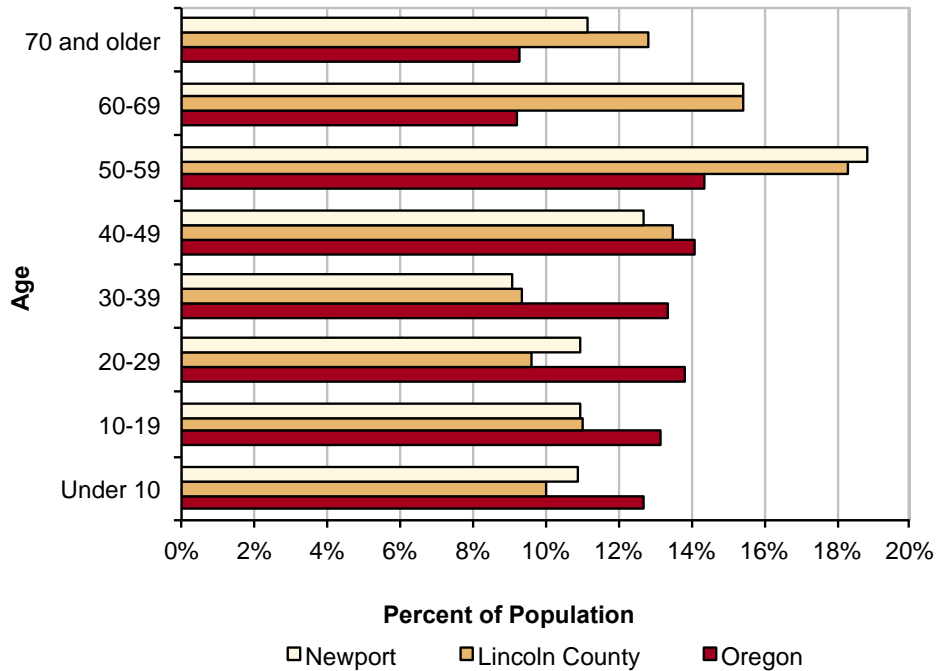
Data from the 2010 Census of Population and Housing was just becoming available at the time the population element was being updated. It is notable that the 2010 Census count for the City of Newport was 9,989 – or 616 persons less than the 2010 population estimate developed by Portland State University. If one assumes the Census count is correct, then the PSU estimates have overestimated population in Newport since 2005 (or earlier).

### AGE

Figure B-1 shows the age distribution in Newport, compared to Lincoln County and Oregon, for the 2005-2009 period. Newport has a higher

proportion of its population aged 50 or older (45%) than State (33%) averages. Newport has comparatively fewer residents below age 39 (42%) than the State (53%), but more than the County (40%). The affect of Newport’s age distribution for housing need is described later in this section.

**Figure B-1. Population distribution by age, Oregon, Lincoln County, and Newport, 2005-2009**



Source: American Community Survey 2005-2009 5-year estimates B01001

In comparison to nearby communities, Newport has a smaller share of children and people over 65 years but a larger share of working-aged persons:

- Nineteen percent of Newport households have one or more people under the age of 18. Nearby cities generally have a larger percentage of households with one or more people under the age of 18, including Siletz (25%) and Toledo (35%).
- Nineteen of the city’s residents were over the age of 65. Outlying communities with the largest percent of persons 65 and over were Yachats (42%), Waldport (29%) and Depoe Bay (21%).

- Just over fifty percent of the city’s residents are of working age (20-60 years old)<sup>7</sup>

Table B-2 shows population by age for Newport for 2000 and the 2005-2009 period. The data show that Newport grew by 329 people between 2000 and 2005-2009, a 3% increase. The age breakdown shows that the fastest growing age groups in Newport were aged 45 to 64 years and 65 and over, consistent with County and State trends. The number of people under 44 years old decreased in Newport.

**Table B-2. Population by age, Newport, 2000 and 2005-2009**

Age Group	2000		2005-2009		Change 2000 to 2005-2009		
	Number	Percent	Number	Percent	Number	Percent	Share
Under 5	533	6%	476	5%	-57	-11%	-1%
5-17	1,590	17%	1,497	15%	-93	-6%	-1%
18-24	770	8%	656	7%	-114	-15%	-1%
25-44	2,452	26%	2,087	21%	-365	-15%	-5%
45-64	2,548	27%	3,245	33%	697	27%	6%
65 and over	1,639	17%	1,900	19%	261	16%	2%
<b>Total</b>	<b>9,532</b>	<b>100%</b>	<b>9,861</b>	<b>100%</b>	<b>329</b>	<b>3%</b>	<b>0%</b>

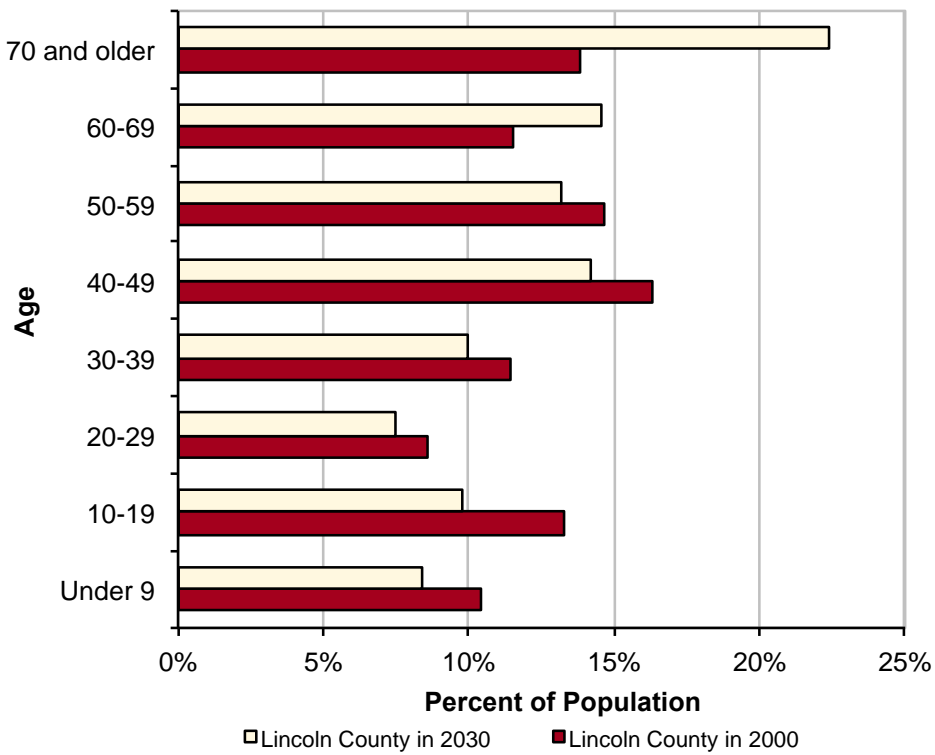
Source: U.S. Census 2000 P12, American Community Survey 2005-2009 B01001

The data in Table B-2 suggests that Newport’s population is aging and that the City is attracting older people and with growth concentrated in people 45 years and older. This trend is consistent with State and national trends.

Figure B-2 shows the Office of Economic Analysis’s (OEA) forecast of population by age group for 2000 to 2030 for Lincoln County. The OEA forecasts that Lincoln County will experience growth in younger age groups. The share of population in people 60 years and older is forecast to increase from 25% of the population in 2000 to 37% of the population in 2030. The share of population 29 years and younger is forecast to decrease from 32% in 2000 to 26% in 2030.

<sup>7</sup> Based on information from the U.S. Census 2005-2009 American Community Survey.

**Figure B-2. Change in population distribution by age, Lincoln County, 2000-2030**



Source: Oregon Office of Economic Analysis.  
[http://www.oregon.gov/DAS/OEA/docs/demographic/pop\\_by\\_ageandsex.xls](http://www.oregon.gov/DAS/OEA/docs/demographic/pop_by_ageandsex.xls)

## HOUSEHOLD COMPOSITION

### HOUSEHOLD SIZE

The average household size decreased statewide over the past five decades. The average household size in Oregon was 2.60 in 1980, 2.52 in 1990, 2.51 in 2000 and 2.49 in 2005-2009. One and two person households accounted for the majority of Oregon households in 1990. The direct impact of decreasing household size on housing demand is that smaller households results in more households, which means a need for more housing units even if population were not growing.

Table B-3 shows average household size in Oregon, Lincoln County, and Newport for 2000 and 2005-2009. Table B-3 shows that the 2000 Census estimated that Newport had 2.25 persons per household. The 2005-2009 American Community Survey estimated that household size decreased to 2.19 persons per household. This decrease in household size is consistent with County and State trends.

**Table B-3. Average household size, Oregon, Lincoln County, and Newport, 2000 and 2005-2009**

	Oregon	Lincoln County	Newport
<b>2000</b>			
Average household size	2.51	2.27	2.25
Owner-occupied units	2.59	2.24	2.17
Renter-occupied units	2.36	2.34	2.34
<b>2005-2009</b>			
Average household size	2.49	2.27	2.19
Owner-occupied units	2.58	2.27	2.28
Renter-occupied units	2.32	2.28	2.05

Source: U.S. Census 2000 H12, American Community Survey 2005-2009 B25010

## HOUSEHOLD COMPOSITION

Table B-4 shows household composition in Oregon, Lincoln County, and Newport. In the 2005-2009 period, 19% of Newport's households had children, compared with 18% of Lincoln County's households and 28% of Oregon's households. Newport had a smaller share of households with married couples (43%), with and without children, than the State (50%) or County (48%). Newport had a larger share of non-family households (44%) than the County average (41%) or State average (36%).

**Table B-4. Household composition, Oregon, Lincoln County, and Newport, 2005-2009**

Household Type	Oregon		Lincoln County		Newport	
	Number	Percent	Number	Percent	Number	Percent
<b>Households with children</b>	<b>413,712</b>	<b>28%</b>	<b>3,483</b>	<b>18%</b>	<b>826</b>	<b>19%</b>
Married-couple family	290,855	20%	2,298	12%	415	9%
Female householder, no husband present	90,071	6%	930	5%	338	8%
Other families	32,786	2%	255	1%	73	2%
<b>Households without children</b>	<b>1,050,484</b>	<b>72%</b>	<b>16,405</b>	<b>82%</b>	<b>3,627</b>	<b>81%</b>
Married-couple family	440,699	30%	7,112	36%	1,501	34%
Other families	81,533	6%	1,053	5%	180	4%
Nonfamilies	528,252	36%	8,240	41%	1,946	44%
<b>Total Households</b>	<b>1,464,196</b>	<b>100%</b>	<b>19,888</b>	<b>100%</b>	<b>4,453</b>	<b>100%</b>
<b>Average Household Size</b>	<b>2.70</b>		<b>2.53</b>		<b>2.64</b>	

Source: American Community Survey 2005-2009 B25115

## ETHNICITY

Newport has grown more ethnically diverse since 1990. Table B-5 shows the number of persons of Hispanic or Latino origin for Oregon, Lincoln County, and Newport for 1990, 2000, and the 2005-2009 period. In the 2005-2009 period, Newport's population was 8% Hispanic/Latino, compared with 7% of residents of Lincoln County and 11% of residents of Oregon.

The Hispanic/Latino population in Lincoln County grew faster than the State as a whole from 1990 to 2005-2009. Newport's Hispanic/Latino population grew by 385% between 1990 and 2005-2009, adding 650 new

Hispanic/Latino residents. During the same period, Lincoln County's Hispanic/Latino population grew by 455% and Oregon's Hispanic/Latino population grew by 249%.

**Table B-5. Persons of Hispanic or Latino origin, Oregon, Lincoln County, and Newport, 1990, 2000, and 2005-2009**

	Oregon	Lincoln County	Newport
<b>1990</b>			
Total Population	2,842,321	38,889	8,437
Hispanic or Latino	112,707	598	169
Percent Hispanic or Latino	4%	2%	2%
<b>2000</b>			
Total Population	3,421,399	44,479	9,532
Hispanic or Latino	275,314	2,119	854
Percent Hispanic or Latino	8%	5%	9%
<b>2008</b>			
Total Population	3,727,407	45,892	9,861
Hispanic or Latino	393,466	3,316	819
Percent Hispanic or Latino	11%	7%	8%
<b>Change 1990 to 2008</b>			
Hispanic or Latino	280,759	2,718	650
Percent Hispanic or Latino	249%	455%	385%

Source: U.S. Census 1990 STF1 P009, U.S. Census 2000 P4, American Community Survey 2005-2009 B03002

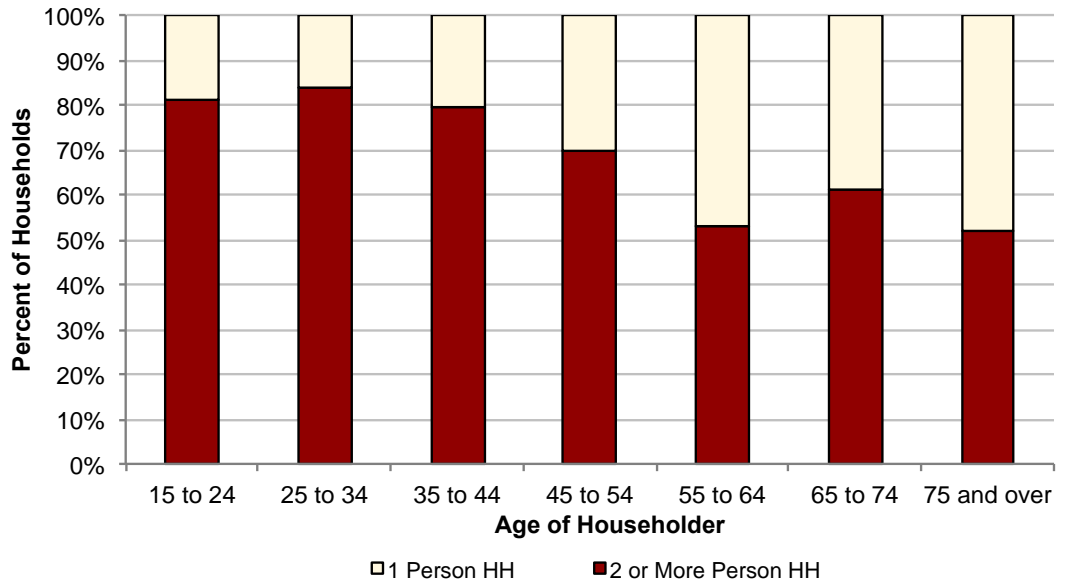
## RELATIONSHIP BETWEEN DEMOGRAPHICS AND HOUSING CHOICE

Housing needs change throughout a person's life, with changes in income, family composition, and age. The types of housing needed by a 20-year-old college student are different than the needs of a 40 year old parent with children or an 80 year old single-person. Figures B-3 through 5 show characteristics of households by household size and by age of householder for Newport. These figures show the relationship between age, household size and tenure. While these figures show information about Newport's households in 2000 (the most recent data available for this analysis), the information about housing choice shown in these figures is unlikely to have changed substantially since 2000 because these relationships change very slowly over decades.

Figure B-3 shows households by household size and age of householder in Newport in 2000. Householders age 54 and younger are most likely to live in households with two or more people. Householders 55 years and older are more likely to live in single-person households. Almost half of householders age 75 years and older live in single-person households.



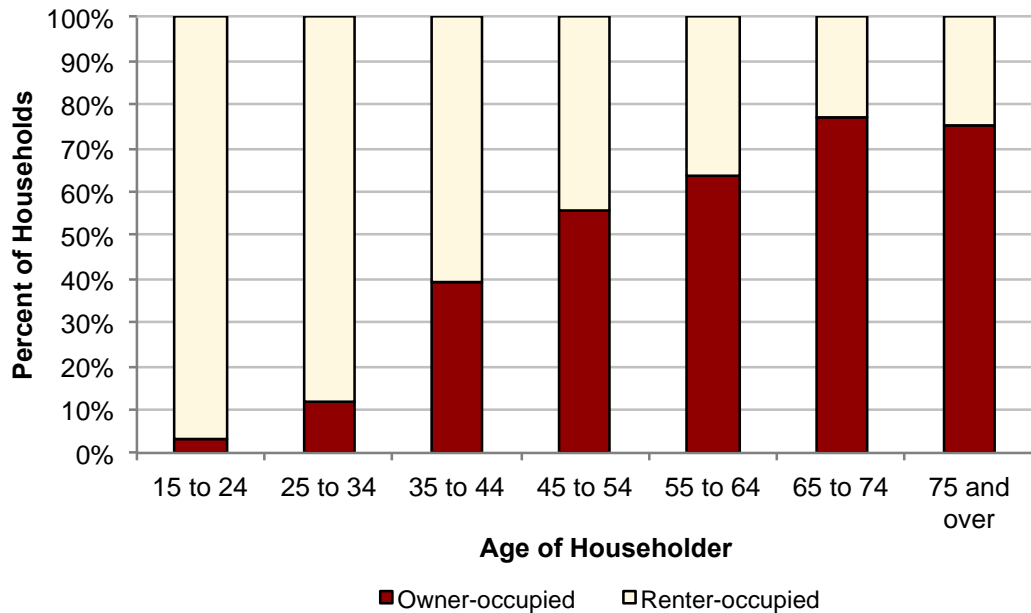
**Figure B-3. Households by household size and age of householder, Newport, 2000**



Source: U.S. Census 2000 SF3 HCT2

Figure B-4 shows households by tenure and age of householder in Newport in 2000. Newport was split between owner-occupied units (51% of total) and renter-occupied households (49%). More than half of householders aged 45 and older were homeowners. Homeownership peaked between age 65 and 74 (at 77%), leveling off at 75% at age 75 and over. The information in Figure B-4 suggests that people over 65 prefer to continue being homeowners past traditional retirement ages.

**Figure B-4. Households by tenure and age of householder, Newport, 2000**

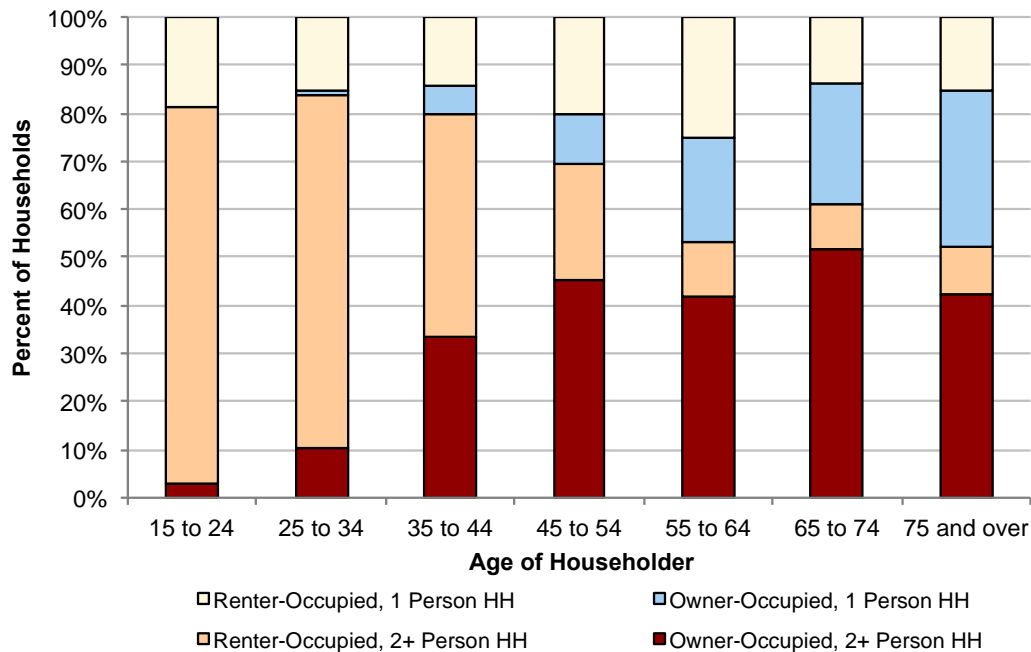


Source: U.S. Census 2000 SF3 HCT2

Figure B-5 shows households by tenure, size, and age of householder in Newport in 2000. Figure 5 shows that:

- Householders 45 years and younger were more likely to live in households with 2 or more persons.
- Householders age 45 and older were more likely to be homeowners.
- Householders 65 years and older were more likely to be homeowners with two or more persons than other age groups.
- Householders younger than 44 years were more likely than other age groups to be renters with two or more persons in their household.

**Figure B-5. Households by household size, tenure, and age of householder, Newport, 2000**



Source: U.S. Census 2000 SF3 HCT2

## OTHER TRENDS AFFECTING HOUSING DEMAND

### COMMUTING PATTERNS

Table B-6 and Figure B-6 show where residents of Newport worked in 2008. Table B-6 shows that 68% of residents of Newport worked in Lincoln County, with 50% working in Newport.

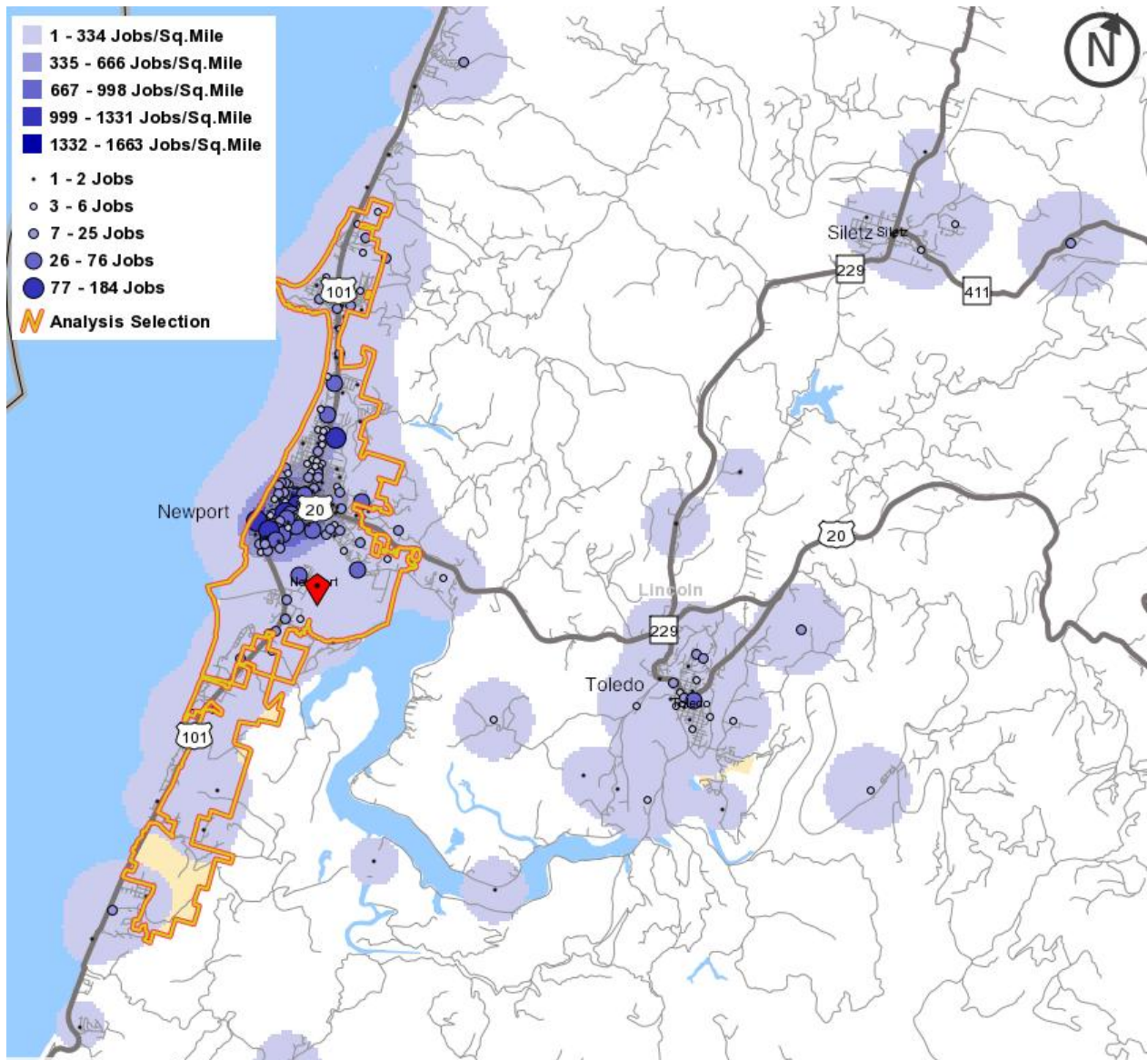
**Table B-6. Places where residents of Newport were employed, 2008**

Location	Number	Percent
Lincoln County	2,672	68%
Newport	1,968	50%
Toledo	163	4%
Lincoln City	128	3%
Multnomah County	223	6%
Marion County	190	5%
Washington County	152	4%
Benton County	117	3%
Clackamas County	100	3%
All other counties	463	12%
<b>Total</b>	<b>3,917</b>	<b>100%</b>

US Census Bureau, LED Origin-Destination Data Base (2008)

Note: "All other counties" include, but are not limited to, the counties of Clatsop, Linn, Lane, and Jackson. There are less fewer than 100 residents commuting from each of these counties.

**Figure B-6. Places where residents of Newport were employed, 2008**



US Census Bureau, LED Origin-Destination Data Base (2008)

Table B-7 and Figure B-7 show that most workers in Newport live in Lincoln County, with about 30% living in Newport, 10% in Toledo, 3% in Lincoln City, and the remainder in other parts of Lincoln County. Table B-7 shows that majority of Newport's workforce lives in Lincoln County, with more than two-thirds of Newport's workforce commuting from outside of Newport.

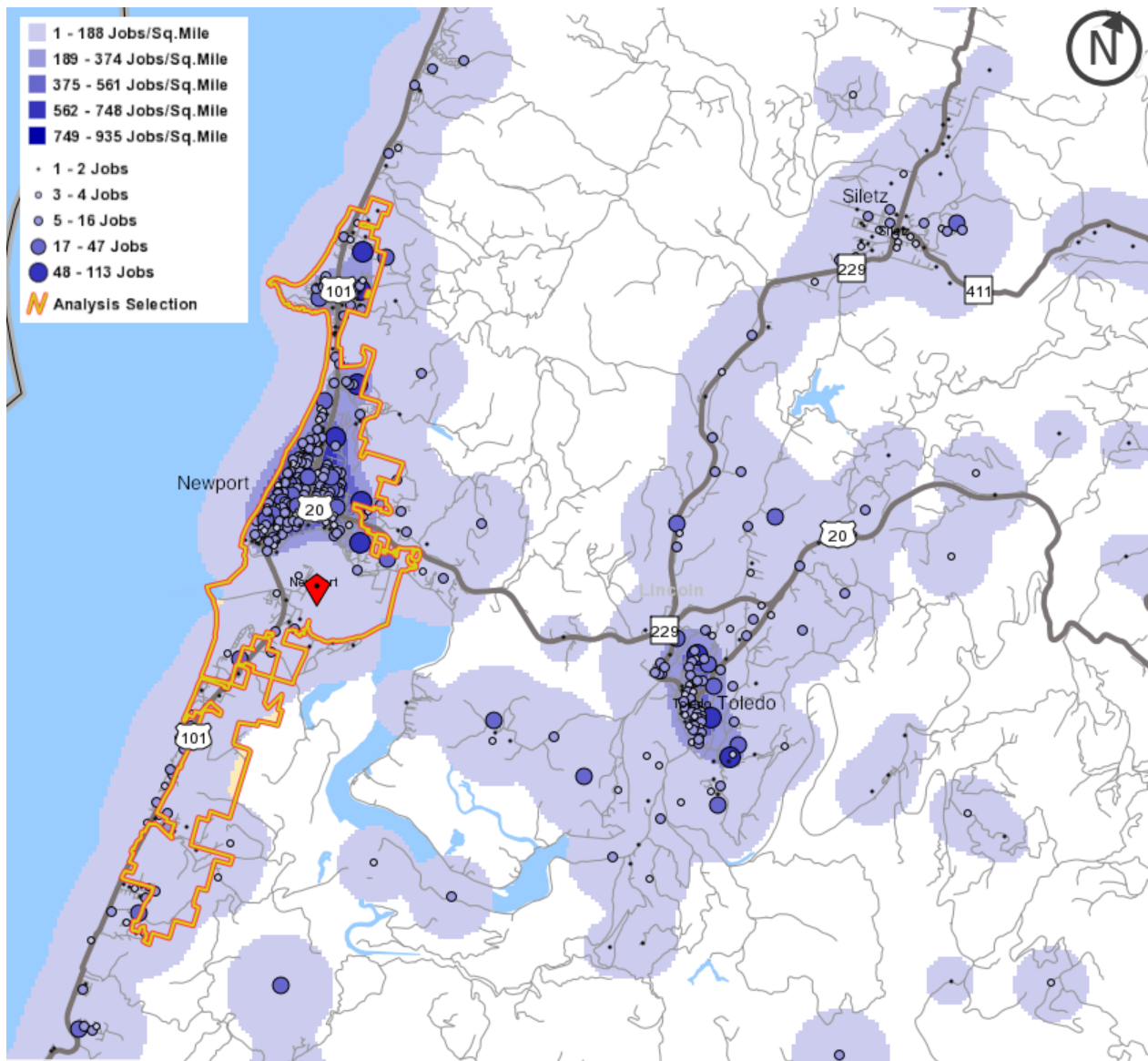
**Table B-7. Places where workers in Newport lived, 2008**

Location	Number	Percent
Lincoln County	4,501	70%
Newport	1,968	31%
Toledo	654	10%
Lincoln City	181	3%
Lane County	335	5%
Benton County	219	3%
Linn County	218	3%
All other counties	1,136	18%
<b>Total</b>	<b>6,409</b>	<b>100%</b>

US Census Bureau, LED Origin-Destination Data Base (2008)

Note: "All other counties" include, but are not limited to Marion, Washington, Multnomah, Clackamas, Jackson, and Deschutes County. There are 100 or fewer residents commuting from each of these counties.

**Figure B-7. Places where workers in Newport lived, 2008**



The information in the preceding tables show that Newport is a regional economic center, with about 6,400 people who work in the City. About half of working residents of Newport work in Newport but only 30% of Newport's workers also live in Newport. This shows Newport is a net-importer of workers, with 70% of the City's workforce commuting from outside the City and about 30% of workers commuting from outside Lincoln County.

## VACANCY AND SECOND HOMES

The Joint Center for Housing Studies suggests that an aging population, baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years. A recent survey of baby boomers showed that more than a quarter plan to relocate into larger homes and 5% plan to move to smaller homes.

The younger baby boomers face challenges resulting from the decrease in housing values, which has left many households with mortgages that are higher than the worth of the house. It may take years for the value of these houses to equal or exceed the value of the mortgage. Second home demand among upper-income homebuyers of all ages also continues to grow, many of whom may be younger baby boomers. The ability to purchase second homes may be negatively affected by diminished earnings and lack of equity in primary homes.

It is unclear what housing choices the echo boomers will make. Some studies suggest that their parents' negative experience in the housing market, with housing values dropping so precipitously and so many foreclosures, will make echo boomers less likely to become homeowners. In addition, high unemployment and underemployment may decrease echo boomers' earning power and ability to save for a down payment. It is not clear, however, that echo boomers' housing preferences will be significantly different from their parents over the long run.

Table B-8 shows that vacancy rates in Newport ranged from about 13.6% in 1990 to 18.3% in 2000, and 19.4% in the 2005-2009 period. The apparent increase in vacancy rates in Newport suggests that vacancies for seasonal or recreational use have become more common over time.

**Table B-8. Vacancy Status for Newport  
1990, 2000, 2005-2009**

	1990	2000	2005- 2009
Occupied	86%	82%	81%
Vacant	14%	18%	19%
For Sale	1%	2%	1%
For Rent	2%	6%	2%
Seasonal	6%	9%	16%
Other	4%	2%	1%

Source: U.S. Census 1990 SF3 H005, 2000 SF 3 H5, and American Community Survey 2005-2009 B25004

Newport’s vacancy rate is higher than the State average. In 2000, the Oregon average vacancy rate was 8% and during the 2005-2009 period it was 9%. About 3% of Oregon’s dwellings were vacant for seasonal uses in 2000 and the 2005-2009 period.

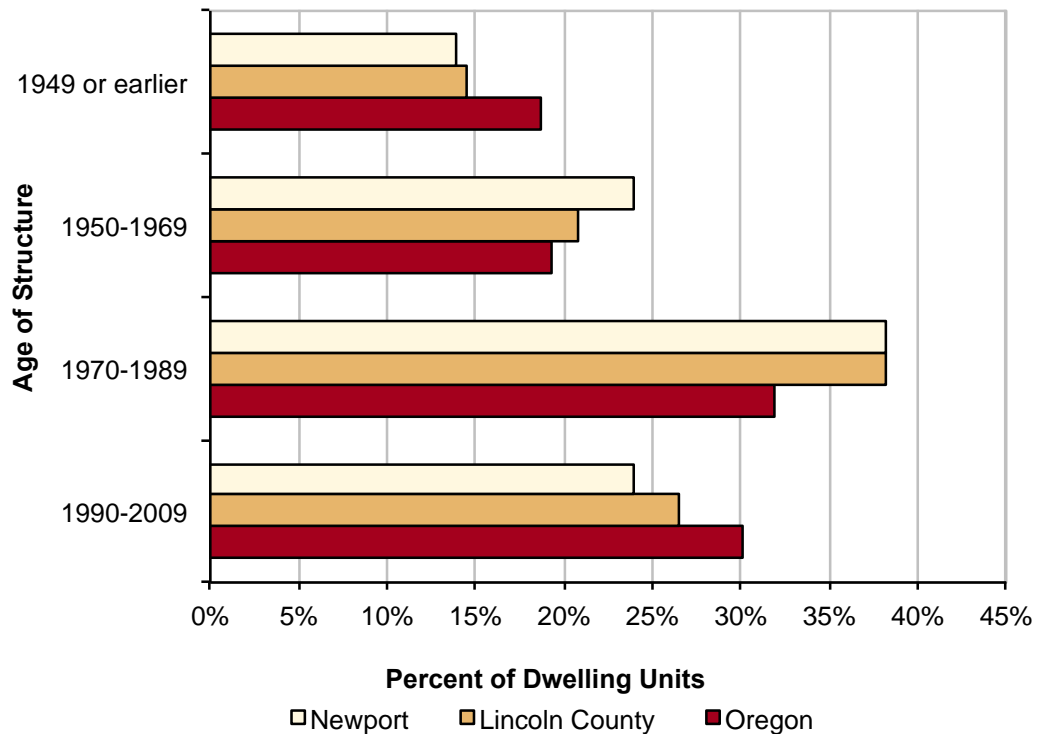
## AGE OF HOUSING STOCK

Anecdotal information from City staff and housing stakeholders suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters’ willingness to rent in Newport.

Information about the condition of rental housing in Newport is not generally available. The age of housing stock is one indication of housing condition. Figure B-8 shows the age of the housing stock in Oregon, Lincoln City, and Newport. Figure B-8 shows that a larger share of Newport’s housing stock was built between 1950 and 1969 (38%) compared to the State average (32%). A smaller share of Newport’s housing stock was built between 1990 to 2009 (24%) compared to the State average (30%).

According to Census data, the median year built for Newport’s housing stock was 1976, with the median year built for owner-occupied housing of 1978 and the median year built for renter-occupied housing of 1974. On average, renter-occupied housing is about four years younger than owner-occupied housing. For comparison, the median year built for housing in Oregon is 1976 for both owner-occupied housing and renter-occupied housing.

**Figure B-8. Age of Housing Stock, Oregon, Lincoln County, and Newport, 2005-2009**



Source: U.S. Census American Community Survey 2005-2009 B25034  
 Note: The information above includes age of all housing, including vacant housing.

## HOUSING AFFORDABILITY

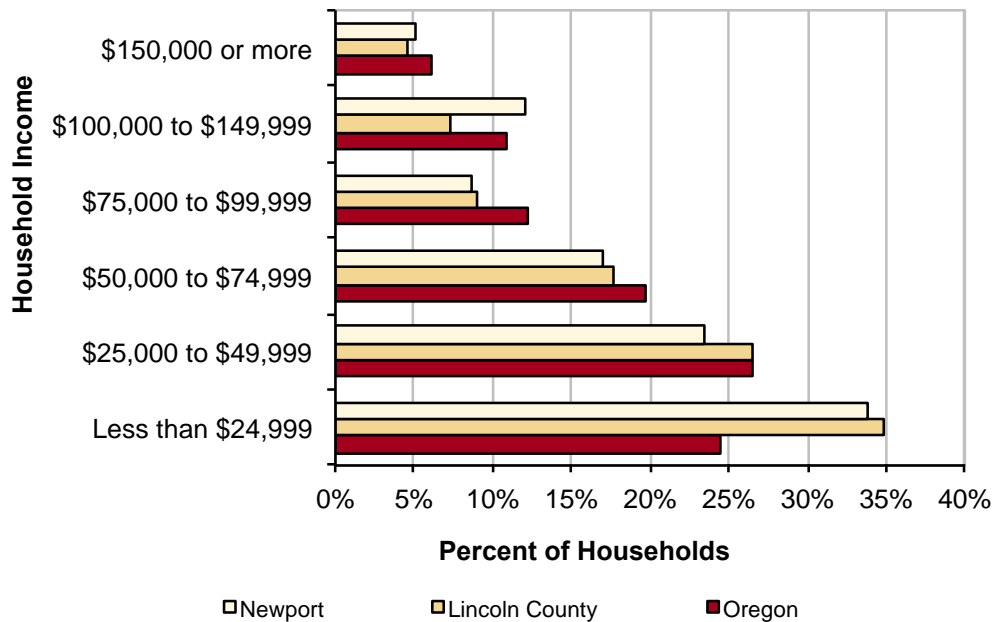
### INCOME

This section summarizes regional and local income and housing cost trends. Income is one of the key determinants in housing choice and households' ability to afford housing. A review of historical income and housing price trends provides insights into the local and regional housing markets.

Figure B-9 shows the distribution of household income in Oregon, Lincoln County, and Newport for the 2005-2009 period. Newport and Lincoln County generally had a larger share of households with income of \$50,000 or less (57% and 61% respectively) compared with the State average (51%). Newport had a similar share of households with income over \$100,000 as the State (17%)



**Figure B-9. Household Income, Oregon, Lincoln County, and Newport, 2005-2009**



Source: American Community Survey, 2005-2009; Table B19001

A typical standard used to determine housing affordability is that a household should pay no more than a certain percentage of household income for housing, including payments and interest or rent, utilities, and insurance. HUD guidelines indicate that households paying more than 30% of their income on housing experience “cost burden” and households paying more than 50% of their income on housing experience “severe cost burden.” Using cost burden as an indicator is consistent with the Goal 10 requirement of providing housing that is affordable to all households in a community.

According to the U.S. Census, about 7,700 households in Lincoln County – over 40% – paid more than 30% of their income for housing expenses in the 2005-2009 period. Table B-9 shows housing costs as a percent of income by tenure for Newport households during the 2005-2009 period. The data show that about 39% of Newport households experienced cost burden during the 2005-2009 period. The rate was much higher for renters (51%) than for homeowners (30%).

**Table B-9. Housing cost as a percentage of household income, Newport, 2005-2009**

Percent of Income	Owners		Renters		Total	
	Number	Percent	Number	Percent	Number	Percent
Less than 20%	1,183	46%	472	28%	1,655	39%
20% - 24%	320	12%	125	7%	445	10%
25% - 29%	284	11%	239	14%	523	12%
30% - 34%	130	5%	179	10%	309	7%
35% or more	644	25%	698	41%	1,342	31%
<b>Total</b>	<b>2,561</b>	<b>100%</b>	<b>1,713</b>	<b>100%</b>	<b>4,274</b>	<b>100%</b>
<b>Cost Burden</b>	<b>774</b>	<b>30%</b>	<b>877</b>	<b>51%</b>	<b>1,651</b>	<b>39%</b>

Source: American Community Survey 2005-2009 B25070 B25091

In comparison, 40% of Lincoln County’s households were cost burdened during the 2005-2009 period, with 55% of renter households cost burdened and 33% of owner households cost burdened. The State average of cost burden was 39%, with 50% of renter households cost burdened and 33% of owner households cost burdened.

While cost burden is a common measure of housing affordability, it does have some limitations. Two important limitations are:

- A household is defined as cost burdened if the housing costs exceed 30% of their income, regardless of actual income. The remaining 70% of income is expected to be spent on non-discretionary expenses, such as food or medical care, and on discretionary expenses. Households with higher income may be able to pay more than 30% of their income on housing without impacting the household’s ability to pay for necessary non-discretionary expenses.
- Cost burden compares income to housing costs and does not account for accumulated wealth. As a result, the estimate of how much a household can afford to pay for housing does not include the impact of accumulated wealth a household’s ability to pay for housing. For example, a household with retired people may have relatively low income but may have accumulated assets (such as profits from selling another house) that allow them to purchase a house that would be considered unaffordable to them based on the cost burden indicator.

Cost burden describes the amount that a household pays for shelter. Households have other necessary expenses, such as food, transportation, clothing, utilities, health care, other necessities, as well as optional expenses, such as recreation. Cost burden decreases the amount of income available to pay for necessary expenses. The cost of necessities varies throughout Oregon and affects a household’s ability to live in a given City.

- Annual average household expenditures in Newport is about \$38,100, not including housing.
- Newport's expenditures is about the same or higher than small cities in the Willamette Valley. For example, average household expenditures in Lebanon is about \$33,400 (\$4,700 less than Newport), \$32,900 in Cottage Grove (\$5,200 less than Newport), or \$39,300 in Silverton (\$1,200 more than Newport).
- Expenditures in Newport are comparable to expenses in larger cities in the Willamette Valley. Average household expenditures in Eugene and Salem are \$39,300 (\$1,200 more than Newport) and \$38,000 in Corvallis (\$200 less than Newport).
- The types of expenses that are most frequently higher in Newport than in the smaller cities in the Willamette Valley are transportation (including gasoline), food, utilities, and health care.<sup>8</sup>

Cost burden is only one indicator of housing affordability. Another way of exploring the issue of financial need is to review wage rates and housing affordability. Table B-10 shows an illustration of affordable housing wage and rent gap for households in Lincoln County at different percentages of median family income (MFI). The data are for a typical family of four. The results indicate that a household must earn \$14.60 an hour to afford a two-bedroom unit according to HUD's market rate rent estimate.

**Table B-10. Illustration of affordable housing wage and rent gap by HUD income categories for a two-bedroom rental unit, Lincoln County, 2010**

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2080	2080	2080	2080	2080	2080
Derived Hourly Wage	\$8.40	\$7.21	\$12.02	\$19.23	\$24.04	\$28.85
Annual Wage At Minimum Wage	\$17,472	\$15,000	\$25,000	\$40,000	\$50,000	\$60,000
Annual Affordable Rent	\$5,242	\$4,500	\$7,500	\$12,000	\$15,000	\$18,000
Monthly Affordable Rent	\$437	\$375	\$625	\$1,000	\$1,250	\$1,500
HUD Fair Market Rent (2 Bedroom)	\$759	\$759	\$759	\$759	\$759	\$759
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	No	No	No	No
Rent Paid Monthly OVER 30% of Income	\$322	\$384	na	na	na	na
Rent Paid Annually OVER 30% of Income	\$3,866.40	\$4,608	na	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	22%	31%	na	na	na	na
Total Spent on Housing	52%	61%	36%	23%	18%	15%
For this area what would the "Affordable Housing Wage" be?	\$14.60	\$14.60	\$14.60	\$14.60	\$14.60	\$14.60
<b>The Affordable Housing Wage Gap IS:</b>	<b>\$6.20</b>	<b>\$7.38</b>	<b>\$2.58</b>	<b>na</b>	<b>na</b>	<b>na</b>

Source: U.S. Department of Housing and Urban Development, <http://www.huduser.org/DATASETS/il/il09/index.html>, <http://www.huduser.org/datasets/fmr.html>

MFI: Median family income, FMR: Fair market rent

<sup>8</sup> The information about expenses is from the Oregon Prospector web site, the State of Oregon's economic development web site. For more information, see: <http://oregonprospector.com/>

Table B-11 shows this same analysis for the year 2000 in Lincoln County. The affordable housing wage gap during the 2005-2009 period was larger than it was in 2000 for those earning minimum wage or 30% MFI. The affordable housing hourly wage increased from \$9.88 to \$14.60 over the 10-year period, an increase of nearly \$5 or nearly 50%.

**Table B-11. Illustration of affordable housing wage and rent gap by HUD income categories for a two-bedroom rental unit, Lincoln County, 2000**

Value	Minimum Wage	30% MFI	50% MFI	80% MFI	100% MFI	120% MFI
Annual Hours	2080	2080	2080	2080	2080	2080
Derived Hourly Wage	\$6.50	\$5.22	\$8.70	\$13.92	\$17.40	\$20.88
Annual Wage At Minimum Wage	\$13,520	\$10,860	\$18,100	\$28,960	\$36,200	\$43,440
Annual Affordable Rent	\$4,056	\$3,258	\$5,430	\$8,688	\$10,860	\$13,032
Monthly Affordable Rent	\$338	\$272	\$453	\$724	\$905	\$1,086
HUD Fair Market Rent (2 Bedroom)	\$514	\$514	\$514	\$514	\$514	\$514
Is HUD Fair Market Rent Higher Than The Monthly Affordable Rent?	Yes	Yes	No	No	No	No
Rent Paid Monthly OVER 30% of Income	\$176	\$243	na	na	na	na
Rent Paid Annually OVER 30% of Income	\$2,112.00	\$2,910	na	na	na	na
Percentage of Income Paid OVER 30% of Income for Rent	16%	27%	na	na	na	na
Total Spent on Housing	46%	57%	34%	21%	17%	14%
For this area what would the "Affordable Housing Wage" be?	\$9.88	\$9.88	\$9.88	\$9.88	\$9.88	\$9.88
<b>The Affordable Housing Wage Gap IS:</b>	<b>\$3.38</b>	<b>\$4.66</b>	<b>\$1.18</b>	<b>na</b>	<b>na</b>	<b>na</b>

Source: U.S. Department of Housing and Urban Development, <http://www.huduser.org/DATASETS/il/il09/index.html>, <http://www.huduser.org/datasets/fmr.html>  
MFI: Median family income, FMR: Fair market rent

Table B-12 shows a rough estimate of affordable housing cost and units by income levels for Newport during the 2005-2009 period based on Census data about household income, the value of owner occupied housing in Newport, and rental costs in Newport. Several points should be kept in mind when interpreting this data:

- Affordable monthly housing costs and estimate of affordable purchase prices are based on HUD income standards and assume that a household will not spend more than 30% of household income on housing costs. Some households pay more than 30% of household income on housing costs, generally because they are unable to find more affordable housing or because wealthier households are able to pay a larger share of income for housing costs.
- HUD's affordability guidelines for Fair Market Rent are based on median family income and provide a rough estimate of financial need. These guidelines may mask other barriers to affordable housing such as move-in costs, competition for housing from higher income households, and availability of suitable units. They also ignore other important factors such as accumulated assets, purchasing housing as an investment, and the effect of down payments and interest rates on housing affordability.
- Households compete for housing in the marketplace. In other words, affordable housing units are not necessarily *available* to low income

households. For example, if an area has a total of 50 dwelling units that are affordable to households earning 30% of median family income, 50% of those units may already be occupied by households that earn more than 30% of median family income.

The data in Table B-13 indicate that in the 2005-2009 period:

- About 19% of Newport households could not afford a studio apartment according to HUD's estimate of \$521 as fair market rent;
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759;
- A household earning median family income (\$50,000) could afford a home valued up to about \$125,000.

**Table B-12. Rough estimate of housing affordability, Newport, 2005-2009**

Income Level	Number of HH	Percent	Affordable Monthly Housing Cost	Crude Estimate of Affordable Purchase Owner-Occupied Unit	Est. Number of Owner Units	Est. Number of Renter Units	Surplus (Deficit)	HUD Fair Market Rent (FMR) in 2008
Less than \$10,000	528	12%	\$0 to \$250	\$0 to \$25,000	210	65	(253)	
\$10,000 to \$14,999	317	7%	\$250 to \$375	\$25,000 to \$37,000	33	140	(145)	
\$15,000 to \$24,999	659	15%	\$375 to \$625	\$37,500 to \$62,500	27	531	(101)	Studio: \$521
\$25,000 to \$34,999	416	9%	\$625 to \$875	\$62,500 to \$87,500	47	615	246	1 bdrm: \$595
\$35,000 to \$49,999	628	14%	\$875 to \$1,250	\$87,500 to \$125,000	135	309	(184)	2 bdrm: \$759
\$50,000 to \$74,999	759	17%	\$1,250 to \$1,875	\$125,000 to \$187,500	366	60	(334)	3 bdrm: \$1,052
Lincoln Count 2010 MFI: \$50,000			\$1,250	\$150,000				4 bdrm: \$1,188
\$75,000 to \$99,999	384	9%	\$1,875 to \$2,450	\$187,500 to \$245,000	426	35	77	
\$100,000 to \$149,999	536	12%	\$2,450 to \$3,750	\$245,000 to \$375,000	579	11	54	
\$150,000 or more	226	5%	More than \$3,750	More than \$375,000	854	11	639	
Total	4,453	100%			2,676	1,777	0	

Sources: American Community Survey 2005-2009, HUD Section 8 Income Limits, HUD Fair Market Rent. Based on Oregon Housing & Community Services. Housing Strategies Workbook: *Your Guide to Local Affordable Housing Initiatives*, 1993.

Notes: FMR-Fair market rent; bdrm - bedrooms

The conclusion based on the data presented in Table B-13 is that in the 2005-2009 period, Newport had a deficit of nearly 500 affordable housing units for households that earn less than \$5,000 annually. The next section examines changes in housing cost between 2000 and 2009.

## CHANGES IN HOUSING COSTS

### HOUSING VALUES

Table B-14 shows change in median housing value in Lincoln County and Newport for the 1990 to 2000 period and 2000 to 2005-2009 period. Housing prices nearly doubled between 1990 and 2000 in Newport from \$68,400 in 1990 to \$132,100 in 2000, increasing by more than \$63,000 or 93%. Lincoln

County's housing prices increased by almost \$68,000 or 98% over the same period.

Between 2000 and the 2005-2009 period, Newport's housing prices doubled again from \$132,100 in 2000 to nearly \$264,000 during the 2005-2009 period, increasing by just under \$132,000 or 100%. Lincoln County's housing prices increased by \$96,600 or 71% over the same period.

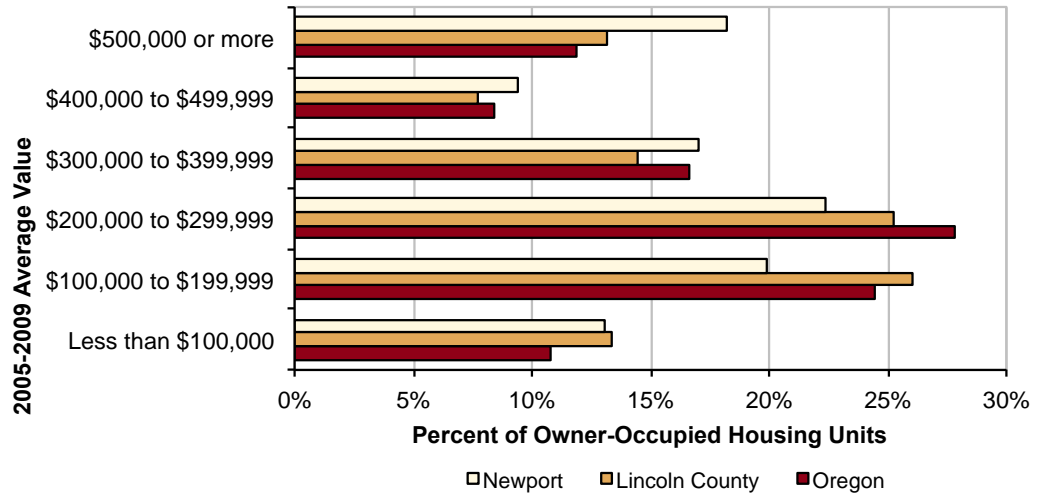
**Table B-13. Median housing value, owner-occupied housing units, Lincoln County and Newport, 1990 to 2005-2009**

Year	Lincoln County	Newport
1990	\$69,100	\$68,400
2000	\$136,900	\$132,100
2005-2009	\$233,500	\$263,900
<b>Change 1990 to 2000</b>		
Amount	\$67,800	\$63,700
Percent	98%	93%
<b>Change 2000 to 2005-2009</b>		
Amount	\$96,600	\$131,800
Percent	71%	100%

Source: U.S. Census 1990 H061A, U.S. Census 2000 SF3 H85, U.S. Census American Community Survey 2005-2009 B25077

Figure B-10 shows a comparison of housing value for owner-occupied housing units in Oregon, Lincoln County, and Newport for the 2005-2009 period. Newport had a smaller share of housing valued between \$200,000 to \$400,000 (39%), compared to the State (45%). Newport had a smaller share of housing valued less than \$200,000 (13%) than the State (35%). Newport had a larger share of housing valued more than \$400,000 (28%) than the State (20%) or County (21%).

**Figure B-10. Housing value, owner-occupied housing units, Oregon, Lincoln County, and Newport, 2005-2009**



Source: American Community Survey, 2005-2009; Table B25075

Table B-14 shows change in the average sales price by housing type for Newport, based on sales recorded in the Multiple Listing Service (MLS), a tool used by real estate agents for selling residential properties. Table B-14 shows:

- **Single-family dwellings** accounted for 64% of dwellings sold over the 10-year period. Average single-family prices increased from about \$158,700 in 2000 to \$233,200 in 2010, an increase of \$74,500 or 47%. Single family sales prices peaked in 2007 (at \$348,800) and decreased by 33% between 2007 and 2010.
- **Manufactured dwellings** accounted for 13% of dwellings sold over the 10-year period. Average single-family prices increased from about \$80,900 in 2000 to \$125,300 in 2010, an increase of \$44,400 or 55%. Manufactured dwelling sales prices peaked in 2007 (at \$174,200) and decreased by 28% between 2007 and 2010.
- **Condominium or Town Homes** accounted for 23% of dwellings sold over the 10-year period. Average single-family prices increased from about \$99,700 in 2000 to \$170,000 in 2010, an increase of \$70,300 or 71%. Condominium and town home sales prices peaked in 2008 (at \$366,200) and decreased by 54% between 2008 and 2010.

**Table B-14. Average sales price by housing type, Newport, 2000 to 2010**

Year	Single-family dwellings		Manufactured		Condominium or Town Home	
	Number Sold	Average Sales Price	Number Sold	Average Sales Price	Number Sold	Average Sales Price
2000	87	\$158,697	28	\$80,909	39	\$99,692
2001	94	\$164,561	15	\$83,533	25	\$148,864
2002	125	\$171,762	18	\$83,475	35	\$166,521
2003	122	\$193,193	30	\$97,747	27	\$207,030
2004	181	\$222,348	26	\$116,948	33	\$233,048
2005	152	\$270,998	36	\$124,810	49	\$233,310
2006	123	\$330,555	22	\$154,350	54	\$257,899
2007	88	\$348,803	14	\$174,171	66	\$320,619
2008	62	\$282,404	11	\$146,455	21	\$366,186
2009	60	\$279,381	7	\$150,200	38	\$253,824
2010	62	\$233,218	20	\$125,300	22	\$170,018
<b>Total Units Sold 2000 to 2010</b>						
Number of Units	1,156		227		409	
% of All Units Sold	64%		13%		23%	
Average Annual Sold	105		21		37	
<b>Change in Average Sales Price 2000 to 2010</b>						
Amount		\$74,521		\$44,391		\$70,326
Percent Change		47%		55%		71%

Source: Multiple Listing Service (MLS), 2011

The housing prices shown in Table B-14 are average sales prices, which can be affected by unusually high or low sales price. For example, the sale of one or two relatively expensive dwellings (e.g., dwellings worth more than \$500,000) can increase the overall average sales price for the year. In addition, the average sales prices over the 2007 to 2010 period may be especially low if homeowners of high priced homes have chosen to wait to sell their home until the housing market recovers.

## HOUSING RENTAL COSTS

Table B-15 shows the median contract rent for Lincoln County cities. Median contract rent in Newport was \$586 during the 2005-2009 period. The highest median contract rents from the 2005-2009 Community Survey were in Yachats and Depoe Bay. The lowest median contract rents were in Siletz and Waldport.



**Table B-15. Median contract rent, Lincoln County cities, 2005-2009**

Location	Rent
Siletz	\$317
Waldport	\$539
Lincoln City	\$556
Toledo	\$562
Lincoln County	\$572
<b>Newport</b>	<b>\$586</b>
Depoe Bay	\$608
Yachats	\$700

Source: U.S. American Community Survey 2005-2009 B25058

Table B-16 shows median contract rent for Lincoln County and Newport in 1990, 2000 and the 2005-2009 period. Rent increased from 2000 to 2005-2009 by \$74 (14%) in Newport, and \$62 (12%) in Lincoln County.

**Table B-16. Median contract rent, Lincoln County and Newport, 1990 to 2005-2009**

	Lincoln County	Newport
1990*	\$376	\$380
2000	\$510	\$512
2005-2009	\$572	\$586
<b>Change 2000 to 2005-2009</b>		
Amount	\$62	\$74
Percent	12%	14%

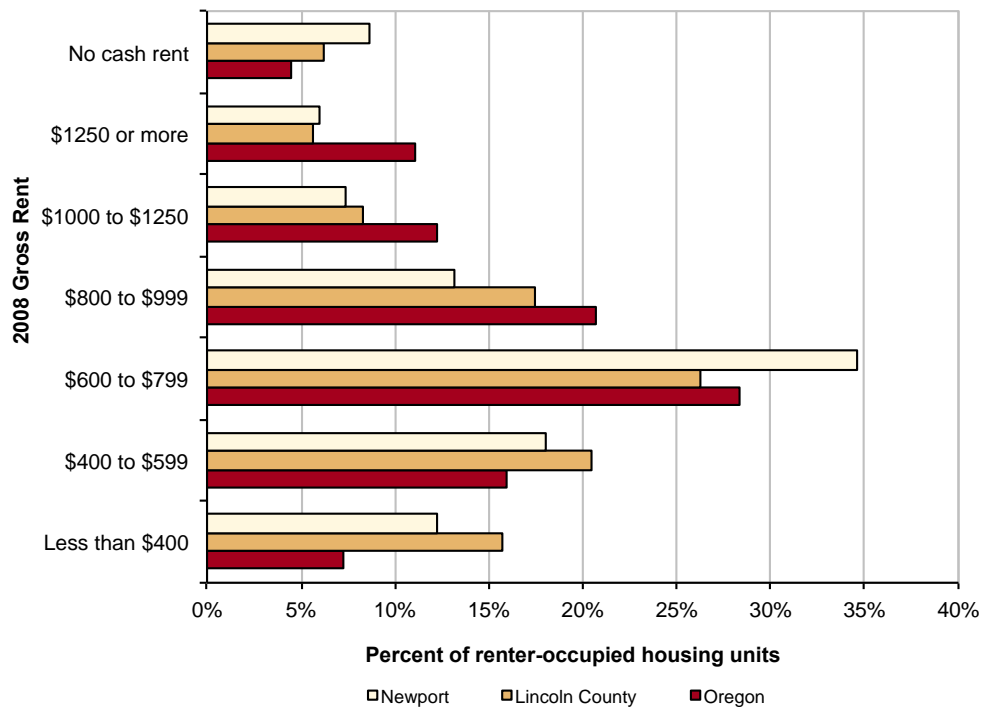
Source: U.S. Census 2000 SF3 H56, U.S. Census 1990 H032B  
American Community Survey 2005-2009 B25058

\* Note, 1990 is median GROSS rent, not contract rent.

Figure B-11 shows a comparison of gross rent<sup>9</sup> for renter-occupied housing units in Oregon, Lincoln County, and Newport in the 2005-2009 period. Newport had a larger share of rental units costing less than \$800 per month (65%) than the State average (51%) and the County average (62%). Newport had a smaller share of rental units costing between \$800 to \$1,250 per month (21%) than the County average (26%) or the State average (33%).

<sup>9</sup> The U.S. Census defines gross rent as “The amount of the contract rent plus the estimated average monthly cost of utilities (electricity, gas, and water and sewer) and fuels (oil, coal, kerosene, wood, etc.) if these are paid for by the renter (or paid for the renter by someone else).”

**Figure B-11. Gross rent, renter-occupied housing units, Oregon, Lincoln County, and Newport, 2005-2009**



Source: American Community Survey, 2005-2009; Table B25063

The implications of the data shown above are that ownership costs are increasing much faster than rents and incomes. Table B-17 underscores this trend for Newport. Between 1990 and 2000, incomes increased about 33% while median owner value increased 117%. Rents increased 51%. Since 2000, the data show housing costs have increased faster than incomes, with a 31% increase in median household income, compared to a 14% increase in median rents and 77% increase in median owner value. Finally, the results show that the median owner value was 2.8 times median household income in 1989 – a figure that increased to 6.3 during the 2005-2009 period.

**Table B-17. Comparison of income, housing value, and gross rent, Newport, 1990, 2000, and 2005-2009**

Indicator	1989	1999	2005-2009	Change	
				1989 to 1999	1999 to 2005-2009
Median HH Income	\$ 24,137	\$ 31,996	\$ 41,896	33%	31%
Median Family Income	\$ 30,510	\$ 36,682	\$ 57,004	20%	55%
Median Owner Value	\$ 68,400	\$ 148,700	\$ 263,900	117%	77%
Median Gross Rent	\$ 380	\$ 572	\$ 651	51%	14%
Percent of Units Owned	54%	51%	58%		
<b>Ratio of Housing Value to Income</b>					
Median HH Income	2.8	4.6	6.3		
Median Family Income	2.2	4.1	4.6		

Source: U.S. Census 1990 SF1 P080A P107A P114A P117, SF3 H008 H043A H061A, U.S. Census 2000 SF1 P53 P77 P82 P87, SF3 H7 H63 H76, American Community Survey 2005-2009 B19013 B19113 B19301 B17001 B25003 B25064 B25077

Table B-18 compares income, housing value, and gross rent for Oregon in 1990, 2000, and the 2005-2009 period. Between 1990 and 2005-2009, the ratio of housing value/household income doubled from 2.5 to 5.0.

**Table B-18. Comparison of income, housing value, and gross rent, Oregon, 1990, 2000, and 2005-2009**

Indicator	1989	1999	2005-2009	Change	
				1989 to 1999	1999 to 2005/09
Median HH Income	\$ 27,250	\$ 40,916	\$ 49,033	50%	20%
Median Family Income	\$ 32,336	\$ 48,680	\$ 60,025	51%	23%
Median Owner Value	\$ 66,800	\$ 152,100	\$ 244,200	128%	61%
Median Gross Rent	\$ 408	\$ 620	775	52%	25%
Percent of Units Owned	63%	64%	64%		
<b>Ratio of Housing Value to Income</b>					
Median HH Income	2.5	3.7	5.0		
Median Family Income	2.1	3.1	4.1		

Source: U.S. Census 1990 SF1 P080A P107A P114A P117, SF3 H008 H043A H061A, U.S. Census 2000 SF1 P53 P77 P82 P87, SF3 H7 H63 H76, American Community Survey 2005-2009 B19013 B19113 B19301 B17001 B25003 B25064 B25077

## SUMMARY OF KEY HOUSING AFFORDABILITY TRENDS

### Newport's housing affordability decreased

- In 2010, a household must earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.

### Newport's housing costs increased substantially

- Newport's median housing value doubled between 2000 and the 2005-2009 period. Lincoln County's housing prices increased by 71% over the same period.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.

- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,00 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period

**Housing costs are increasing much faster than rents and incomes.**

- Since 2000, median owner value increased 77%, compared to a 31% increase in median household income, and a 14% increase in median rents.
- The ratio of housing value to household income increased from 2.8 in 1989 to 6.3 during the 2005-2009 period. Across the state, the ratio increased from 2.5 to 5.0.

## **SUMMARY OF GOVERNMENT SUBSIDIZED HOUSING IN NEWPORT**

Governmental agencies and nonprofit organizations offer a range of housing assistance to low- and moderate-income households in renting or purchasing a home include:

- **Section 8 voucher system** allows very low-income families (including elderly and disabled) to choose where they want to live by providing rental certificates that limit tenants' rent to 30% of their monthly income. The program is administered by local housing authorities; HUD pays participating landlords the difference between market rent, as determined by HUD, and what the family is able to pay. Qualified Section 8 participants may use their vouchers to pay rent or participate in lease-to-own or homeownership programs.
- **Public housing** is government-provided low cost housing in multi-unit complexes that are available to low-income, mostly elderly or disabled, residents. Managed by local housing authorities, typically require tenants to pay no more than 30% of their monthly income for rent.
- **HUD landlord subsidies** give funds directly to apartment owners, who lower the rents they charge low-income tenants. Some units are designed for senior citizens or people with disabilities, others for families and individuals.
- **Section 202** provides housing for low-income senior citizens and often includes services such as meals, transportation, and accommodations for the disabled. Programs are sponsored on a

complex-by-complex basis by non-profit organizations or consumer cooperatives.

- **Subsidized mortgages programs** are state-sponsored programs that reduce the interest rate for homes purchased within the state to qualified low-income first-time homebuyers. Other programs that offer low interest rate loans include:
  - **Veteran's Affairs loans** are home loans offered to eligible veterans, some military personnel, and certain surviving spouses. The VA can guarantee part of a loan from a private lender, and can issue loans for building, repairing, and improving homes, loans for refinancing existing loans, and special grants for retrofitting a home to accommodate a disability.
  - **Other homeownership assistance** include a variety of down payment assistance programs run by states, counties, cities, business organizations, and non-profit organizations for low-income families. To be eligible the buyer must qualify for a mortgage with a lender, complete a certified home ownership education program and, in most cases, have some money from their own resources as the match for the down payment assistance.

Nonprofit organizations provide a wide variety of housing assistance to low-income households and individuals. Nonprofits provide assistance with renting or purchasing housing, as well as services (such as emergency food, low-cost medical services, or transportation assistance). The types of housing assistance that nonprofits provide vary by community and may include:

- **Homeless shelters/ temporary housing programs** that serve the temporarily or long-term homeless population and may be run by non-profit organizations, churches, or cities.
- **Rentals with services** may serve special low-income populations, such as the disabled, elderly, chronically homeless, or ex-offender populations, with housing and associated services, such as meals, assistance finding employment, and alcohol or drug treatment programs.
- **Below market rent rentals units** may be developed as part of a city or county's requirement for developers to rent a certain percentage of units in new development at below market rate prices affordable to lower income renters, and are also developed by non-profit organizations. To be eligible to rent these types of units, a household

must meet specific income requirements and units rented through these programs may be subject to resale restrictions. It is important to note that by Oregon law this currently is not possible.

- **Lease-to-own programs** allow qualified buyers to select a home and lease it, usually from a non-profit organization, then purchase the home and assume the mortgage at the end of the lease term. These programs often lock in the purchase price when the participant begins the lease, and most only allow the participant to lease the home for a limited time.
- **Sweat equity programs** require the homebuyer's participation in the construction of the housing. The sweat equity and labor contributions by the homebuyers and volunteers significantly reduce the cost of the housing. Sweat equity programs may be run by non-profit organizations such as Habitat for Humanity International, and may be the recipient of HUD SHOP grants, which are provided to national and regional nonprofit organizations that have experience in providing self-help housing to purchase land and make improvements on infrastructure.

The City of Newport has a variety of publicly and privately assisted housing options. As of 2010, the Lincoln County Housing Authority (LCHA) provided 497 vouchers to households throughout the County. The waiting period between application and acceptance into the Section 8 program ranges from one to two years.

Table B-19 lists the assisted housing options currently available in Newport. In 2010, the Lincoln County Housing Authority managed 76 public housing units for families, seniors and persons with disabilities. In addition to its Public Housing facilities, the LCHA owns or operates 100 senior and family housing units through public-private partnerships.

Private and nonprofit housing agencies in the Newport area include: the Community Services Consortium, the Community Development Corporation of Lincoln County, and the Legacy Management Group, LLC. These agencies provide subsidized rental services to low- and moderate-income households in the Newport area. The Community Services Consortium manages the Tern House - a six-unit transition-housing program for single homeless adults.

**Table B-19. Number of Affordable Housing Units, Newport, 2010**

Name of Development	Number of affordable units	Population segment served
Yaquina Breeze	9	Low-income families and individuals
Salmon Run	40	Low-income families and individuals
Agate Heights	44	Low-income families and individuals
Newport Apts	52	Low-income families and individuals
Public Housing	76	Low-income families and individuals
Mariner Heights	16	Seniors (62+) and people with disabilities
Big Creek Point Apts	47	Seniors (62+) and people with disabilities
Tern House	6	Single homeless adults

County-wide efforts to address housing affordability issues include:

- **At Home in Lincoln County** is a 10-year housing plan that focuses on chronic homelessness. The plan describes Lincoln County’s housing affordability problems and proposes action steps to end homelessness in Lincoln County. These action steps go beyond issues that can be addressed through land use planning, including outreach to homeless persons and preventing homelessness before it starts.

The actions steps that are directly related to residential land use policies include: (1) preserving and increasing the supply of affordable housing and (2) ensure that housing policies encourage development of affordable housing through.

- Lincoln Community Land Trust is a nonprofit, community-based corporation committed to the stewardship and affordability of land housing and other buildings used for community benefit in perpetuity. The Land Trust does the following: (1) acquires and retails land, (2) offers long-term lease of land for housing users, (3) and other services. The Land Trust is initiating a study of workforce housing needs in the County during 2011, which the City of Newport is participating in.

## **MANUFACTURED HOME PARK INVENTORY**

Manufactured homes are and will be an important source of affordable housing within Newport in the future. They provide a form of homeownership that can be made available to low and moderate income households.

Generally, manufactured homes in parks are owned by the occupants who pay rent for the space. Monthly housing costs are typically lower for a homeowner in a manufactured home park for several reasons, including

the fact that property taxes levied on the value of the land are paid by the property owner rather than the manufactured home owner. The value of the manufactured home generally does not appreciate in the way a conventional home would, however. Manufactured home owners in parks are also subject to the mercy of the property owner in terms of rent rates and increases. It is generally not within the means of a manufactured home owner to relocate a manufactured home to escape rent increases. Living in a park is desirable to some because it can provide a more secure community with on-site managers and amenities, such as laundry and recreation facilities.

Cities are required to plan for manufactured homes – both on lots and in parks (ORS 197.475-492). According to the Census, the City had 680 manufactured homes in 1990 and 783 manufactured homes by the 2005-2009 period. According to Census data, 75% of the manufactured homes in the City were owner-occupied in the 2005-2009 period.

Table B-20 shows manufactured home parks in Newport. The City has six manufacture home parks, with 288 spaces. The majority of the parks are for seniors (aged 55 and older).

**Table B-20. Manufactured home parks in Newport, 2011**

	Park Type	Total Spaces	Vacant Spaces
Eastside Trailer Court	Family	32	0
Harbor Village Mobile Home Park & RV	Age 55+	53	0
Longview Hills MHC	Age 55+	169	2
Mulkey Trailer Park	Age 55+	14	0
Surfside Mobile Village	Age 55+	20	1
<b>Total</b>		<b>288</b>	<b>3</b>

Source: Oregon Manufactured Dwelling Park Directory, Oregon Housing and Community Services



## Appendix C National Housing Trends

The overview of national, state, and local housing trends builds from previous work by ECO, Urban Land Institute (ULI) reports, and conclusions from *The State of the Nation's Housing, 2010* report from the Joint Center for Housing Studies of Harvard University. The Harvard report summarizes the national housing outlook for the next decade as follows:

“Even as the worst housing market correction in more than 60 years appeared to turn a corner in 2009, the fallout from sharply lower home prices and high unemployment continued. By year’s end, about one in seven homeowners owed more on their mortgages than their homes were worth, seriously delinquent loans were at record highs, and foreclosures exceeded two million. Meanwhile, the share of households spending more than half their incomes on housing was poised to reach new heights as incomes slid. The strength of job growth is now key to how quickly loan distress subsides and how fully housing markets recover.”

The national housing market continues to suffer from high loan delinquencies and high foreclosure rates. The eventual recovery of the national housing market is dependent on near-term resolution of outstanding foreclosures and long-term job growth and expansion of the economy.

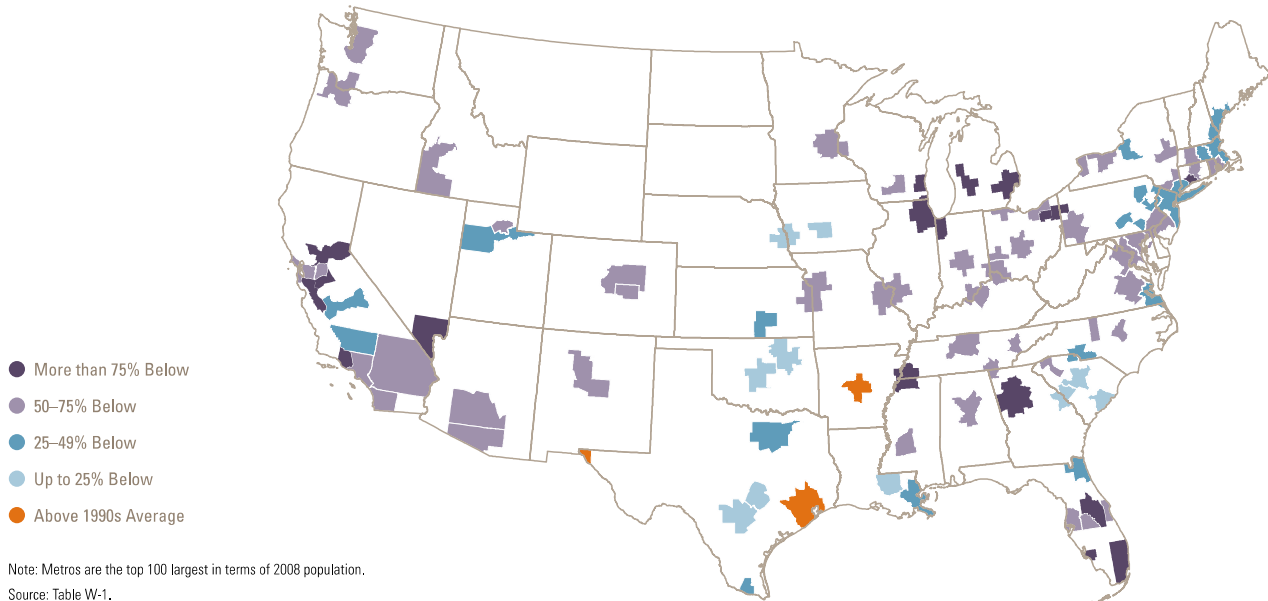
### C.1 RECENT TRENDS IN HOME OWNERSHIP AND DEMAND

The last three years saw a continuation of the significant departure from the recent housing boom that had lasted for 13 consecutive years (1992-2005). While strength in early 2005 pushed most national housing indicators into record territory, the market began to soften and sales slowed in many areas in the latter half of 2005. By 2006, higher prices and rising interest rates had a negative impact on market demand. Investor demand, home sales and single-family starts dropped sharply. Growth in national sales prices also slowed. By 2007 and early 2008, housing market problems had reached the rest of the economy, resulting in a nationwide economic slowdown and recession.

Conditions that had previously bolstered the housing market and promoted homeownership weakened in 2005 and eroded further in 2006 and 2007. Increasing interest rates and weakening housing prices combined

to slow the housing market. Figure C-5 shows that, using housing permits issued as a proxy for new home ownership, most major metropolitan areas had lower housing permit activity in 2009 than their average throughout the 1990s.

**Figure C-1. Housing permits in 2009 relative to 1990s annual average**



Source: The State of The Nation's Housing, 2010, The Joint Center for Housing Studies of Harvard University, p. 7.  
<http://www.jchs.harvard.edu/son/index.htm>

From 2000 to 2005 housing starts and manufactured home placements appeared to have been roughly in line with household demand. In 2005, with demand for homes falling but construction coming off record levels, the surplus of both new and existing homes was much higher than in recent years. Between July 2006 and January 2009, the number of new homes for sale fell by 41% and demand dropped even faster and the supply of new homes for sale reached 12.4 months, the highest in U.S. history. This resulted in a strong buyer's market, leaving many homes lingering on the market and forcing many sellers to accept prices lower than what they were expecting. Home sales showed strong growth in 2009 due to falling prices, the federal tax credit, and Federal Reserve activity. This increase was temporary, however, as sales slowed towards the end of 2009 and into 2010. Home sales fluctuated wildly throughout the first eight months of 2010, and the market is currently uncertain.

The Joint Center for Housing Studies predicts the oversupply will eventually balance as housing starts continue to fall, lower prices motivate unforeseen buyers, and the rest of the economy begins to recover. Housing

starts are down 28% since 2008 and fell below 500,000 in 2009, compared to just under 1 million in 2008, 1.5 million in 2007, 1.9 million in 2006, and 2.2 million in 2005.

The Joint Center for Housing Studies concludes that the cooling housing market in 2006 and the foreclosure crisis have had an immediate impact on homeownership. Homeownership peaked at 69.9% in 2005. After 13 successive years of increases, the national homeownership rate slipped in each year from 2005 to 2009 and is currently 67.4%, although the number of homeowners grew from in 2009 for the first time since 2006.

The number of delinquent loans or home foreclosures continues to increase. The share of severely delinquent loans ranged from 5.1% of prime fixed-rate mortgages to 42.5% of subprime adjustable rate mortgages in the first quarter of 2010. Delinquencies and foreclosures are concentrated by state, with more than one-quarter of delinquent loans and more than one-third of loans in foreclosure in California and Florida. Between early 2007 and the first quarter of 2010, 6.1 million foreclosure notices were issued on first-lien loans. In early 2010, the number of loans in the foreclosure process was 2.1 million, which was nearly four times the number of foreclosures in process three years earlier.

Since 2008, foreclosures have contributed to sharp decrease in housing prices, leaving nearly 5 million homeowners underwater on their mortgages (where the value of the house is less than the owner's mortgage). Home prices will have to increase by about 25% before these homes are worth as much as the amount owed on the mortgage.

## **C.2 LONG RUN TRENDS IN HOME OWNERSHIP AND DEMAND**

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The long-term market outlook shows that homeownership is still the preferred tenure. While further homeownership gains are likely during the next decade, they are not assured. Additional increases depend, in part, on the effect of foreclosures on potential owner's ability to purchase homes in the future, as well as whether the conditions that have led to homeownership growth can be sustained. The Urban Land Institute forecasts that homeownership will decline to the low 60 percent range by 2015.<sup>10</sup>

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<sup>10</sup>John McIlwain, "Housing in America: The Next Decade," Urban Land Institute

The Joint Center for Housing Studies indicates that demand for new homes could total as many as 17 million units nationally between 2010 and 2020. The location of these homes may be different than recent trends, which favored lower-density development on the urban fringe and suburban areas. The Urban Land Institute identifies the markets that have the most growth potential are “global gateway, 24-hour markets,” which are primary coastal cities with international airport hubs (e.g., Washington D.C., New York City, or San Francisco). Development in these areas may be nearer city centers, with denser infill types of development.<sup>11</sup>

The Joint Center for Housing Studies also indicates that demand for higher density housing types exists among certain demographics. They conclude that because of persistent income disparities, as well as the movement of the echo boomers into young adulthood, housing demand may shift away from single-family detached homes toward more affordable multifamily apartments, town homes, and manufactured homes.

### **C.3 DEMOGRAPHIC TRENDS IN HOME OWNERSHIP**

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The demographic changes likely to affect the housing market and homeownership are:

- Immigrants and their descendants, who are a faster growing group than other households in the U.S.
- The aging of the baby boomers, the oldest of whom are in their mid-60's in 2010.
- Housing choices of younger baby boomers, who are in their late 40's and early 50's in 2010
- The children of baby boomers, called the echo boomers, who range from their late teens to early 30's in 2010<sup>12</sup>

According to the Joint Center for Housing Studies, immigration will play a key role in accelerating household growth over the next 10 years. Household growth between 2005 and 2009 fell below what would be expected mainly due to a drop in immigration. Immigrants have traditionally comprised a growing share of young adults and children in the United States, but the number of foreign-born households under the age of 35 decreased by 338,400 between March 2007 and March 2009, compared

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<sup>11</sup> Urban Land Institute, “2011 Emerging Trends in Real Estate”

<sup>12</sup> Urban Land Institute, “2011 Emerging Trends in Real Estate”

to just 2,100 native-born households. The difficulty in assessing immigration during a recession results in an unclear picture of future housing demand.

The Joint Center for Housing Studies suggests that an aging population, and of baby boomers in particular, will drive changes in the age distribution of households in all age groups over 55 years. A recent survey of baby boomers showed that more than a quarter plan to relocate into larger homes and 5% plan to move to smaller homes.

The younger baby boomers face challenges resulting from the decrease in housing values, which has left many households with mortgages that are higher than the worth of the house. It may take years for the value of these houses to equal or exceed the value of the mortgage. Second home demand among upper-income homebuyers of all ages also continues to grow, many of whom may be younger baby boomers. The ability to purchase second homes may be negatively affected by diminished earnings and lack of equity in primary homes.

People prefer to remain in their community as they age.<sup>13</sup> The challenges that seniors face as they age in continuing to live in their community include: changes in healthcare needs, loss of mobility, the difficulty of home maintenance, financial concerns, and increases in property taxes.<sup>14</sup> Not all of these issues can be addressed through housing or land-use policies. Communities can address some of these issues through adopting policies that:

- Diversify housing stock to allow development of smaller, comparatively easily maintained houses in single-family zones, such as single story townhouses, condominiums, and apartments.
- Allow commercial uses in residential zones, such as neighborhood markets.
- Allow a mixture of housing densities and structure types in single-family zones, such as single-family detached, single-family attached, condominiums, and apartments.
- Promote the development of group housing for seniors that are unable or choose not to continue living in a private house. These

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<sup>13</sup> A survey conducted by the AARP indicates that 90% of people 50 years and older want to stay in their current home and community as they age. See <http://www.aarp.org/research>.

<sup>14</sup> "Aging in Place: A toolkit for Local Governments" by M. Scott Ball.

facilities could include retirement communities for active seniors, assisted living facilities, or nursing homes.

- Design public facilities so that they can be used by seniors with limited mobility. For example, design and maintain sidewalks so that they can be used by people in wheel chairs or using walkers.

It is unclear what housing choices the echo boomers will make. Some studies suggest that their parents' negative experience in the housing market, with housing values dropping so precipitously and so many foreclosures, will make echo boomers less likely to become homeowners. In addition, high unemployment and underemployment may decrease echo boomers' earning power and ability to save for a down payment. It is not clear, however, that echo boomers' housing preferences will be significantly different from their parents over the long run.

## **C.4 HOME RENTAL TRENDS**

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Nationally, the rental market continues to experience growth, adding 3 million rental households from 2005 to 2009. Despite rapid growth in rental households, the rental vacancy rate increased from 9.6% in 2007 to 10% in 2008 and 10.5% in 2009. Rents fell the furthest in the West, particularly San Jose, Seattle, Salt Lake City, Oakland, and Las Vegas.

Over the longer term, the Joint Center for Housing studies expects rental housing demand to grow by 1.8 million households over the next decade. Minorities will be responsible for nearly all of this increased demand. The foreign-born share of renter-occupied households increased from 17.4% in 2000 to 19.6% in 2009 and the number of Hispanic renters has increased from 1.9 million in 1980 to 7.0 million in 2009. Demographics will also play a role. Growth in young adult households will increase demand for moderately priced rentals, in part because echo boomers will reach their mid-20s after 2010. Meanwhile growth among those between the ages of 45 and 64 will lift demand for higher-end rentals. Given current trends in home prices and interest rates, conditions will become increasingly favorable for rental markets in the coming years.

Despite decades of growth, nominal rents have flattened, resulting in the decline of inflation-adjusted rent. Between the peak in late 2008 and April 2010, inflation-adjusted rents fell by 2.9%. Although falling rents show signs of a weak rental housing market, they do help to alleviate pressure on low-income households struggling to pay their rent.

## C.5 TRENDS IN HOUSING AFFORDABILITY

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House prices have declined since the height of the housing bubble. Between October 2005 and March 2010, the median house price decreased by 26 percent. The price declines were about 50% greater than price declines at the high end of the housing market. The median home sales price dropped from 4.7 times the median household income in 2005 to 3.4 times median household income in 2009.

Despite widespread falling house prices, affordability problems have not improved significantly. A median-priced single-family home under conventional terms in 2007 (10% down payment and 30-year fixed rate loan) only costs \$76 per month and \$1,000 down payment less than a house bought in 2006, the year in which the sales prices of single-family homes were at their highest real price in history. Only 17 of the 138 National Association of Realtors-covered metropolitan areas have lower costs in 2007 than they did in 2003 when interest rates were bottomed out.

With low-wage jobs increasing and wages for those jobs stagnating, affordability problems will persist even as strong fundamentals lift the trajectory of residential investment. In 2009, more than one-third of American households spent more than 30% of income on housing, and 16% spent upwards of 50%.<sup>15</sup> The number of severely cost-burdened households (spending more than 50% of income on housing) increased by 7.4 million households from 2000 to 2008, to a total of nearly 18 million households in 2008. Nearly 40% of low-income households with one or more full-time workers are severely cost burdened, and nearly 60% of low-income households with one part-time worker are severely cost burdened.

The Joint Center for Housing Studies points to widening income disparities and decreasing federal assistance as two factors exacerbating the lack of affordable housing. While the Harvard report presents a relatively optimistic long-run outlook for housing markets and for homeownership, it points to the significant difficulties low- and moderate-income households face in finding affordable housing, and preserving the affordable units that do exist.

According to the Joint Center for Housing Studies, these statistics understate the true magnitude of the affordability problem because they do not capture the tradeoffs people make to hold down their housing costs. For example, these figures exclude the 2.5 million households that live in

---

<sup>15</sup> 2009 American Community Survey, Table B25091 and Table B25070.

crowded or structurally inadequate housing units. They also exclude the growing number of households that move to locations distant from work where they can afford to pay for housing, but must spend more for transportation to work. Among households in the lowest expenditure quartile, those living in affordable housing spend an average of \$100 more on transportation per month than those who are severely housing cost-burdened. With total average monthly outlays of only \$1,000, these extra travel costs amount to 10 percent of the entire household budget.

## **C.6 TRENDS IN HOUSING CHARACTERISTICS**

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The U.S Bureau of Census Characteristics of New Housing Report presents data that show trends in the characteristics of new housing for the nation, state, and local areas. Several long-term trends in the characteristics of housing are evident from the New Housing Report:

- Larger single-family units on smaller lots. Between 1990 and 2009 the median size of new single-family dwellings increased 12%, from 1,905 sq. ft. to 2,135 sq. ft. nationally and 8% in the western region from 1,985 sq. ft. to 2,140 sq. ft. Moreover, the percentage of units under 1,400 sq. ft. nationally decreased from 16% in 1999 to 13% in 2009. The percentage of units greater than 3,000 sq. ft. increased from 17% in 1999 to 23% of new one-family homes completed in 2009. In addition to larger homes, a move towards smaller lot sizes is seen nationally. Between 1990 and 2009 the percentage of lots under 7,000 sq. ft. increased from 27% of lots to 32% of lots.
- Larger multifamily units. Between 1999 and 2008, the median size of new multiple family dwelling units increased by 10% nationally and 13% in the western region. The percentage of multifamily units with more than 1,200 sq. ft. increased from 28% in 1999 to 41% in 2009 nationally and from 26% to 45% in the western region.
- More household amenities. Between 1990 and 2009 the percentage of single-family units built with amenities such as central air conditioning, fireplaces, 2 or more car garages, or 2 or more baths all increased. The same trend in increased amenities is seen in multiple family units.

Over the last two years, the trend towards larger units with more amenities declined. Between 2007 and 2009, the median size of new single-family units has decreased by 6% nationally to 2,227 square feet. The western



region has also seen a 6% decrease in median size of new single-family units, to a median of 2,286 square feet. In addition, the share of new units with amenities (e.g., central air conditioning, fireplaces, 2 or more car garages, or 2 or more bath) all decreased by a percentage or two.

It is unclear if these changes in unit size and amenities signal a long-term change in demand for housing or if these changes are the a response to the current housing market turmoil. Numerous articles and national studies suggest that these changes may indicate a long-term change in the housing market, resulting from a combination of increased demand for rental units because of demographic changes (e.g., the aging of the baby boomers, new immigrants, and the echo-boomers), as well as changes in personal finance and availability of mortgages.<sup>16</sup>

These studies may be correct and the housing market may be in the process of a long-term change. On the other hand, long-term demand for housing may not be substantially affected by the current housing market. The echo-boomers and new immigrants may choose single-family detached housing and mortgages may become easier to obtain.

Studies and data analysis have shown a clear linkage between demographic characteristics and housing choice. This is more typically referred to as the linkage between life-cycle and housing choice and is documented in detail in several publications. Analysis of data from the Public Use Microsample (PUMS) in the 2000 Census helps to describe the relationship between selected demographic characteristics and housing choice. Key relationships identified through this data include:

- Homeownership rates increase as income increases;
- Homeownership rates increase as age increases;
- Choice of single-family detached housing types increases as income increases;
- Renters are much more likely to choose multiple family housing types than single-family; and
- Income is a stronger determinate of tenure and housing type choice for all age categories.

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<sup>16</sup> These studies include “Hope for Housing?” by Greg Filsram in the October 2010 issue of Planning and “The Elusive Small-House Utopia” by Andrew Rice in the New York Times on October 15, 2010.



## Appendix D Interview Summary

At direction of City staff, ECONorthwest conducted interviews with nine local stakeholders who are knowledgeable about housing and related issues in Newport. The interviews focused on questions about unmet housing needs, opportunities and barriers to building workforce housing, and potential policies or actions that the City could take to better provide opportunities for and promote the development of affordable housing. The people interviewed were:

- Benjamin Baggett, Lincoln Community Land Trust
- Bonnie Saxton, Advantage Real Estate
- Bonnie Serkin, Landwaves, Inc.
- Don Huster, The Woodside Group
- Joanne Troy, Housing Authority of Lincoln County
- Larry Henson, Longview Hills Manufactured Housing Community
- Lee Hardy, Yaquina Bay Property Management
- Lorna Davis, Greater Newport Chamber of Commerce
- Rick Wright, S&W Real Estate

This appendix presents a summary of the themes from the interviews, based on the opinions and ideas of the people interviewed.

### **NEWPORT HAS SUBSTANTIAL NEED FOR MODERATELY-PRICED WORKFORCE HOUSING**

The largest unmet need in Newport is housing under \$250,000. Many homes in Newport are 2<sup>nd</sup> or 3<sup>rd</sup> homes of households within a high-income bracket. The people that live year-round in Newport primarily work in service-related jobs, with lower pay rates. One person articulated the problem as “the second home buyers priced out the locals.”

Local households looking for affordable housing are primarily younger people trying to find a smaller, moderately priced home with a full size garage. Several respondents mentioned three teachers the Newport hired in the past. After a summer of looking for housing, the teachers quit before even starting the school year because they could not find housing they could afford. Other respondents mentioned that children and grandchildren of long-time residents are now on the market for housing. Many of these younger generations have to expand their search to

surrounding communities because Newport does not have housing they can afford. One interviewee noted that the community college campus in Newport has no affordable housing for students attending the college.

## **NEWPORT'S AFFORDABLE HOUSING STOCK DOES NOT MEET THE PREFERENCES OF RESIDENTS OR POTENTIAL RESIDENTS**

The current housing stock does not match the preferences of the consumer. Newport's housing stock is old and over-priced, with high maintenance costs. According to one interviewee, there is a disconnect between the current cost of housing and the actual rent you can get from it. There are plenty of apartments on the market, but families do not want to live in them. There are no new subdivisions or multi-dwelling in the moderate price range, and a large majority of new construction is for the second and third vacation home market. There are bedroom communities around the county, but gas prices make it difficult to commute in to Newport.

For affordable housing, the Lincoln County Housing Authority has not increased payment limits for the voucher program, meaning there is no pressure on lack of physical structures. It is the preferences of the families, and the pressure on their ability to pay, that has created a waiting list of 1.5 to 2 years for small units.

What people want is a smaller, moderately priced home with a full size garage. People want a freestanding house that does not require extensive renovation. One interviewee noted that "most people still dream of a quarter acre lot and a full-size garage."

The poor economy has created a noticeable decrease in the size of housing people are seeking, but a full-sized garage remains a priority for homebuyers. The family of one interviewee looked for housing in Newport for six months and found a 45-50 year, 1,200 square foot home for \$350,000. The size was not the issue for them, but the price per square foot was out of their range. They moved to a town outside of Newport. Retiring residents, and residents moving in from the Willamette Valley are still demanding three-bedroom, two-bath homes.

There is a healthy demand for multi-family housing, but only for units that are well managed, and well constructed. This is not necessarily the status of Newport's current multi-family supply.

## **AFFORDABLE AND WORKFORCE HOUSING IS DIFFICULT TO PRODUCE IN NEWPORT**

Most respondents do not think the current market is conducive to workforce housing. Two years ago, the city needed more development. Now it's the opposite - the city needs to create more jobs to fill the housing. One interviewee has not seen a developer build affordable housing in the 25 years she has lived there. She observed that developers start out saying the units will be affordable, but by lease-up time, they no longer are. Another interviewee suggested that what the city needs more than subsidized housing is a local livable purchase price and a livable wage to pay for it.

The "mindset" of Newport residents - and rural communities in general - reduces the desire to live in multi-family or workforce housing. The urban models of what affordable housing looks like is not what Newport residents want. Residents assume that apartments do not provide a play environment for children, that walls are thin and poorly insulated, and that construction is sub-standard "projects" quality. According to one interviewee, the key is to make it not look like apartments. There is a mindset change that needs to happen, but until then, the city and developers must accommodate for the single-family preference of buyers.

When the Housing Authority of Lincoln County built the low income Stair Garden community in Yachats, the market study showed demand for forty units. The Housing Authority only built 25 units because there were no high density multi-family structures in the city. It was a housing type the population wasn't used to. The city still had difficulty filling the reduced number of units. They ended up importing retirees from the Willamette Valley that wanted to live on the beach.

The main barrier to building affordable housing is land cost. Unstable geology drives up land prices. Newport's buildable land is not flat, and the infrastructure costs to these sites are going up. If the site has a view of the ocean, the land cost increases even more. Other barriers include poor lending opportunities. Lending institutions are not in the market to finance housing construction when nobody is in the market to buy. According to Joanne Troy, the only mechanism that exists for new construction right now is the tax credit program. This program is in the water since the lending opportunities have dried up.

Zoning is not seen as a barrier to housing development. Many respondents praised the City of Newport for its flexibility to accommodate zoning. The

more pressing obstacle is people who do not want the development in their back yard.

## **THE CITY CAN MAKE POLICY CHANGES THAT MAY PROVIDE BETTER OPPORTUNITIES FOR DEVELOPMENT OF AFFORDABLE HOUSING**

The general consensus is that the City of Newport is already extremely accommodating and helpful towards development. They go out of their way to work with zoning, and the permit process is quick. Suggestions for what the city could do to promote housing and bring development include:

- A land assessment of what is actually available
- Offer property tax breaks for ten years in exchange for a formula to lower rents.
- Provide 99-year leases for a dollar for city- and county-owned land. When you take the land price out of the equation, workforce housing becomes more feasible.
- Permit fee waivers to houses that are a smaller size.
- Provide (or help secure) financing for first time home buyers.
- Use the toolbox created by the End Homelessness committee for Bill Hall's office. This toolbox laid out a menu of options that exist for affordable housing – density incentives, zone relaxation, etc.
- Education outreach to the community about the many options of affordable housing, and the pros of having it in the community.
- Stricter code enforcement. This would help combat the classic complaints of substandard market housing. Private landlords elect to stop maintaining their properties, lower their screening process and rents, and then consider themselves affordable housing.
- Stop giving tax breaks to developers – they should be self-sufficient from the outset. Immediate market response is more appropriate. The developer should have to pay for water and sewer lines.
- Don't provide subsidized housing. Instead attract a population that will pay property taxes and can support the cost of the structure.
- Keep public transportation in mind.
- Look at the zoning code again. There are a number of subdivisions that are in multi-family zoning. The city doesn't enforce it, but the homeowners association restricts building to single-family.

- Take single wide manufactured homes into consideration again. Most cities are doing their best to remove these homes.
- Work with the Land Trust to help reduce land costs.





## Appendix E Additional Technical Information

This appendix presents additional technical information necessary to document the housing needs analysis. It includes the following information:

- Memorandum describing the population forecast for Newport

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**January 24, 2011**

**TO: Derrick Tokos**

**FROM: Bob Parker and Beth Goodman**

**SUBJECT: NEWPORT POPULATION FORECAST: 2011 TO 2031**

---

The City of Newport contracted with ECONorthwest (ECO) to conduct a housing needs analysis and buildable land study. Oregon's planning system requires cities to plan for needed housing to accommodate population growth in urban growth boundaries (ORS 197.295 – 197.296). A foundational part of a housing needs analysis is a forecast of population growth over the 20-year planning period.

Counties are required to coordinate population forecasts among the cities and unincorporated areas within the County (ORS 195.036). Lincoln County does not have a coordinated, adopted population forecast for the cities within the County. Newport does not have an adopted population forecast. As a result, Newport will need to develop and adopt a population forecast for the urban growth boundary (UGB).

OAR 660-024 provides "safe harbor" approaches for forecasting population in cities that do not have a coordinated, adopted population forecast. A city may adopt a 20-year population forecast based on the Oregon Office of Economic Analysis's (OEA) population forecast for the County, assuming that the urban area's share of the forecast population will remain constant over the planning period (OAR 660-024-0030(4)(b)).

Table 1 shows the OEA’s forecast for population between 2000 and 2030 in Lincoln County. The forecast projects that Lincoln County’s population will grow from nearly 47,000 people in 2010 to about 53,700 people in 2030, an increase of 6,765 people or 14% over the 20-year period.

**Table 1. Population forecast, Lincoln County, 2000 to 2030**

Year	Lincoln County
2000	44,600
2010	46,945
<b>2011</b>	<b>47,306</b>
2030	53,710
<b>2031</b>	<b>54,051</b>
Change 2010 to 2030	
Number	6,765
Percent	14%
AAGR	0.68%
Change 2020 to 2030	
Number	3,331
Percent	7%
AAGR	0.64%

Source: Oregon Office of Economic Analysis; Calculations by ECONorthwest  
 Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
 Note: AAGR is average annual growth rate

Newport’s 2010 population accounted for 23.8% of Lincoln County’s population, based on the Portland State University Population Research Center’s estimate of population in 2010 (Supplemental Data, Table 4). Table 2 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 23.8% of Lincoln County’s population over the 20-year period. Table 2 shows that Newport’s population would grow by about 1,600 people over the 20-year period.

**Table 2. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
Change 2011 to 2031		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).

Note: AAGR is average annual growth rate

Other forecasts of growth for Newport are possible, based on different assumptions about population growth in Newport. Table 3 shows two alternative population forecasts for Newport for the 2011 to 2031 period.

- Water Facilities Forecast.** Newport’s Comprehensive Plan includes the Water Supply Facilities forecast for population growth (see Supplemental Data Table 5), which projects that population in the UGB will grow by more than 3,000 people over the 20-year period, at an average annual growth rate of 1.3%. The Water Facilities forecast shows about 1,422 more people in Newport by 2031 than the safe harbor forecast.
- Transportation System Plan.** Newport’s Transportation System Plan Update (July 2009), shows population growing at 0.9% average annual growth rate, adding nearly 2,000 people over the 2006 to 2026 period. If the forecast was extrapolated 2031 (at the same growth rate), population in Newport would be 12,777 people. The Transportation System Plan forecast shows about 69 fewer people in Newport by 2031 than the safe harbor forecast.
- Historical Growth Rate.** Newport grew from about 8,400 people in 1990 to 10,600 people in 2010, an increase of nearly 2,200 people (26%) at an average annual growth rate of 1.2%. Assuming that Newport grew at the same rate over the next 20-years, Newport would add more than 2,700 new people by 2031. The historical growth rate forecast shows about 637 more people in Newport by 2031 than the safe harbor forecast.

**Table 3. Alternative population forecasts, Newport, 2011 to 2031**

Year	Water Facilities Forecast	Transportation System Plan	Historical Growth Rate (1.2%)
2006	NA	10,240	NA
2011	11,129	NA	10,727
2026	NA	12,224	NA
2031	14,268	12,777	13,483
Change over 20 year period			
Number	3,139	1,984	2,756
Percent	28%	19%	26%
AAGR	1.3%	0.9%	1.2%

Source: ECONorthwest, based on Newport Comprehensive Plan: Water Supply Facilities, Newport TSP Update (July 10, 2009), and historical growth in Newport

Note: The Transportation System Plan forecast for 2031 was extrapolated from the 2006-2026 forecast, assuming 0.9% growth over the five year period.

Note: AAGR is average annual growth rate

The forecasts in Tables 2 and 3 show a range of potential growth in Newport, from 1,600 new people to about 3,000 new people over the 20-year period. ECONorthwest recommends using the safe harbor approach for forecasting population growth, which is the least risky alternative for developing a population forecast for the City. The population forecast will need to be adopted by both the City and Lincoln County for use in the housing needs analysis.

## **SUPPLEMENTAL DATA**

This section presents supplemental data about population growth in Lincoln County and Newport, as well as the population forecast from Newport’s Water Supply Facility plan.

**Table 4. Annual Population Growth, Lincoln County and Newport, 1990 to 2010**

<b>Year</b>	<b>Lincoln County</b>	<b>Newport</b>	<b>Newport's Share of County Pop.</b>
1990	38,889	8,437	21.7%
1991	39,880	8,540	21.4%
1992	40,730	8,675	21.3%
1993	41,900	8,885	21.2%
1994	42,940	9,075	21.1%
1995	43,940	9,495	21.6%
1996	44,500	9,785	22.0%
1997	45,050	9,960	22.1%
1998	44,840	10,240	22.8%
1999	44,500	10,290	23.1%
2000	44,479	9,532	21.4%
2001	44,650	9,660	21.6%
2002	44,700	9,650	21.6%
2003	45,000	9,740	21.6%
2004	44,400	9,760	22.0%
2005	44,405	9,925	22.4%
2006	44,520	10,240	23.0%
2007	44,630	10,455	23.4%
2008	44,713	10,580	23.7%
2009	44,700	10,600	23.7%
2010	44,620	10,605	23.8%
<b>Change 1990 to 2010</b>			
Number	5,731	2,168	
Percent	15%	26%	
AAGR	0.7%	1.2%	
<b>Change 1990 to 2010</b>			
Number	5,731	2,168	
Percent	15%	26%	
AAGR	0.7%	1.2%	
<b>Change 2000 to 2010</b>			
Number	141	1,073	
Percent	0%	11%	
AAGR	0.0%	1.1%	

Source: Portland State University Population Research Center;  
Calculations by ECONorthwest

**Table 5. Water Supply Facilities Forecast of Population Growth, Newport, 2007 to 2030**

Year	Outside		Total
	Inside City Limits	City Limits, Inside UGB	
2007	10,455		10,455
2010	10,852	140	10,992
<b>2011</b>			<b>11,129</b>
2015	11,547	149	11,696
2020	12,287	159	12,446
2025	13,075	169	13,243
2030	13,913	179	14,092
<b>2031</b>			<b>14,268</b>
Change 2007 to 2030			
Number	3,458		3,637
Percent	33%		35%
AAGR	1.25%		1.31%
Change 2010 to 2030			
Number	3,061	39	3,100
Percent	28%	28%	28%
AAGR	1.25%	1.24%	1.25%

Source: Newport Comprehensive Plan: Water Supply Facilities, Page 142, Table 1; Calculations by ECONorthwest

Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2025-2030 (for 2031).

## Appendix F **Buildable Land Inventory Maps**

This appendix presents buildable land maps that complement Chapter 2. This appendix includes the following maps that were developed as part of the residential buildable lands inventory:

- Series 1: LandClassificationTileX shows land classifications to complement Table 2-3.
- Series 2: VacPtVacPlanDesTileX shows land that is classified as vacant or partially vacant (land with development capacity)
- Series 3: VacPtVacPlanDesConstTileX shows land that is classified as vacant or partially vacant (land with development capacity) with development constraints
- Series 4: VacPtVacPlanDesSlopeTileX shows land that is classified as vacant or partially vacant with slope overlays

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# Newport Student Housing

Expansion of the Hatfield Marine Science  
Center in Newport

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November 2014

Prepared for:

The City of Newport

*Final Report*

**ECONorthwest**

ECONOMICS • FINANCE • PLANNING

Partial funding for this report was provided by the Coastal Zone Management Act of 1972, as amended, administered by the National Oceanic and Atmospheric Administration, and the Ocean and Coastal Management Program, Department of Land Conservation and Development.



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Beth Goodman prepared this report. ECONorthwest is solely responsible for its content.

ECONorthwest specializes in economics, planning, and finance. Established in 1974, ECONorthwest has over three decades of experience helping clients make sound decisions based on rigorous economic, planning and financial analysis.

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# Acknowledgements

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## Executive Summary

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Newport's South Beach is a developing ecodistrict, with a broad range of ocean-observing organizations, such as: NOAA Marine Operations Center, the Oregon Coast Aquarium, the Oregon Museum of Science and Industry's Coastal Discovery Center, the Hatfield Marine Science Center (HMSC), and other businesses and government agencies. Oregon State University (OSU) is planning for an of the HMSC campus in South Beach, as part of the University's Marine Studies Initiative.

The City of Newport and Lincoln County support HMSC expansion. However, they also recognize that the growth of students, faculty, and staff resulting from the HMSC expansion could increase the pressure in Newport's already tight housing market, in the absence of proactive planning. The City, County, and OSU want to ensure that growth of the student presence will not displace Newport's workforce and residents from existing housing, which requires planning for student housing development.

This report was developed as the first step in proactively planning student housing development in Newport. This report was developed in collaboration with an Advisory Committee of staff from Newport, Lincoln County, OSU, the Oregon Coast Community College, Department of Land Conservation and development, and other stakeholders in Newport such as landowners, real estate professionals, and representatives from other cities in Lincoln County.

### Hatfield Marine Science Center Expansion Plans

OSU is planning to expand the HMSC as part of the University-wide the Marine Studies Initiative, which will bring about 500 undergraduate and graduate students to the HMSC as an integral part of their studies at OSU. Student growth will result in demand for between 85 and 160 units of student housing, plus need for 40 units of non-student housing for graduate students. As part of the expansion, OSU plans to add 40 to 60 faculty and staff, resulting in the need for 40 to 60 dwellings, some in Newport and some in nearby areas and communities.

### Potential Impact of HMSC Expansion on Newport's Housing Market

The 2011 Newport *Housing Needs Analysis* report concluded that Newport has a limited supply of multifamily housing and that the city lacks affordable workforce housing. In addition, the city's housing stock is aging, with some housing in poor condition. There has been little new multifamily rental development in Newport since 2000.

Examination of newer information about Newport's housing market, as well as interviews with real estate and other stakeholders, confirm these issues. Newport's housing market continues to be very tight (with a vacancy rate of around 4%) and housing affordability, especially for renters, continues to be a concern for Newport's workforce and other residents.

Given these conditions, growth in the number of HMSC students, in the absence of student housing development, has the potential to displace existing renters in Newport. OSU students in Corvallis generally pay between \$650 and \$800 per month for rent, both at housing managed by OSU and in private student-oriented housing. If students at HMSC can pay the same rent in Newport as they do in Corvallis and live in a two-person unit, they could pay \$1,300 to \$1,600 per month in rent. In comparison, average rent in Newport is currently about \$775 per unit per month.

Given the lower cost of housing in Newport, most HMSC students might have a preference for market-rate multifamily housing in Newport, if it is available. If student housing is available and OSU has an active role in managing student housing, students in Newport for part of the year and some year-around students may prefer student housing because of the convenience of living in housing managed by OSU, both for ease of paying for housing and for ease of moving between Newport and Corvallis during the school year. In addition, Newport landlords may be generally unwilling to rent to students who will be in Newport for less than a calendar year.

As a result, ensuring that student housing is built is important for HMSC students. It is a priority for the City of Newport to ensure that Newport's workforce and existing renters are not displaced by students.

### **Potential Sites for Student Housing**

Discussions with the Advisory Committee identified the following characteristics as being important for a new student housing site: (1) a site at least five acres and potentially 10 to 15 acres, (2) within two miles of HMSC, (3) south of the Yaquina Bay Bridge, (4) accessible by bicycle and pedestrians, (5) accessible by automobiles and transit, (6) existing access to water and wastewater services, (7) outside of the tsunami inundation zone (as required by ORS 455.446 to 455.447), (8) owned by an owner willing to develop student housing, and (9) in an area with access to retail and service amenities.

This project identified an area in South Beach with several sites that meet these criteria. The site best suited for student housing is within the Wilder development, which is an area being developed with single-family and multifamily housing. The Wilder site includes an area of about three buildable acres that could accommodate student housing. In addition, two properties adjacent to the Wilder property, the BGB Parcels and the GVR Parcel, have potential for student housing. Both areas would require transportation and other infrastructure investments, as well as entitlement and other administrative changes, to make them development-ready.

Outside of these three areas, Newport has no other sites that meet the criteria for student housing. Other sites would take longer and be more expensive to make development-ready.

## Policy Actions to Ensure Student Housing Development and Support HMSC Expansion

The Advisory Committee reviewed and discussed a wide range of approaches available to encourage and facilitate student housing development. The Committee also considered approaches to facilitate multifamily housing development, as some graduate students and staff may prefer to live in rental housing in Newport. The following recommendations from ECONorthwest are based on discussions with the Advisory Committee, as well as discussions with Newport staff.

### *Strategies to support continued collaboration about student housing development*

- **The City and County should express a preference for direct and proactive involvement from OSU in student housing development.** The City and County prefer that OSU have greater involvement in operations of the student housing development, by either developing and operating the student housing facility or by working with a private developer to develop student housing that OSU manages.
- **Given the limited number of available sites that meet the criteria for student housing development, OSU should be proactive in securing a development site.** ECONorthwest recommends that OSU secure a property for development or obtain an option to purchase (or lease) a property as soon as possible. Wilder is proceeding with development and the flexibility to incorporate student housing will decrease over time. Other sites may become unavailable for development, if landowners make other development plans.
- **OSU may need to develop a phasing strategy for HMSC expansion that includes managing student growth and timing of student housing development.** An important part of ensuring that students have housing in Newport as the HMSC grows is timing the development of student housing with the growth of students in Newport. ECONorthwest recommends that OSU develop a phasing strategy for HMSC expansion that includes managing the timing of student growth with student housing development.
- **The City, County, OSU, and OCCC should continue to work together to facilitate expansion of the HMSC and student housing development.** The City, County, OSU, and OCCC continue to actively collaborate together and with other stakeholders about the HMSC expansion and student housing development.
- **The City of Newport, Lincoln County, and other cities in Lincoln County should continue to coordinate about issues related to housing and the HMSC expansion that may affect the entire county.** While undergraduate students are most likely to need housing in South Beach, HMSC's faculty, staff, and some graduate students may prefer to live in other parts of Lincoln County. ECONorthwest recommends that the County and all of the cities in it continue to actively collaborate on issues related to HMSC expansion, especially housing.



## *Policies and strategies to support student and multifamily housing development*

- **The City and County should work together, and with other cities in the County, to decide whether to offer a multiple-unit tax exemption.** This tax exemption could be used to encourage development of multifamily, student housing, and other housing in Newport or other cities in Lincoln County.
- **The City and County should work together, and with other cities in Lincoln County, to evaluate options for using CDBG or Section 108 funds to encourage development of multifamily housing that includes low-income and workforce housing.** One of the ways to decrease potential impact of student growth on Newport's housing market is to encourage development of more multifamily housing, such as low-income subsidized and workforce housing. We recommend that the City, County, and other cities in Lincoln County evaluate options to use CDBG funds or Section 108 loans to support multifamily housing development.
- **The City of Newport should consider options for offering SDC financing or credits to encourage multifamily or student housing development.** The City already offers SDC credits to some developers. The City should weigh the trade-offs in lowering SDCs to encourage multifamily or student housing development.
- **The City of Newport should encourage and facilitate development of retail and service amenities in South Beach.** These amenities would include a grocery store, restaurants, banks, and other retail and services to serve students, residents, and employees in South Beach.
- **The City of Newport should make policy amendments, as necessary, to support student housing development and HMSC expansion.** We recommend that the City adopt policy amendments to encourage development of multifamily housing, including student housing, throughout the City.

In addition, the City should adopt implementation measures to: (1) work with Lincoln County to evaluate the use of the multiple-unit tax exemption to support multifamily development, (2) work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing, and (3) work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area.

# Introduction

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Oregon State University (OSU) is planning for an expansion of the Hatfield Marine Science Center (HMSC), which is located in Newport's South Beach area. The most up-to-date estimate from OSU staff is that the expansion is expected to accommodate approximately: (1) 40 to 60 new faculty and staff members, (2) about 400 undergraduate students (with 300 students in Newport during most university terms), and (3) about 100 graduate students. OSU faculty, staff, and students will need part-time and year-round housing in Newport.

New faculty, staff, and students at the HMSC will result in demand for 165 to 260 new units,<sup>1</sup> about 85 to 160 of which will be student housing in multifamily structures. Most undergraduate and many of the graduate students are likely to live in Newport, if housing is available. Some faculty and staff will choose to live in Newport, some will choose to live in nearby communities, and some may choose to commute into Newport from Corvallis.

The City of Newport contracted with ECONorthwest to work with City staff and an advisory committee to better understand the potential impacts of expansion of the OSU Hatfield Marine Science Center (HMSC) on Newport's housing market. ECONorthwest worked with the City to develop the Newport *Housing Needs Analysis* in 2011, as well as updating the Housing Element of Newport's Comprehensive Plan.<sup>2</sup> This project will build on the technical and policy work completed as part of development of Newport's Housing Needs Analysis (HNA). The focus of this project is updating key parts of the factual base in the 2011 *Housing Needs Analysis*, identifying suitable sites for student housing, assessing the potential impact of student housing on Newport's rental market, and identifying policies and strategies to ensure that the necessary student housing is developed.

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<sup>1</sup> The estimate of 165 to 260 new units assumes: demand for: (1) 40 to 60 units for faculty and staff (some may choose not to live in Newport), (2) 40 single-family dwellings and 10 multifamily student housing for graduate students (with an average of two graduate students per unit), and (3) 75 to 150 units of multifamily student housing for undergraduates.

<sup>2</sup> <http://www.thecityofnewport.net/dept/pln/PlansandDocuments.asp>

## 1.1 Definitions

This section defines student housing and workforce housing, as these terms are used in this report.

### Student Housing

Throughout this report, we discuss “student housing” and the housing needs of students. The term “student housing” is used in this report to describe housing that is intended to be occupied predominantly by students, such as students at HMSC or at the Oregon Coast Community College. If housing is built or managed by a college or university such as OSU, occupants of that housing can be restricted to students.

Housing that is privately-owned and managed may be intended for occupancy by students, but federal housing policy does not allow privately-owned housing to exclude potential renters based on whether or not they are a student. As a result, non-students can occupy privately-owned student housing. In addition, students can (and often do) occupy market-rate housing, such as single-family detached houses or apartments.

The term “student housing” implies a specific type of building and a range of unit configurations. Student housing is typically built in multifamily buildings, with more than three dwelling units per structure and often more than five dwelling units per structure. The dwelling units in student housing buildings range from: a private room (e.g., a one-room living space, often with a shared bathroom), a shared room with two or more occupants (e.g., a shared dorm room), or two or more private rooms with a shared common area and bathrooms (e.g., four occupants with four private bedrooms, two shared bathrooms, and shared common space).

The types of amenities in a student housing building (or group of buildings) vary. Some university-owned and managed student housing includes a place for meals and may include common areas outside of the dwelling units. In privately developed and managed student housing buildings, amenities often include common areas, recreation areas, or a fitness center.

In summary, student housing can be managed by the university or a private owner, it is typically in a multifamily structure, there are a range dwelling unit configurations, and a range of amenities is available in the building or complex.

### Low Income and Workforce Housing

This report presents tools that are used to facilitate the development of affordable “subsidized housing” and “workforce housing.” The following definitions describe terms used in this report, related to housing affordability.

Table 1 presents information about income and housing costs in Lincoln County in 2014.

- **Housing affordability.** HUD’s standard for affordability is that housing costs should be 30% or less of a household’s gross income. In Lincoln County, a household that earns the County’s Median Family Income (MFI) of \$55,700 per year has a monthly income of about \$4,640 and can afford up to \$1,390 per month in housing costs.
- **Low-income subsidized housing.** Families earning less than 50% of MFI are often eligible for federally-subsidized housing programs, such as the Section 8 Housing Choice Voucher program. These households are often referred to as low- or very low-income households.
- **Workforce housing.** HUD defines workforce housing as housing that is available to households earning between 50% and 120% of median family income. Households in the 50% to 80% group are generally renters. Workforce housing for people earning 80% to 120% of MFI may be for renters or homeowners.

In Lincoln County, families with income of 50% of MFI can afford about \$700 per month in rent. The median gross rent in Newport is about \$780 per month.<sup>3</sup> A family earning 120% of MFI (nearly \$67,000) can afford a house costing about \$200,000, which is comparable to the median housing sales price in Newport in 2014.

**Table 1. Income as a Percentage of Median Family Income, Lincoln County, 2014**

Percent MFI	Annual Income	Monthly Income	Monthly Affordable Housing Cost
30%	\$16,710	\$ 1,390.00	\$420
50%	\$27,850	\$2,320	\$700
80%	\$44,560	\$3,710	\$1,110
100%	\$55,700	\$4,640	\$1,390
120%	\$66,840	\$5,570	\$1,670

Source: ECONorthwest; HUD Income Limits, 2014

<sup>3</sup> US Census American Community Survey, 2008 to 2012 5-year data

## 1.2 Oregon State University's expansion plans

OSU's plans for expansion of the HMSC is part of the Marine Studies Initiative, which is a broad interdisciplinary initiative across the University. The goal of the Marine Studies Initiative is to bring about 500 students to the HMSC, as an integral part of their studies at OSU.<sup>4</sup> The expansion of the HMSC is expected to occur over an approximately 10-year period.

At this time, the vision for the expansion of the HMSC is will result in growth of:

- 400 juniors and seniors in studying in Newport<sup>5</sup>
  - About 80% (roughly 300 students) will be in Newport for 1 or 2 terms. OSU staff currently expect to have roughly 300 part-year students during any given term.<sup>6</sup>
  - About 20% (roughly 100 students) will be in Newport for the entire school year (September through June) or calendar year
  - Undergraduate students will be at the HMSC for all four terms, **with roughly 300 students in Newport during any term**, roughly 100 full-year students and 200 part year students.<sup>7</sup>
- 100 grad students, the majority of whom will be in Newport for 1 or more years.
- 40 to 60 new faculty and staff, all of whom will live in Newport year-round
  - 20 to 25 will be new faculty
  - 20 to 50 will be new staff

The housing needs of new students, faculty, and staff will vary based on the length of their stay in Newport and their ability to pay for housing. Broadly speaking, the new housing needs of faculty, staff, and students at the expanded HMSC can be broken down into the following categories:

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<sup>4</sup> HMSC currently has 60 to 80 students per year, with about 50 students at HMSC at any given time.

<sup>5</sup> In addition, the Hatfield Marine Science Center will continue to have students take short, intensive courses. These students generally come to Newport for about two weeks. They are currently housed in facilities at the Hatfield Marine Science Center. They will continue to be housed in these facilities, for the foreseeable future.

<sup>6</sup> If all part-year students were in Newport for one-term, then during the three-term school year, 900 students part-year students would study at the Hatfield Marine Science Center.

<sup>7</sup> Currently, summer and spring terms have the largest number of students at the HMSC, with the fewest students in fall and winter. OSU expects the number of students at HMSC to roughly divide among the four terms. But the summer and spring terms may continue to be the terms with the largest number of undergraduate students.

- **Part-year (one- or two-term) housing for students.** This housing would probably resemble the types of housing available at the main OSU campus or in the private housing market in Corvallis, with two or more students to a unit and private bedrooms. We assume that these students would be willing and able to pay approximately the same amount for housing in Newport as they do in Corvallis.
- **Full-year housing for students.** This housing will likely take a variety of forms. Some student may prefer to live in housing specifically designed for students, such as a unit with one or more other students with private bedrooms and shared bathrooms and common areas. We assume that these students would be willing and able to pay approximately the same amount for housing in Newport as they do in Corvallis.

Other students may prefer to live in traditional multifamily to single-family housing, alone, with roommates, or with their family. The large majority of this housing will be rental housing. As the following section discusses, the supply of this type of rental housing is tight in Newport.

- **Long-term housing for faculty and staff.** Faculty and staff will need a range of housing, from multifamily to single-family housing. Depending on their income and the cost of housing, some faculty and staff may rent and some may own their housing. This is probably some combination of single-family and maybe multifamily housing, some rental and some ownership. As the following section discusses, the supply of affordable housing of these types is tight in Newport.

### 1.3 City of Newport and OSU Roles in Student Housing Development

A key outcome of this project is a set of strategies and policies that can ensure production of student housing, timing development so that it is available as it is needed to accommodate growth at the HMSC. The City will not be the developer of housing, nor will they be the primary consumer of student housing. However, to make student housing development easier and increase the likelihood of timely student housing development the City can play the following roles:

- **Facilitate discussions about development of student housing.** The City is doing this, as part of this project and through discussions with partners and interested parties. As part of this role, the City is bringing interested parties together to discuss the opportunities, challenges, and solutions for student housing. The City can partner with OSU and developers by ensuring the necessary stakeholders are at the table, making the development process easier and faster, and identifying ways to lower development costs.

- **Identify potential sites for student housing.** The City is working with OSU, landowners, and other stakeholders to identify potential sites for student housing. The area identified as being most appropriate for student housing, based on the desired characteristics for a student housing site, is in or around the Wilder development, near Oregon Coast Community College. Other sites may be identified as being good candidates for student housing, as this project progresses.
- **Ensure the necessary zoning and development standards are in place.** One of the City's primary roles in facilitating any type of development is to ensure that the site for student housing has zoning that allows the type and density of housing necessary for student housing. Zoning standards should allow for development of multifamily buildings, such as multi-story buildings or townhouses.
- **Ensure availability of infrastructure and services.** The City should ensure that adequate infrastructure or services are available for the development site. Key infrastructure includes transportation access, municipal water, wastewater service, and stormwater management. The site for student housing needs to be accessible by car and potentially by bus or shuttle bus, preferably from local roads with a connection to Highway 101. The site should also be accessible to bicycles and pedestrians, with safe connections to HMSC.
- **Expedite the development process.** The City can facilitate student housing by expediting the development process. This may mean faster processing of the development application. It can also involve shepherding the development application(s) through the entire development process, helping to solve development issues, and ensuring that there has been adequate involvement with key stakeholders and public officials to avoid any delays in the process.
- **Lower development costs to the developer.** The City can take actions to lower development or operational costs to the developer, through tools such as giving SDC credits or property tax abatements or helping to assemble land. Most cities reserve these tools for use on projects that further specific city goals (e.g., creating denser development in downtown or redevelopment of a long-vacant site) and where financial assistance is necessary to make a project financially viable. The City can also help developers through technical assistance for packaging local, state, and federal tools.

Newport is already engaged with the first four of these actions. The City is facilitating the process and helping to develop partnerships, through this project and other efforts. The City has identified the Wilder development, along with adjacent properties, as potential sites for student housing development. One reason these areas are under consideration is that they are largely serviced, have

good transportation access, and because the City is developing a pedestrian and bicycle path from South Beach to the Oregon Coast Community College.

OSU also has a critical role in ensuring the development of student housing. As plans for the HMSC expansion become clearer, the University will need to define its role in student housing development in more detail. Some parts of OSU's role are described in brief below:

- **Initiate and participate in partnerships.** Like the City, OSU can participate in public and private partnerships with public organizations (such as the City or the Oregon Coast Community College), nonprofits (such as the Lincoln Community Land Trust), landowners, developers (both for-profit and nonprofit developers), financiers, and other stakeholders.
- **Clarify plans about growth.** OSU is in the process of developing internal plans for the marine studies initiative, which is driving the HMSC expansion. OSU expects to have clearer plans for the HMSC expansion in the spring of 2015, which will bring clarity to student housing needs.
- **Develop a housing transition process for students coming to and leaving the HMSC.** One of the challenges that OSU will face in expanding the HMSC is developing a process for students to transition easily from housing in Corvallis to housing in Newport and back to housing in Corvallis. This will be especially important to students who study at the HMSC for part of the year.
- **Help mitigate uncertainty about student housing demand.** Private student housing developers will be concerned about several aspects of the HMSC expansion: uncertainty about when HMSC will start attracting more students, uncertainty that demand for student housing will continue over the long-term, and uncertainty that students will choose to live in the student housing development. OSU can help mitigate uncertainty by being an active and collaborative partner with the developer, and through agreements with the private developer about occupancy (such as an occupancy guarantee) or developing a housing transition process.
- **Establish role in development.** OSU may choose to participate in the actual housing development by paying some development costs, day-to-day management of the housing, or financing the project. OSU's options for its role in developing student housing for students at HMSC are:
  - **Student housing developed by OSU.** The University could design, build, finance, and operate any new student housing facilities. This is typically how OSU has expanded student housing in Corvallis and gives the University a high degree of control over the student experience, rates, leasing, timing of capacity, etc. Although this scenario would easily integrate into OSU's overall campus plan and would offer a high degree of fidelity with current OSU housing



operations, it involves a high degree of risk on the part of the University. As there is no partner entity, OSU must bear the full financial responsibility of the operation. With this option, student housing would generate no property tax, as OSU would be the property owner.

- **Private Development with OSU as Operator.** In this type of development, student housing would be funded in part by a non-profit housing foundation but designed and built by the University, a developer, and a bonding entity. OSU would master lease the housing facility from the bonding entity.

This option would require an RFP process and would prioritize the financial performance of the project over the student experience. The University needs to invest little in the project but still faces a moderately high financial risk if the project fails to perform. If OSU or a nonprofit were the owner of the land and buildings, the student housing would generate no property tax.

- **Private Development with Private Operator with OSU Affiliation.** Student housing in this scenario would be funded, designed, and built by a private developer on land leased to them by OSU. The University would have greater control of the building design if the facility were built on campus grounds, though it is often difficult to adjust operations due to leasing terms. This type of development involves a small degree of risk to the institution and a modest financial return. In addition, the University program would be secondary to the private developer recouping its investment in the project. With OSU as the land owner, the land would generate no property tax. If the facility and property were to be privately owned then the buildings and other improvements would generate property taxes.
- **Private Development with Private Operator with No OSU Affiliation.** This scenario offers the least risk and the least control of operations for the University. The facilities would be funded, designed, and built by the developer on land they have purchased. Students would perceive this as a type of off-campus housing, unaffiliated with the institution. Rents and student experience would be completely market-driven and in all likelihood would need to appeal to sections of the community as well as the student body. If the private developer is a for-profit developer, the land, buildings, and other improvements would generate property tax.

## 1.4 Organization of this Report

The remainder of this report is organized as follows:

**Chapter 2 Potential Impact of Growth at the Hatfield Marine Science Center on Newport's Housing Market** briefly summarizes the findings of the 2011 Housing Needs Analysis, the potential impact of HMSC expansion on Newport's housing market, and an update of Newport's inventory of residential buildable land.

**Chapter 3 Potential Sites for New Student Housing** identifies sites available for student housing development.

**Chapter 4 Tools for Housing Development** describes tools available to encourage and support student housing development.

**Chapter 5 Next Steps** presents the next steps and recommended actions for the City, Lincoln County, and OSU.

## 2 Potential Impact of Growth at the Hatfield Marine Science Center on Newport's Housing Market

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This section presents ECONorthwest's evaluation of the potential impacts of student growth on Newport's housing market. It starts with relevant key findings from the 2011 *Housing Needs Analysis* about housing demand in Newport. The second part of this section describes the impact that student growth will have on the rental market and rents in Newport, as well as potential private-sector interest in student housing development.

### 2.1 Impact on housing demand

This section describes the potential impact of student growth on Newport's housing market.

#### Key findings from the 2011 Housing Needs Analysis

The following are the characteristics of Newport's housing market, as identified in the 2011 HNA, that will influence the housing market response in Newport to growth of enrollment at the HMSC. Except where noted, the information in this section is from the U.S. Census American Community Survey (ACS), either from the 2005 to 2009 ACS or from the 2008 to 2012 ACS (the most recently available ACS data for Newport).

- **Newport has a limited supply of multifamily housing.** About two-thirds of Newport's housing is single-family detached or manufactured housing. A little more than 30% (1,700 units according to the 2005-2009 ACS) of Newport's housing is single-family attached (e.g., townhouses) or multifamily housing (e.g., duplexes, tri-plexes, or structures with more than five units). Some of Newport's multifamily dwellings are intended as second homes or vacation rentals.
- **Newport has experienced limited multifamily rental apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as second homes, with some vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.

Between 2011 and 2013, nearly all newly-permitted housing was single-family detached housing, with three duplexes and a townhouse permitted.

- **Ageing housing stock.** Nearly 20% of the city's housing stock was built before 1950. Data collected as part of the housing needs analysis suggests

that the condition of some rental housing in Newport is poor. The condition of rental housing, combined with the higher rental costs (relative to nearby communities), negatively affects potential renters' willingness to rent in Newport.

- **Average median contract rent increased at a slower pace than housing prices.** Between 2000 and the 2005-2009 period, rent increased from a median of \$512 per month to \$586 per month, an increase of 14%. By the 2008-2012 period, median rents were \$686 per month and gross rent was \$778 per month.

These rental costs are relatively consistent with costs reported by real estate stakeholders in Newport in 2014, with rents at professionally-managed units approximately at or below \$775 per month.

- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010—particularly to working households:
  - More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
  - Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
  - Over the 2005-2009 period, 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened. The percentage of households that were cost burdened remained about the same for the 2008-2012 period.
  - Sale price for single-family dwellings increased by nearly 50% between 2000 and 2010, with average sales prices at \$233,000 in 2010. Median sales prices in Newport were about \$216,000 by the end of the Third Quarter in 2014.<sup>8</sup>
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that some households live in nearby communities because they cannot afford housing in Newport, or they can get housing they prefer in nearby communities (e.g., larger units with more amenities), or for both reasons. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville in the 2005-2009 period.

Data from the U.S. Census shows that Newport businesses continues to

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<sup>8</sup> Median sales price data from Zillow.com.

have substantial in-commuting, with about 70% of people working in at Newport businesses characterized as non-residents.

In summary, the HNA concluded that Newport has a deficit of housing affordable to households earning less than \$25,000, which accounted for one-third of Newport's households. In addition, more than two-thirds of workers at businesses in Newport commute into Newport for work. This evidence suggests that Newport has an existing shortage of housing available to lower-income households.<sup>9</sup>

Examination of newer Census and other data about Newport's housing market shows that Newport continues to have a shortage of affordable housing, with a deficit of 500 units affordable to households with income below \$25,000, and that in-commuting continues to be very common for people who work in Newport. Anecdotal evidence, from discussion with stakeholders in Newport, also suggests that Newport has a shortage of rental housing in good condition that meets the needs and preferences of, and is affordable to, some moderate-income households.<sup>10</sup> Real estate stakeholders in Newport report that the vacancy rate for rental housing is currently less than 5%. This comparatively low vacancy rate demonstrates that Newport's housing market is fairly tight, excluding second homes and vacation rentals, indicating possible demand for new rental housing in Newport that is affordable to moderate- and low-income households.

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<sup>9</sup> Affordable housing professionals generally define lower income households as those earning less than 50% of median family income (MFI). In 2014, Lincoln County's MFI was \$55,700, according to HUD. A low income household would earn less than about \$28,000.

<sup>10</sup> Moderate-income households generally earn between 60% to 80% of MFI or \$33,000 to \$45,000 in 2014 in Lincoln County. Housing affordable to moderate-income households is also referred to as "workforce housing."

## Potential Impacts of Growth at the Hatfield Marine Science Center on Newport's Housing Market

Our evaluation of the potential impact of growth at the HMSC focuses on two questions:

1. What impact will student have on the rental market and rents in Newport?
2. Will student demand be sufficient to generate private sector interest in building student housing in Newport?

### *Impact on the rental market*

- **Projected OSU faculty, staff and students will increase Newport's population by about 4%.** The proposed growth at the HMSC will result in direct growth of about 450 people at the HMSC during any given term,<sup>11</sup> some or all of who will live in Newport. Growth of this number of people will increase Newport's population by about 4%. For context, Newport's population grew by about 628 people between 2000 and 2013.

The population forecast used for the HNA shows Newport growing by 1,603 people between 2011 and 2031, at an average annual growth rate of 0.7%. Growth of about 450 people will account for more than one-quarter of the growth anticipated in the HNA.

- **Expansion of the HMSC will create demand for 165 to 260 new dwellings (an approximate 2% to 4% increase in Newport's housing stock), with the most pressure on growth of multifamily housing.** The number and type of units needed for the new approximately 450 new people (during any given term) associated with the HMSC can be disaggregated, as described below.
  - Assuming that each of the faculty and staff need their own dwelling (e.g., that none are married couples), they will need 40 to 60 dwellings. These dwellings would be a mixture of owner- and renter-occupied dwellings. While the majority of faculty and staff may prefer and be able to afford single-family dwellings, some may prefer multifamily dwellings. Faculty and staff may choose to locate near the HMSC, in other parts of Newport, or in communities or rural areas near Newport.<sup>12</sup>

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<sup>11</sup> This report and project only address the direct effects of growth at the Hatfield Marine Science Center. Oregon State University has a separate contract with ECONorthwest to develop an analysis of the broad economic impacts of growth of the Hatfield Marine Science Center, including direct, indirect, and induced effects on employment and on economic output.

<sup>12</sup> We assume that the majority of faculty and staff will work at the HMSC for multiple years.

- Graduate student housing needs will vary, from single-family detached housing (with a single graduate student or multiple graduate students) to multifamily housing (with a single graduate student or multiple graduate students). Nearly all graduate students will live in renter-occupied housing. We assume that 80% of graduate student housing will be accommodated in single-family detached housing with one other graduate and that 20% of graduate students will choose to live in multifamily housing with one other graduate student. Under these assumptions, graduate students would occupy 40 single-family dwellings and about 10 multifamily dwellings.
- Assuming that, on average, the 300 undergraduate students in Newport during any given term live in two- or four-person units (with some in single-person units and some in three- or five-person units), undergraduate students will need 75 to 150 new units. All or nearly all of these will be rental units. Many will be multifamily units in structures with five or more units. Some graduate students or a few full-year undergraduate students may choose to live in single-family detached housing.
- Overall, an increase of 165 to 260 new units is relatively small within Newport's housing market, accounting for a 2% to 4% increase in the number of dwelling units (the 2008-2012 ACS reported Newport had 5,597 dwelling units). An increase of up to 80 new single-family dwellings is relatively small, with an increase of about 3% of this housing type.
- An increase of 85 to 160 multifamily units in structures with five or more units, however, is an increase of about 7% to 15% for this type of housing (the 2008-2012 ACS reported Newport had 1,015 dwelling units). This increase has potential for a larger impact on Newport's rental housing market, especially since some existing multifamily housing are second homes or vacation rentals. The remainder of this section focuses on housing for students.

- **Student housing costs at OSU in Corvallis are generally higher than housing costs in Newport.** The median gross rent in Newport (which includes utilities) is nearly \$800 per month. Rents are generally higher for dwelling units with more bedrooms than in units with fewer bedrooms.

Students at OSU generally pay between \$650 to \$800 per month for rent, both at housing managed by OSU and in private student-oriented housing in Corvallis. Assuming that two students shared a unit, they could pay \$1,300 to \$1,600 per month in rent, if they are willing to pay the same amount in rent in Newport as in Corvallis.

Given the rent differential between median gross rent in Newport (\$778 per month) and the amount paid in rent by two students sharing a unit at

OSU (\$1,300 to \$1,600 per month), students will have a preference for market-rate multifamily housing in Newport, if it is available. Some factors that would prevent or discourage students from choosing market-rate housing in Newport are: (1) landlords that are unwilling to rent to students who will be in Newport for less than a calendar year, (2) convenience of living in housing managed by OSU, both for ease of paying for housing and for ease of moving between Newport and Corvallis during the school year, (3) insufficient affordable rental housing located near the HMSC or on the south side of the Yaquina Bay Bridge (especially if student parking is not available at the HMSC), (4) amenities offered at OSU managed housing (such as meals), or (5) amenities offered at privately managed student housing (such as recreational amenities).

- **Students in Newport for less than the full school year would likely have trouble finding housing.** About 60% of the students at the HMSC (300 students) will be in Newport for one or two terms, which is three to six months. The remaining students will be in Newport for a school year, and possibly for a calendar year or longer.

Students in Newport for one or two terms would likely have difficulty finding rental housing in Newport's existing housing, despite the potential for higher rental costs for students. It seems likely that most landlords or rental agencies would strongly prefer to rent to tenants who will stay more than a few months.

- **Year-round students would increase pressure in Newport's rental market, if no new housing were built.** About 200 students are expected to be in Newport year-round. At an average of two-persons per dwelling unit, these students would require 100 dwelling units. The current vacancy rates of less than 5% demonstrates that Newport's year-round housing market is relatively tight. Without development of more housing, demand for 100 additional units will make it harder for to find rentals in Newport.

Assuming that these students were able to pay at least current market rates for rent in Newport or possibly more, they would put additional pressure on Newport's housing market, eventually resulting in higher rents. The pressure would be greatest on rental housing in the South Beach area and other areas south of the Yaquina Bay Bridge, where students are more likely to live because of easier transportation access (especially by bicycle) to the HMSC. As a result, some people who want to live in Newport (including some who currently live in Newport) would likely choose to live in nearby communities with less expensive housing. This might include some students studying at the HMSC.

- **Existing faculty, staff, and students at HMSC have difficulty finding affordable, good condition housing.** HMSC staff conducted an informal



survey of existing students, faculty, and staff currently associated with HMSC. About 120 people responded to the survey, with 16 responses from students, and the remainder divided between OSU and staff at agencies associated with HMSC (such as NOAA or USFWS). This survey provides the following information about HMSC staff and associated agency staff's housing preferences:

- Survey respondents had difficulty finding housing in Newport because of relatively high housing costs, housing that is in poor condition, and scarcity of rental housing.
- More than 60% of survey respondents indicated that they have pets and many respondents had difficulty finding housing that would allow them to have their pet.
- The majority of students who responded were graduate students, most of whom lived in Newport with one or more roommate, in privately owned rental housing.

As HMSC expands, it is reasonable to expect these types of housing issues to persist, especially in the absence of development of student housing and other new affordable housing.

In summary, growth of faculty, staff, and students will result in an increase in Newport's population and, if they all live in Newport, demand for new dwelling units by up to 4%. While 4% growth over a 10-year period is not an exceptional amount of growth, it is a substantial amount of the growth that Newport is expecting between 2011 and 2031.

Growth in students has potential to result in demand for between 85 and 160 new multifamily units, which would result in an increase of up to 15% for Newport's multifamily housing stock. While students appear to have the capacity to pay more in housing than current market-rate rents in Newport, many of the students would live in Newport for three to six months. Their short tenure in Newport would make finding housing difficult. A primary reason for this difficulty is that most landlords prefer to engage in longer-term rentals because of the costs and extra work of renting a dwelling four times a year (rather than once a year or less frequently), such multiple credit checks and deposits, having the dwelling cleaned and repaired multiple times per year, and advertising and showing the dwelling multiple times per year.

In addition to the growth associated with the HMSC, the Oregon Coast Community College (OCCC) is planning to double its student population from 500 to 1,000 students over the next 10 years or more.<sup>13</sup> OCCC's programs

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<sup>13</sup> The estimate of 500 students at OCCC is an estimate for full-time equivalent students, rather than a headcount. OCCC expects to grow to about 1,000 full-time equivalent students.

generally attract students from within Lincoln County. Some of OCCC's programs, most notably the Nursing Program and the Aquarium Science Program, attract students from outside of Lincoln County. In the future, OCCC estimates that between 10% to 20% of students will be from out of Lincoln County.

OCCC plans to grow these and other programs that attract students from out of the area. They estimate expansion of OCCC's programs may result in need for housing for about 100 to 200 students from outside of the region in about 10 years. These students may create demand for approximately 25 to 100 dwelling units, assuming an average of two to four students per dwelling. Growth of out-of-area students at OCCC is likely to be gradual, as OCCC expands its programs.

In the context of Newport's already tight rental market, housing demand from the year-round students HMSC students and students at OCCC would further tighten Newport's rental market, eventually resulting in higher rents and decreasing housing affordability for renters. This would lead to more people living in nearby communities as a result of economic necessity.

### ***Private sector interest in student housing***

The solution to ensuring that part-year students have options for housing in Newport and avoiding further tightening Newport's rental market is ensuring that housing is developed for students. In the aggregate, demand for about 85 to 160 new dwelling units with the rent profiles of students willing and able to pay \$650 to \$800 per student per month would be attractive to private developers. The average length of student residency would be less attractive to developers.

One of the potential key challenges is coordinating the timing of when OSU starts growing student presence at the Marine Science Center with production of student housing. Left entirely to the market, there would be a lag time between the increase in demand (new students in Newport) and production of new housing. OSU is planning to phase its growth over a ten-year period, meaning that the 500 students will not be added at one time. The market response to building new housing could be years behind student growth.

OSU should align its plans for student growth with the development of new units. The need for this type of coordination, combined with the need to help part-year students coordinate housing in Corvallis and Newport (including issues of coordination with student financial aid), strongly suggests that OSU should have a significant role in development of student housing, especially during the early parts of the HMSC expansion.

OSU could work with a private developer on development (and possibly management) of student housing, or OSU could develop and manage the student housing without a private developer. Depending on plans for growth of

enrollment at the HMSC, new student housing could be developed in phases. OSU may have a larger role in student housing development in earlier phases of student growth, ensuring that housing is available for students. One or more private developers may be interested in developing student housing in later phases of enrollment growth, when there is more certainty about student growth and development of student housing.

These issues, as well as the role of the City of Newport in ensuring student housing production, will be discussed in subsequent meetings. At a minimum, the City is acting as a facilitator of the process, to ensure participation by a wide range of interested stakeholders.

## 2.2 Update to Buildable Lands Analysis

The 2011 *Housing Needs Analysis* included a comprehensive inventory of residential lands within the Newport Urban Growth Boundary (UGB). The 2011 buildable lands analysis concluded the City has about 1,764 buildable residential acres. Note that 575 of these acres are in a destination resort designation and would not be available for the type of housing needed to support OSU faculty, staff and students. Table 1 shows a summary of buildable land by plan designation in the Newport UGB in 2011.

**Table 1. Residential land with development capacity by constraint status, Newport UGB, 2011**

<b>Plan Designation</b>	<b>Tax Lots</b>	<b>Total Acres in Tax Lots</b>	<b>Developed Acres</b>	<b>Constrained Acres</b>	<b>Buildable Acres</b>
Low Density Residential					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>
High Density Residential					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Note: Constraints do not make any deductions for slope

ECO used buildable permit data to update the residential buildable lands inventory. The city did not experience much new residential development between 2011 and 2014. A total of 58 permits were issued for new residential construction. Of these, 55 were issued in residential plan designations. Table 2 summarizes the building permit data.

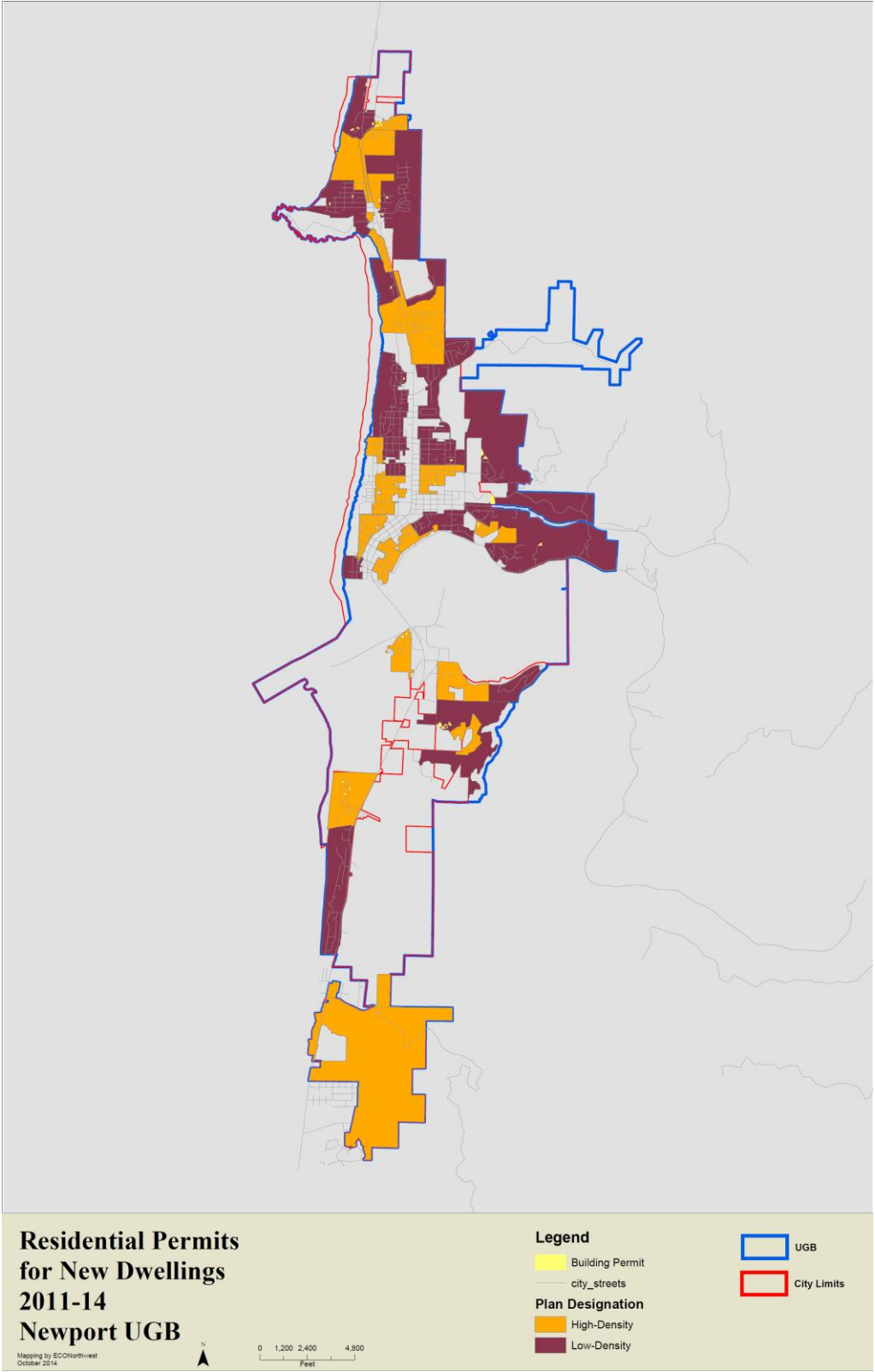
**Table 2. Permits issued for new residential construction, 2011-14**

<b>Plan Designation</b>	<b>New</b>	
	<b>Dwellings</b>	<b>Acres</b>
HDR	20	4.2
LDR	38	5.5
<b>Total</b>	<b>58</b>	<b>9.7</b>

Source: City of Newport GIS data; analysis by ECONorthwest

Map 1 shows the location of permits issued city-wide. Map 2 shows permits issued south of Yaquina Bay and north of the Newport Airport.

**Map 1. Location of building permits issued for new residential construction 2011-14, Newport UGB**



**Map 2. Permits Issued for New Development South of Yaquina Bay and North of the Airport, 2011-14**



Table 3 shows the updated buildable lands inventory for Newport. The results show that Newport has about 1,750 buildable residential acres. Of these, 992 are in the low-density plan designation and 757 are in the high-density plan designation. Less than 10 acres of residential land were developed between 2011 and 2014.

**Table 1. Residential land with development capacity by constraint status, Newport UGB, 2014**

<b>Plan Designation</b>	<b>Tax Lots</b>	<b>Total Acres in Tax Lots</b>	<b>Developed Acres</b>	<b>Constrained Acres</b>	<b>Buildable Acres</b>
Low-Density	635	1,094	30	72	992
High Density					
Destination Resort	31	668	-	93	575
Other High Density	343	264	10	72	182
Subtotal	374	932	10	165	757
<b>TOTAL</b>	<b>1,009</b>	<b>2,026</b>	<b>40</b>	<b>237</b>	<b>1,749</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

## 3 Potential Sites for New Student Housing

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Chapter 2 estimated demand for about 85 to 160 new multifamily dwelling units for student housing and showed that Newport has 1,749 acres of vacant residential land. Assuming that student housing is developed at densities similar to multifamily densities presented in the 2011 HNA, all of the new student housing will require around 15 gross acres of land.<sup>14</sup> Based on this assessment, Newport has enough vacant residential land to accommodate new student housing.

One of the key outcomes of this project is identifying one or more sites where student housing would be appropriate in Newport. The characteristics of sites that would be appropriate for student housing are:

- **Size of site.** The size of the site necessary to accommodate student housing depends on: whether all 85 to 160 student housing units are located in one area and the design of the student housing buildings. We assume that the site for student housing will: (1) accommodate the part-year students, (2) will accommodate some of the year-round graduate and undergraduate students, and (3) that the buildings will be multistory (probably two to four stories tall) or dense townhouse-style buildings. Based on these assumptions, the site should be at least five gross acres and probably 10 to 15 gross acres.
- **Proximity to the HMSC.** The site should be within one or two miles of the HMSC, about 10- to 15-minute bicycle ride, or about 15- to 30-minute walk.
- **Location within Newport.** The site should be south of the Yaquina Bay Bridge because crossing the bridge on bicycle or as a pedestrian is challenging.
- **Accessible by bicycle and pedestrians.** Students should be able to walk or bicycle to the Hatfield Marine Science Center. One reason for this requirement is that not all students have cars. In addition, the Hatfield Marine Science Center does not currently have enough parking for an additional 500 cars and OSU staff have said that they do not want to build that much more parking.
- **Transportation access.** The site should be accessible from Highway 101, either by being located directly adjacent to Highway 101 or via an access road with sufficient capacity to accommodate the transportation needs of up to 500 students.

It would be preferable if the site were also connected to South Beach and the Hatfield Marine Science Center by local roads, allowing students to avoid bicycling or walking along Highway 101.

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<sup>14</sup> The 2011 HNA assumed that multifamily housing would develop at 16 dwelling units per gross acre.



In the future, there may be a shuttle or some form of transit that allows students to get from the site to the Hatfield Marine Science Center. The transportation access to the site should be able to accommodate a shuttle bus.

- **Urban services.** The site should be in an area with existing access to city water and wastewater services.
- **Outside of the tsunami inundation zone.** The site should be in an area outside of the tsunami inundation zone. State law (ORS 455.446 to 455.447) prohibits building new public facilities, including educational facilities, in the tsunami inundation zone.
- **Willing landowner.** The land owner of the site should be open to or preferably actively interested in the idea of development of student housing.
- **Access to amenities.** Students will need access to amenities, such as a grocery store, coffee shop, restaurants, banking services, recreational opportunities, and other services. Many of these amenities do not exist in the South Beach area or do not exist in the levels that will be necessary to meet student demand.

In general, these amenities develop as demand for them grows. Unless the student housing development includes some of these amenities or there is other active coordination for concurrent development of these amenities with student housing development, these types of retail development occur after residential development. Some of these amenities, especially a grocery store, will require development beyond student housing and will develop with other growth in South Beach.<sup>15</sup>

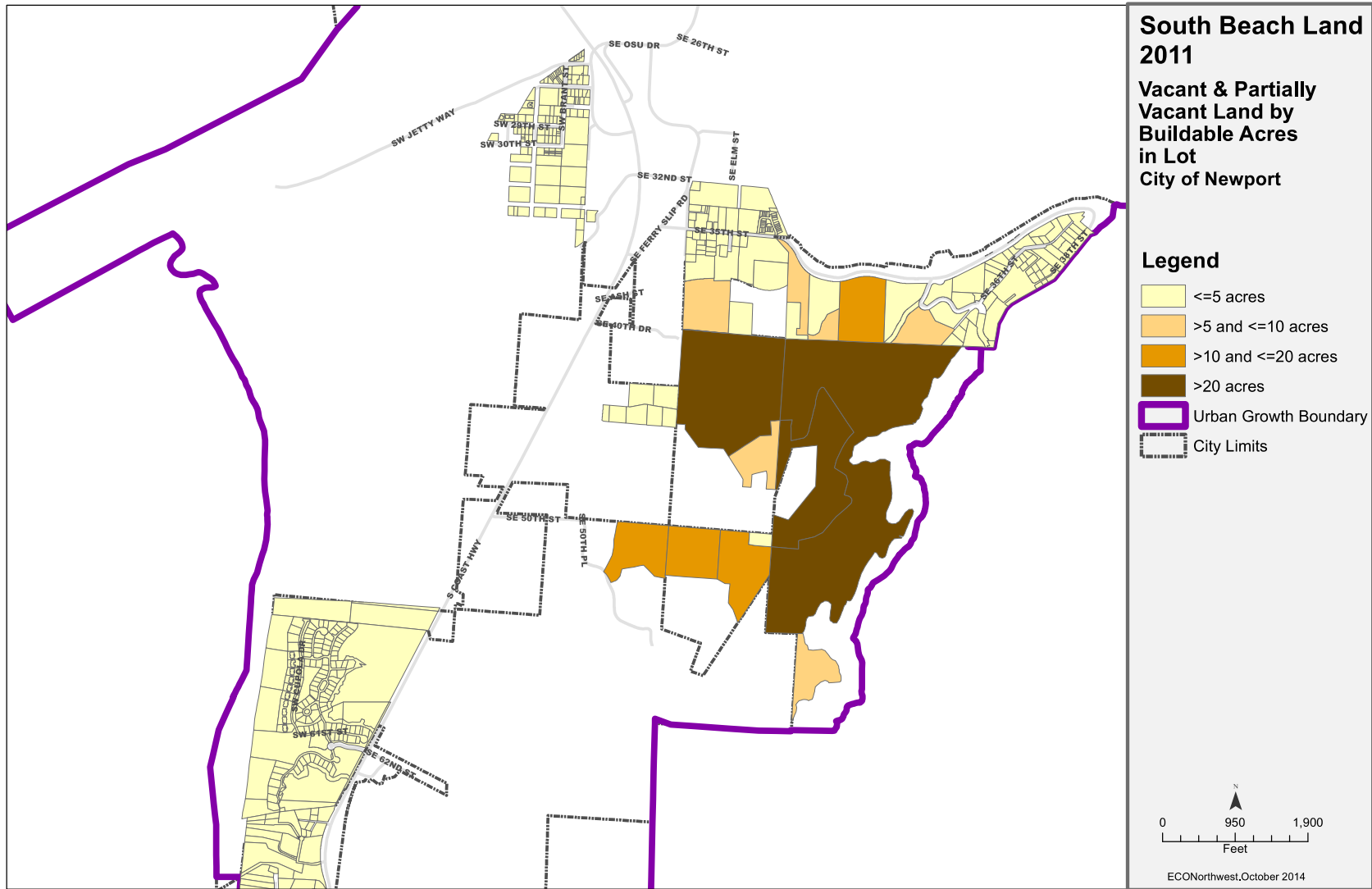
The site should be located in a place where there is opportunity for development of some of these amenities and where other amenities could be easily accessed from the site, such as in South Beach.

Map 3 and Map 4 show the buildable lands map of the South Beach area.

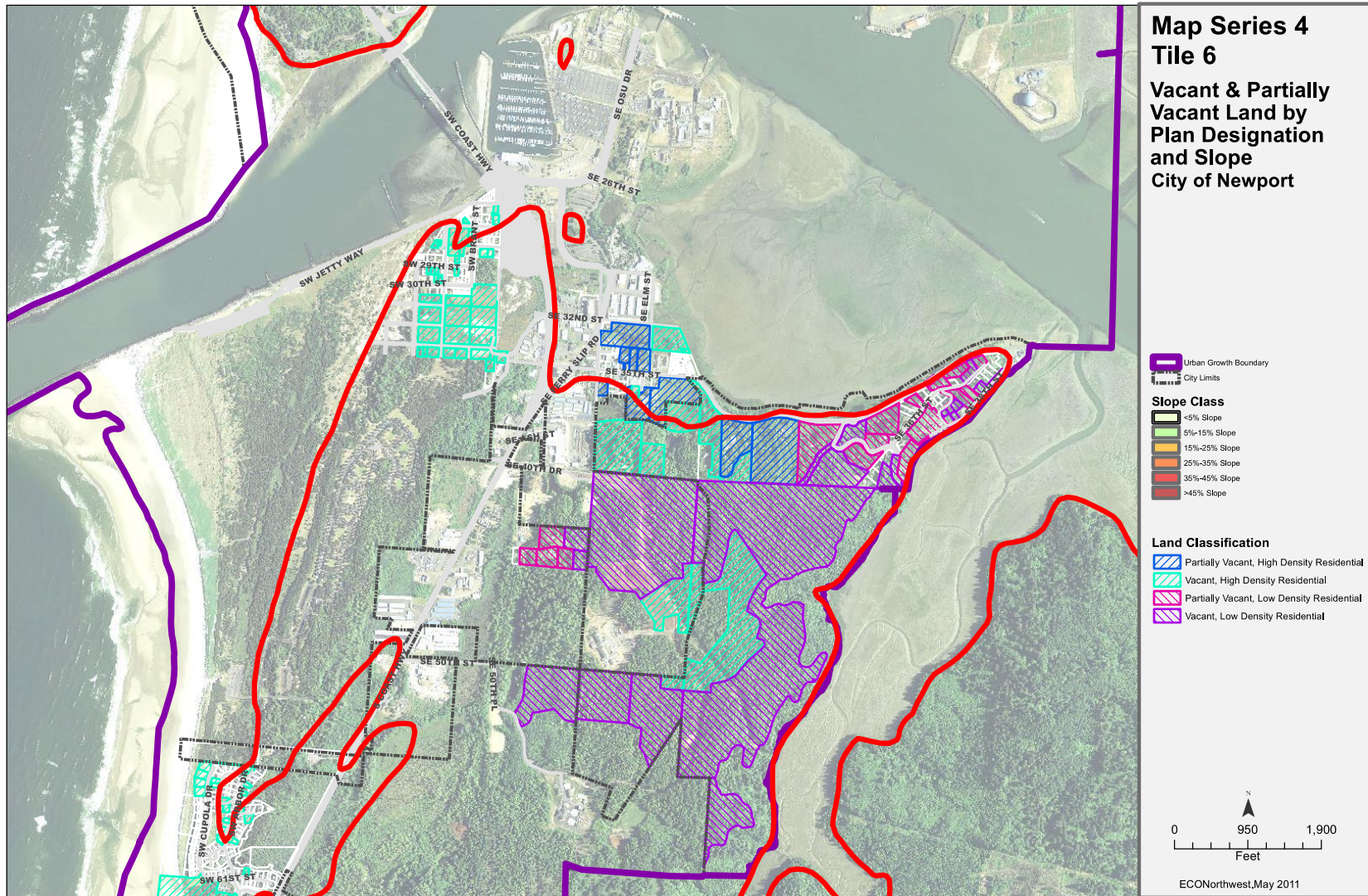
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<sup>15</sup> Typically 4,000 to 5,000 households are required to support a grocery store

Map 3. Buildable Residential Land, South Beach



Map 4. Buildable Residential Land, with the Tsunami Inundation Zone (shown as a red line), South Beach



Note: The redline shows the tsunami inundation zone

Discussions with the Student Housing Advisory Committee identified the area that is most suited for student housing, based on the criteria described above: in or near the Wilder development. Map 5 shows the Wilder development and the areas around it. The Oregon Coast Community College is adjacent to the Wilder development.

The areas on Map 5 that were identified as best-suited are:

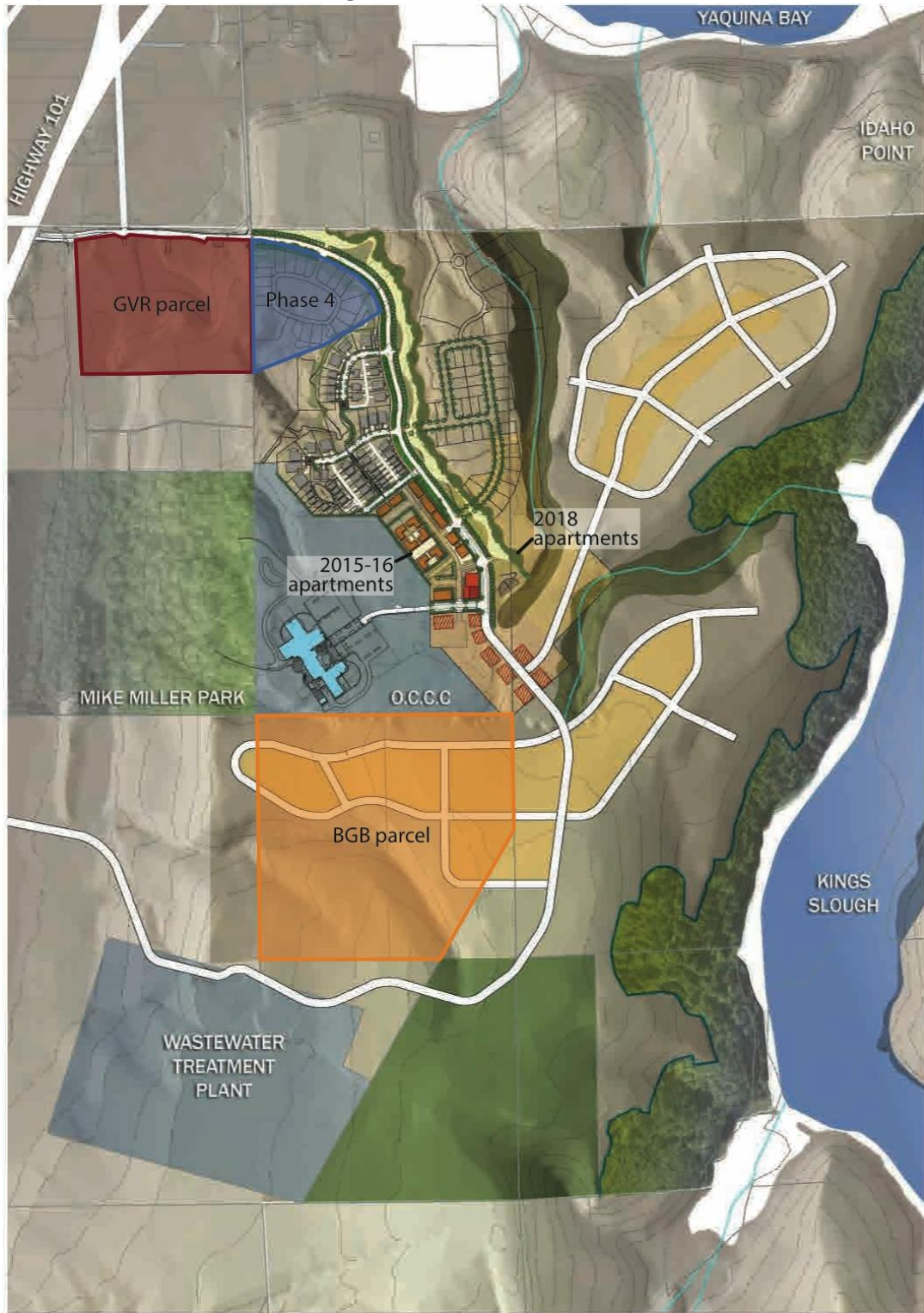
- **Phase 4 of the Wilder development.** The landowner identified the area at the entrance to the community on the south side of Harborton Street as being suitable for several small student housing buildings, possibly student studios coupled with large, shared common area spaces. The parcel comprises about six acres, of which perhaps three acres are buildable. Phase 4 of the Wilder development is the best area for student housing because it has existing services and is on the northern end of the Wilder development (which is closer to the HMSC).
- **BGB Parcels.** This is an area south of Oregon Coast Community College, owned by the Brewer and Gardner family. The area is about 35 acres, in three parcels, with the area closest to OCCC in a 15-acre parcel. This area would be especially appropriate if OSU or a developer wanted to build a larger-scale residence hall.

Developing this area will require transportation and other infrastructure investments, which will take time to implement and may be more costly than development in Phase 4 of the Wilder development. If part (or all) of the BGB Parcels were annexed, current zoning would be either industrial or low density residential. Annexation and re-zoning this area to allow student housing will be subject to the City's processes, which will require an investment of time and money.

It will have access to South East 50th and Harborton Street. Wilder is currently negotiating development of a facility near this parcel, which will require extension of Harborton Street. This extension will reduce the transportation investments necessary to develop the BGB Parcels.

- **GVR Parcel.** This area is adjacent to Phase 4 of the Wilder development. It is currently zoned for residential and industrial uses. This area would be also appropriate if OSU or a developer wanted to build a larger-scale residence hall. As with the BGB parcel, would require infrastructure investments, which will take time to implement and may be more costly than development in Phase 4 of the Wilder development.

Map 5. Suitable Student Housing Sites, Newport



landwaves inc



**WILDER COMMUNITY MASTER PLAN**  
OVERALL MASTER PLAN CONCEPT  
WITH PROPOSED LAND SWAP AREAS

JULY 2009



## 4 Tools for Housing Development

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This section describes tools that are designed to lower development costs or finance the infrastructure development necessary to support development. This section's organization is based on the potential role for the City. It begins with tools that are primarily public-oriented, where the City could have a direct role in implementing the tools. The final section presents tools that are primarily used by developers, both private and non-profit.

The tools include those that can encourage student housing development, as well as those that support low-income subsidized or workforce-housing. The City may consider implementing tools to encourage development of affordable multifamily housing, aside from student housing, throughout the City.

The tools that the City may choose to use to ensure the production of student housing or encourage the production of low-income subsidized or workforce housing vary based on the location of the development (and whether there are infrastructure and services to the site), the type of housing being developed (and the financial feasibility of that housing), and the partners participating in the housing development. Below are some broad approaches that the City could use to support student housing or encourage the production of low-income subsidized or workforce housing. The City currently uses many of these tools to support development or infrastructure development.

- **Make the development process faster and smoother.** The City could make sure that obtaining entitlements for the project proceeds as quickly as possible and assign a staff member to help solve any issues and expedite the process. The City could work closely with developers, landowners, and other stakeholders to identify issues (or potential issues), and participate in identifying resolutions to the issues quickly. This type of assistance would be appropriate for student housing or low-income subsidized/workforce housing.
- **Ensure infrastructure development and availability.** The City could: establish an urban renewal district (or use an existing URA) to pay for infrastructure development, help establish a Local Improvement District to pay for capital improvements, or work with the State to obtain transportation grants. If the project is sufficiently important to the City as a whole, the City could issue a General Obligation Bond to pay for large-scale infrastructure improvements or provide other development support.
- **Provide assistance to lower development costs.** The City can use the tools identified above to reduce or eliminate infrastructure costs to the developer. The City may choose to waive or lower development fees (such

as the application fee) or reduce or waive SDCs. The City could use CDBG funds or CDBG loans (Section 108) to contribute funding to support housing development, such as low-income subsidized or workforce housing.

The mixture of tools that the City may choose to support student housing will depend, in large part, on where the housing is developed (if additional infrastructure development is needed), who the development partners are, and what tools are available to development partners. For instance, if student housing is built in an area with all the necessary infrastructure, and the developer is a nonprofit organization, the City might: (1) provide assistance to make the development process smoother and faster, (2) waive development application and other fees, (3) bring stakeholders to the table (such as the landowner, OSU, the Lincoln Community Land Trust, and the nonprofit developer) to work together on financial and other issues necessary to make the development feasible, and (4) work with stakeholders to use available funding tools such as Section 108 loans or EB5 (both of which require an economic development component, such as retail or jobs related to the operations of the student housing). If the developer is not a nonprofit and will operate the housing, the City could use a tax abatement program to lower operational costs of the housing.

If the City is trying to support development of low-income subsidized or workforce housing, the City might: (1) provide assistance to make the development process smoother and faster, (2) waive development application and other fees, (3) waive SDCs or use Urban Renewal funds (if the development is in a URA) to pay for infrastructure development, (4) donate or lease (at low cost) city-owned land for the development, (5) bring stakeholders to the table including the landowner, the Lincoln Community Land Trust, and the nonprofit developer, (6) support the developer's use of Low Income Housing Tax Credits (for low-income housing) or HUD 221d4 loans (for workforce housing), and (7) work with stakeholders to use available funding tools such as Section 108 loans or EB5 (for housing with a service-element, such as affordable senior housing). If the developer is not a nonprofit and will operate the housing, the City could use a tax abatement program to lower operational costs of the housing.

The remainder of the section describes these and other tools that are used to facilitate residential development, including market-rate or workforce housing, low-income housing, senior housing, and student housing.

## 4.1 Public-oriented tools

Local jurisdictions can use the following tools to lower development costs.

### SDC Financing or Credits

<b>How It Works</b>	<p>Financing enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site or fulfill other community goals in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts. SDC credits for construction of qualified public improvements must be used within 10 years of the date the credit is given.</p> <p>While some programs are mainly designed to allow for efficient development of infrastructure to serve the site (such as Hillsboro and Gresham's SDC credit programs), other programs have specific community goals. Example programs:</p> <p><b>Portland SDC Exemption Program.</b> The program aims to promote the development of affordable rental housing and to encourage the construction of new single-unit homes affordable to families buying their first home. Developers are exempt from paying for SDCs in four categories when affordable residential housing units meet program requirements. The categories are: transportation, water, parks and environmental services. More info: <a href="http://www.portlandoregon.gov/phb/61105">http://www.portlandoregon.gov/phb/61105</a></p> <p><b>Canby Job Creation SDC Credits.</b> In its urban renewal area, Canby offers SDC credits for job creation of \$500 to \$2,000 per qualifying job. After paying all SDC credits up front, the City will refund SDC charges following fulfillment of job creation goals. More info: <a href="http://www.clackamas.us/business/documents/canbysdc.pdf">http://www.clackamas.us/business/documents/canbysdc.pdf</a></p>
<b>Fund Sources</b>	SDC fund / general fund. In some cases, there may be no financial impact.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Reduced up-front costs for developers can enable a quicker development timeframe and increase the availability of property to be taxed.</li> <li>• Developers can often sometimes find ways to build infrastructure more efficiently than the public sector because they can use the construction team who is already developing other site elements.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces the availability of SDC funds over the short term.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

### Sole Source Systems Development Charges

<b>How It Works</b>	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide.
<b>Fund Sources</b>	SDC funds
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Enables SDC eligible improvements within the area that generates those funds to keep them for these improvements.</li> <li>• Improvements within smaller areas, which can enhance the catalytic and redevelopment value of the area.</li> <li>• Can be blended with other resources such as LIDs and TIF.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces resources for SDC-funded projects in a broader geography.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized/workforce housing.



## Fees or Other Dedicated Revenue

<b>How It Works</b>	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could both meet initial parking need when the development comes on-line but maintain the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for.
<b>Fund Sources</b>	Residents, businesses, and developers.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Allows for new revenue streams into the City.</li> <li>• Many developers support fee-in-lieu programs if they are allowed to receive the same parking allocation for less money than it would cost to build and manage the space.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Political challenges of introducing new fees or increasing existing fees that are directed toward specific funding objectives, unless those objectives are widely supported.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## Public Land Disposition

<b>How It Works</b>	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below-market rates for various projects to help achieve redevelopment objectives.
<b>Fund Sources</b>	Tax Increment, CDBG/HUD 108, EB-5.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Increases development feasibility by reducing development costs.</li> <li>• Gives the public sector leverage to achieve its goals via a development agreement process with the developer.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Public agencies sometimes buy land at the appraised value because they want to achieve multiple goals, which can impact costs of future public and private acquisitions.</li> <li>• Requires careful underwriting and program administration to reduce public sector risk and ensure program compliance.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing, depending on the funding source.

The following tools are generally used for development of infrastructure to support housing development. Some of these tools, however, can be used directly to lower costs of housing development.

## Urban Renewal / Tax Increment Finance (TIF)

<b>How It Works</b>	<p>Newport has an Urban Renewal District in South Beach, but the Wilder property is outside of the Urban Renewal District. Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. Urban renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> <li>• Redevelopment projects, such as mixed-use or infill housing developments.</li> <li>• Economic development strategies, such as capital improvement loans for small or start-up businesses which can be linked to family-wage jobs.</li> <li>• Streetscape improvements, including new lighting, trees, and sidewalks.</li> <li>• Land assembly for public as well as private re-use.</li> <li>• Transportation enhancements, including intersection improvements.</li> <li>• Historic preservation projects.</li> <li>• Parks and open spaces.</li> </ul>
<b>Fund Sources</b>	Local taxing jurisdictions' permanent rate property tax revenues.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects.</li> <li>• TIF can be used to help pay for infrastructure improvements (including parking garages), and provide loans/grants for adaptive re-use and new development.</li> <li>• Among the most flexible incentives. For example a single project-based TIF district is possible.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Defers property tax accumulation by the City and County until the urban renewal district expires or pays off bonds.</li> <li>• Due to the sometimes slow or indirect nature of property tax growth in relation to targeted projects, urban renewal can often take five or more years to produce meaningful levels of revenue resulting in loss of project alignment.</li> <li>• Complex process requires extensive public involvement and community support, especially from other taxing jurisdictions. The City would need to explore options with County officials and elected leadership, tracking legislative changes in urban renewal law, and meeting with adjacent jurisdictions and overlapping taxing entities.</li> <li>• Use of urban renewal can be politically contentious because of its impact on funds available to overlapping taxing districts, and because of the perception that the school districts are adversely impacted.</li> <li>• Investing over \$750,000 in TIF directly into a new or rehab project triggers prevailing wage requirements, which can increase overall project costs by 10–20%.</li> </ul>
<b>Type of Housing</b>	<p>Urban renewal funds can be used to develop infrastructure to support student housing or low-income subsidized / workforce housing.</p> <p>Urban renewal funds can be used for housing development within urban renewal districts.</p>

## Local Improvement District (LID)

<b>How It Works</b>	A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners.
<b>Fund Sources</b>	LID bonds are backed by revenue committed by property owners (which can be public as well as private).
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Organizes property owners around a common goal.</li> <li>• Allows property owners to make payments over time to bring about improvements quickly that benefit them individually.</li> <li>• Improvements within smaller areas can enhance catalytic and redevelopment value of the area.</li> <li>• LIDs can be bundled with other resources, such as TIF.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Setting up fair LID payments for various property owners, who are located different distances from the improvement, is challenging.</li> <li>• Some lenders insist that LIDs be paid off when properties are transferred.</li> <li>• Small geographic areas may not have sufficient LID revenues to support bonds for the desired improvement.</li> </ul>
<b>Type of Housing</b>	Can be used to develop infrastructure needed for student housing or low-income subsidized / workforce housing.

## Transportation Loans and Grants

<b>How It Works</b>	<p>ODOT administers several grant programs that help to pay for pedestrian and bicycle improvements, including crosswalks, bike lane striping, and pedestrian crossing islands. Local governments must often match grant funding. These programs include:</p> <ul style="list-style-type: none"> <li>• <b>ConnectOregon.</b> ConnectOregon focuses on improving connections and supporting local economies throughout the state. Dedicated to non-highway projects, ConnectOregon was first approved by the Oregon legislature in 2005 and has funded more than 130 marine/ports, aviation, public transit, and rail projects around the state. For ConnectOregon V, bicycle/pedestrian projects were also eligible to compete for funds. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx">http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx</a></li> <li>• <b>Statewide Transportation Enhancements Program.</b> The Statewide Transportation Improvement Program, known as the STIP, is Oregon's four-year transportation capital improvement program. It is the document that identifies the funding for, and scheduling of, transportation projects and programs. STIP will be divided into two broad categories: Fix-It and Enhance. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx">http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx</a></li> <li>• <b>Oregon Transportation Infrastructure Bank.</b> The Bank is a low-interest revolving loan fund that can help to pay for transportation capital projects. These low-interest loans can be repaid with TIF, general fund, or local improvement district revenues. They provide up front monies (planning, engineering) as well as implementation funds which means cities do not need to wait for TIF build up. Need to make sure there will be a city repayment source. State program webpage: <a href="http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx">http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx</a></li> </ul>
<b>Fund Sources</b>	State and federal funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Direct public investment into private projects.</li> <li>• Does not impact City funds.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Highly competitive and must meet state-identified criteria (varies by program).</li> <li>• For loans, need to establish a City repayment source.</li> </ul>

<b>Type of Housing</b>	Can be used to develop transportation infrastructure needed for student housing or low-income subsidized / workforce housing.
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## Water and Wastewater Loans and Grants

<b>How It Works</b>	<p>Business Oregon's Infrastructure and Finance Authority administers several loan and grant programs that help pay for water and wastewater improvements, including water, wastewater, and stormwater systems. These programs include:</p> <ul style="list-style-type: none"> <li>• <b>Water/Wastewater Financing Program.</b> This program funds design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act. The program gives loans and grants, depending on the type and characteristics of infrastructure being developed. It funds projects related to construction improvement or expansion of drinking water system, wastewater system or stormwater system. To be eligible for funding a system must have received, or is likely to soon receive, a Notice of Non-Compliance by the appropriate regulatory agency or is for a facility plan or study required by a regulatory agency. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx">http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx</a></li> <li>• <b>Safe Drinking Water Revolving Loan Fund.</b> The Safe Drinking Water Revolving Loan Fund (SDWRLF) is designed for collection, treatment, distribution and related infrastructure projects. This loan program funds drinking water system improvements needed to maintain compliance with the Federal Safe Drinking Water Act. The Safe Drinking Water Fund is funded by yearly grants from the U.S. Environmental Protection Agency (EPA) and matched with funds from the state Water/Wastewater Financing Program. The program allows use of funds for activities such as engineering or designing upgrades to or construction of system improvements and equipment for water intake, filtration, treatment, storage, or transmission. Funds can also be used for acquisition of property or easements, planning and review of projects, legal or technical support of projects, or enhancements of physical security. State program webpage: <a href="http://www.orinfrastructure.org/Infrastructure-Programs/SDW/">http://www.orinfrastructure.org/Infrastructure-Programs/SDW/</a></li> <li>• <b>Drinking Water Source Protection Fund.</b> The Drinking Water Source Protection Fund (DWSPF) is designed for the protection of drinking water sources. This loan program funds drinking water system improvements needed to maintain compliance with the Federal Safe Drinking Water Act. The program allows use of funds for activities such as engineering or designing upgrades to or construction of system improvements and equipment for water intake, filtration, treatment, storage, or transmission. Funds can also be used for acquisition of property or easements, planning and review of projects, legal or technical support of projects, or enhancements of physical security. State program webpage: <a href="http://www.orinfrastructure.org/Infrastructure-Programs/SDW/">http://www.orinfrastructure.org/Infrastructure-Programs/SDW/</a></li> </ul>
<b>Fund Sources</b>	State and federal funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Direct public investment into private projects.</li> <li>• Does not impact City funds.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Highly competitive and must meet state-identified criteria (varies by program).</li> <li>• For loans, need to establish a City repayment source.</li> </ul>
<b>Type of Housing</b>	Can be used to develop water, wastewater, and stormwater infrastructure needed for student housing or low-income subsidized / workforce housing.

General Fund and General Obligation Bonds are generally used to develop infrastructure or fund large public projects.

## General Fund and General Obligation (GO) Bonds

<b>How It Works</b>	City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.
<b>Fund Sources</b>	Property taxes are increased to pay back the GO bonds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Community can implement public projects that can in turn catalyze other development (e.g. parking garage, transportation improvements, etc.)</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• GO Bonds require a public vote, which is often time-consuming and costly.</li> <li>• Raises property owner taxes (GO Bonds).</li> <li>• State Lending of Credit provision prohibits City from contributing directly to private sector projects.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized/workforce housing.

University bonds are used to build large-scale university projects, including new buildings and student residence halls.

## University Bonds

<b>How It Works</b>	Universities can issue bonds for a range of activities, including development of student housing. University bonds can be paid over a term of up to 20 years. OSU would need to identify the appropriate type of university bond, if the University chooses to build student housing.
<b>Fund Sources</b>	Rents and other fees
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity.</li> <li>• OSU can build student housing on its own or as part of a public-private partnership.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Requires OSU to be willing and financially able to issue a bond for the cost of student housing.</li> </ul>
<b>Type of Housing</b>	Student housing.

Community Development Block Grant and Section 108 funds are generally used for projects that meet identified community needs, such as low-income subsidized and workforce housing.

## Community Development Block Grants (Federal Program, State Administered)

<b>How It Works</b>	Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons. Lincoln County competes for CDBG funding through the Oregon Business Development Department alongside other non-metropolitan counties. In 2014, the State will award approximately \$12 million to non-metropolitan counties, with a maximum single grant award of \$3 million. <sup>16</sup> Lincoln County has applied for and received funding for a head start facility (2002), domestic violence shelter in Lincoln City (2005), senior center in Newport (2008), microenterprise assistance (2007-2013), and housing rehabilitation (2009). <sup>17</sup> The county applied for microenterprise assistance in 2014. More info: <a href="http://www.orinfrastructure.org/Infrastructure-Programs/CDBG/">http://www.orinfrastructure.org/Infrastructure-Programs/CDBG/</a>
<b>Fund Sources</b>	Federal HUD funds, administered by Oregon Business Development Department.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Track record of using CDBG funds for community development projects in Lincoln County.</li> <li>• Funds are fairly flexible in application.</li> <li>• Program has existed since 1974, and is seen as being fairly reliable.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Competitive and time-consuming process to secure loans/grants for individual projects.</li> <li>• Administration and projects must meet federal guidelines such as Davis Bacon construction requirements.</li> <li>• Amount of federal funding for CDBG has been diminishing over the past few years.</li> <li>• CDBG program is run through the state..</li> </ul>
<b>Type of Housing</b>	Low-income subsidized / workforce housing. Unlikely to be used for student housing.

<sup>16</sup> Lincoln County Board of Commissioners minutes. July 23, 2014. <http://www.co.lincoln.or.us/board/minutes/2014/July/Order%207-14-194%20BOC%20Meeting%20Minutes%20of%20July%202014.pdf>

<sup>17</sup> Oregon Community Development Block Grant 2013 Performance Evaluation Report (PER) Covering Years 2005 through 2013. <http://www.oregon.gov/ohcs/docs/2013-Proposed-CDBG-PER.pdf>

## Section 108 (Federal Program, Locally Administered)

<b>How It Works</b>	<p>HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation. The community pays back the revenue through project proceeds or CDBG funds. Examples of projects that were developed with HUD Section 108 funds include the Salem Conference Center and Hotel, Portland initial Saturday Market headquarters, and the adaptive reuse of a former J.C. Penney's department store in Eugene.</p> <p>If the City is exploring the use of Section 108 funds for affordable housing, it should contact the County and the state's regional coordinator to learn more about the application process, how much the City could apply for, and tips for success. Louise Birk is the Regional Coordinator for Lincoln County, 503-986-0130</p>
<b>Fund Sources</b>	Federal HUD funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Funds are fairly flexible in application.</li> <li>• Program has been run since 1974, and is seen as being fairly reliable.</li> <li>• Enables a larger amount of very low interest-rate-subordinate funding for eligible projects.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Competitive process to secure loans/grants for individual projects.</li> <li>• Administration and projects must meet federal guidelines such as Davis Bacon construction requirements.</li> <li>• Amount of federal funding for CDBG has been diminishing over the past few years.</li> <li>• CDBG program is run through Lincoln County and is not City-controlled.</li> <li>• If the project cannot generate enough revenue to repay the loans, the County/City will need to use the general fund or another repayment source.</li> <li>• May not be suitable for student housing.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized / workforce housing.

ECONorthwest focused the list of tax credits and abatements to ones that can be used for market-rate apartments, affordable housing, and mixed-use buildings, where housing is above active ground floor uses.

### Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)

<b>How It Works</b>	<p>Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Completely within the core area of an urban center.</li> <li>• Entirely within half-mile radius of existing/planned light rail station.</li> <li>• Entirely within one-quarter mile of fixed-route transit service (including a bus line).</li> <li>• Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential.</li> </ul> <p>State program webpage:  <a href="http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx">http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx</a></p>
<b>Fund Sources</b>	<p>General funds of local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support mixed-use development in places with locational advantages.</li> <li>• City-controlled on project-by-project basis.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces general fund revenues for all overlapping taxing districts.</li> <li>• Requires a lengthy approval process with taxing districts.</li> </ul>
<b>Type of Housing</b>	<p>Student housing or low-income subsidized / workforce housing.</p>



## Multiple-Unit Limited Tax Exemption Program (State Enabled, Locally Managed)

<b>How It Works</b>	<p>Through the multifamily tax exemption, a jurisdiction can incent diverse housing options in urban centers lacking in housing choices or workforce housing units. Through a competitive process, multi-unit projects can receive a property tax exemption for up to ten-years on structural improvements to the property.</p> <p>Though the state enables the program, each City has an opportunity to shape the program to achieve its goals by controlling the geography of where the exemption is available, application process and fees, program requirements, criteria (return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.), and program cap. The City can select projects on a case-by-case basis through a competitive process.</p> <p>Use of the program in the State includes:</p> <p><b>City of Portland Multiple-Unit Limited Tax Exemption Program.</b> Within eligible areas, this program allows multi-unit projects to receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. This program limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community that would otherwise be possible. The applicant must submit documentation that the anticipated rate of return for the project for the period of the exemption will not exceed 10%. In 2014, the City made \$1,210,000 in foregone tax revenue available. More info: <a href="https://www.portlandoregon.gov/phb/61191">https://www.portlandoregon.gov/phb/61191</a></p> <p><b>City of Eugene Multi-unit Property Tax Exemption Program.</b> This program offers a property tax exemption on the new structure or incremental change in the property value of a building for a maximum of 10 years. Projects eligible for the tax exemption include construction, addition or conversion of rental or ownership multi-unit housing within the MUPTE boundary. More info: <a href="http://www.eugene-or.gov/index.aspx?NID=829">http://www.eugene-or.gov/index.aspx?NID=829</a></p>
<b>Fund Sources</b>	Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support mixed-use development in places with locational advantages.</li> <li>• City-controlled on project-by-project basis.</li> <li>• Does not require active ground floor use.</li> <li>• Has been used for student housing in Eugene, Oregon.</li> <li>• Can be paired with other tools that incent density and allow for cost reductions.</li> <li>• Possible flexibility to tailor length of exemptions on a case-by-case basis, depending on the project benefits to the public.</li> <li>• The city can set an annual cap on the total amount of tax exemptions in any given year for all projects.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• City must weigh the temporary (up to 10 years) loss of tax revenue against the potential attraction of new investment to targeted areas.</li> <li>• Reduces general fund revenues for all overlapping taxing districts, which could make it harder to promote the tool to partner jurisdictions that do not perceive the same project benefits.</li> <li>• Can be competitive, depending on the criteria that the City outlines.</li> <li>• If the City also seeks abatement from overlapping taxing districts, requires a lengthy approval process.</li> <li>• Some programs have requirements for local and minority businesses to complete a portion of project construction, which can extend development timelines.</li> </ul>

	<ul style="list-style-type: none"> <li>• Requires regular reporting. Property owners must submit to city annual audited financial statements, tax returns and 10-year operating cash flow with current rate of return.</li> <li>• Depending on the project criteria, can be a highly competitive process among development projects.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## 4.2 Developer Tools

The following tools are predominantly used by the private sector, such as developers.

### EB-5 (Federal Program, Administered by “Regional Centers”)

<b>How It Works</b>	Attracts investment dollars for new commercial enterprises that will benefit the US economy primarily by creating new jobs for US citizens. There are two versions of the program: 1) the original program that requires foreign investor to commit \$1 million for eligible projects that create at least 10 full-time direct jobs, and 2) the newer program that allows foreign investors to commit \$500,000 in eligible projects within Targeted Employment Areas that create at least 10 direct and/or indirect jobs. In return for these investments, foreigners seek US citizenship.
<b>Fund Sources</b>	Foreign investors.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Relatively low-cost source of equity for appropriate projects.</li> <li>• Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs.</li> <li>• EB5 can be bundled with many other funding sources such as TIF.</li> <li>• Among the most commonly sought-after projects are hotels and senior housing developments since both generate considerable jobs.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• \$500,000 program investor projects must be in an EB-5 eligible “targeted employment area” or TEA. TEAs are areas that have unemployment rates in excess of 150% of the federal rate for a given year. TEAs are established and adjusted by the governors of each state.</li> <li>• Must meet job generation requirements within 2.5 years.</li> <li>• Investors expect to get their equity investment repaid at the end of five years.</li> <li>• It takes added time to secure EB5 funds, due to federally required process</li> </ul>
<b>Type of Housing</b>	Student housing or affordable senior housing.

## New Market Tax Credits (Federal program, Administered by a Community Development Entity)

<b>How It Works</b>	The New Market Tax Credits (NMTC) program is designed to attract capital investment to low-income communities by allowing investors to receive a tax credit (against their Federal income tax) in return for equity investments in Community Development Entities (CDEs), which invest in low-income communities. The tax credit is 39% of the original investment, claimed over seven years.
<b>Fund Sources</b>	Investors.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Relatively low-cost source of equity for appropriate projects.</li> <li>• Projects can be construction (new or rehabilitation).</li> <li>• NMTC can be bundled with many other funding sources such as TIF.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• NMTC are only available for use in areas identified as distressed within a community. The part of Newport that is eligible is an area identified as “severely distressed” along the northern bank of the Yaquina Bay front in Newport, up to Highway 20.</li> <li>• Requires partnership with a CDE to receive the NMTC.</li> <li>• It takes added time to secure NMTC due to federally required process</li> </ul>
<b>Type of Housing</b>	Student housing but the area under consideration for student housing is not eligible for NMTC.

## 221d4 Housing Program (Federal program)

<b>How It Works</b>	Provides market-rate multi-family housing developers with reduced equity requirements (20%), which can make some residential projects more feasible.
<b>Fund Sources</b>	Federal HUD funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Lengthy process to secure federal approval for project as well as ongoing documentation.</li> </ul>
<b>Type of housing</b>	Student housing or low-income subsidized / workforce housing.

## 501c3 Bonds (Federal Program)

<b>How It Works</b>	<p>Allows nonprofits to finance nonprofit capital projects (such as student housing, education, or senior housing) by working with a government agency to get inducement resolution for the project to issue tax-exempt bonds. The tax-exempt bond is a revenue bond repaid by the rents and other fees that from the project. The nonprofit will need to identify assets to secure the bond, such as liquid assets or other property.</p> <p>Up to 5% of a project to be for profit uses, such as ground floor retail. If more than 5% of the project is for private use, the bond will require “taxable tail,” which is a taxable portion of the bond.</p>
<b>Fund Sources</b>	Rents and other project fees
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Can pay for up to 100% of development costs</li> <li>• Low cost tax exempt rates</li> <li>• Bonds can be 20 year or longer to reduce annual payments</li> <li>• Once bonds are paid off the project can be sold to the private sector at market value, or transferred to a guaranteeing entity such as a city or university for a reduced amount</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Project needs to have overwhelmingly nonprofit uses for period of the bonds</li> <li>• There are limits on who the project can be sold to during the life of the bond</li> <li>• Upfront costs are considerable, such as attorneys, bond council, and process steps with public agencies. These upfront costs can largely be included in the inducement resolution for the bond.</li> <li>• Less experienced nonprofits may have challenges getting inducements without public agency guarantees</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing or low-income senior housing.

The following tools are for use for low-income subsidized housing and, in some cases, workforce housing.

## Low-Income Housing Tax Credit (Federal Program, Administered by State of Oregon)

<b>How It Works</b>	<p>Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate that the project will be maintained as affordable housing for a minimum 30-year term. To be eligible, at least 20% of units must be at or below 50% or AMI, OR 40% must be at or below 60% AMI. There are two rates:</p> <ul style="list-style-type: none"> <li>• <b>The "9%" credit rate.</b> New construction and substantial rehabilitation projects that are not otherwise subsidized by the federal government earn credits at a rate of approximately 9% of qualified basis, each year for a 10-year period. "9%" credits are more powerful but also more competitive.</li> <li>• <b>The "4%" credit rate.</b> The 4% rate applies to acquisition of eligible, existing buildings and to federally-subsidized new construction or rehabilitation. The 4% rate also applies to all eligible bases in projects that are financed through the issuance of volume-cap multi-family tax-exempt bonds (the associated LIHTCs are sometimes called "as of right" credits because they are automatically attached to the volume-cap bonds).</li> </ul> <p>State program webpage:  <a href="http://www.oregon.gov/OHCS/Pages/HRS_LIHTC_Program.aspx">http://www.oregon.gov/OHCS/Pages/HRS_LIHTC_Program.aspx</a></p>
<b>Fund Sources</b>	<p>Institutional investors or high net worth individuals make investments by purchasing tax credits, which infuses cash equity into a project that does not require repayment. Income tax receipts are impacted because investors' income tax payments are reduced.</p>
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li> <li>• The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive (particularly at the 9% level) for the provision of affordable housing.</li> <li>• Can be blended with other resources such as TIF, property tax abatements, and housing bonds.</li> </ul>
<b>Type of Housing</b>	<p>Low-income subsidized housing.</p>

## Loan Guarantee Programs (Administered by State of Oregon)

<b>How It Works</b>	<p>Loan Guarantee and General (Lease) Guarantee Programs provide guarantees to lenders to assist in the financing of new housing construction or for the acquisition and/or rehabilitation of existing housing for low- and very low-income families. Guarantees may be up to 25 percent of the original principal amount of a loan. To participate, the lender submits an application for the loan guarantee for the project that requires the credit enhancement necessary to obtain the loan. Preference is given to projects offering long term affordability and a special needs service program</p> <p>State Program Website:  <a href="http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx">http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx</a></p>
<b>Fund Sources</b>	State of Oregon.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Provides low cost financing for up to 25% of the loan principal.</li> <li>• Applicable to households at or below 80% of the median family income</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Requires State application process.</li> <li>• The State may restrict servicing of loans to lenders who have significant experience in the administration of multifamily housing loans and leasing.</li> <li>• Required to comply with State guidelines for administration requirements.</li> </ul>
<b>Type of housing</b>	Low-income subsidized / workforce housing for those earning up to 80% of median family income.

## Conduit Loan Program (Administered by State of Oregon)

<b>How It Works</b>	<p>Oregon Housing and Community Services (OHCS) provides bond issuance services for this program and does not provide credit enhancement. The Conduit Program provides funds to finance the construction, rehabilitation and acquisition of multi-unit affordable housing for lower-income households. The Conduit process assumes the tax-exempt bond allocation request is coupled with a request for 4% Low Income Housing Tax Credits (LIHTC) and possibly other OHCS funding sources. The permanent financing term is generally 30 years, but the combined construction and permanent terms may not exceed 45 years.</p> <p>State Program Website:  <a href="http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx">http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx</a></p>
<b>Fund Sources</b>	State of Oregon.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Provides flexibility in loan structure.</li> <li>• Is designed to work with LIHTC and other programs.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Requires State application process.</li> <li>• Requires an experienced affordable housing development team to successfully navigate the complexity of the program.</li> <li>• Required to comply with State guidelines for administration requirements.</li> </ul>
<b>Type of housing</b>	Low-income subsidized / workforce housing.

## Affordable Housing Property Tax Abatement (Locally managed, enabled by State of Oregon)

<b>How It Works</b>	The State allows for affordable housing property tax abatements when they are sought separately by non-profits that develop and operate affordable rental housing. Only the residential portion of a property located within a City that is used to house very low-income people, or space that is used directly in providing housing for low-income residents, is eligible for a property tax exemption.
<b>Fund Sources</b>	Local taxing jurisdictions' general funds—cities, school districts, counties, etc.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li> <li>• Can stand alone (without tax credits). For example, a non-profit housing provider can use bonds and still be eligible for an abatement, but it must apply for it separately.</li> <li>• Can be blended with other resources such as TIF, tax credits, and housing bonds.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized housing.

## Affordable Housing Tax Credit (State managed)

<b>How It Works</b>	Provides a state income tax credit for affordable housing equity investments that helps reduce the financing costs for multi family rental units. Applications must demonstrate a 20 year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants. Program webpage: <a href="http://www.oregon.gov/ohcs/pages/hrs_ohhtc_program.aspx">http://www.oregon.gov/ohcs/pages/hrs_ohhtc_program.aspx</a>
<b>Fund Sources</b>	Institutional investors or high net worth individuals makes investments. State general fund is impacted.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li> <li>• The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive for the provision of affordable housing.</li> <li>• The state allows for affordable housing property tax abatements, which are applied for separately.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Highly competitive process.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized / lower income workforce housing.

## 5 Next Steps

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This chapter presents the next steps for the City of Newport, Lincoln County, and Oregon State University for supporting student housing development to meet the needs of the HMSC expansion. City and County staff and decision makers are aware of the potential negative impacts of student housing growth on Newport's housing market, in the absence of student housing development. They want to support the HMSC expansion where possible, especially in ensuring that students have housing in Newport and that student growth does not exacerbate Newport's housing market, which has an existing deficit of affordable low-income and workforce housing.

The City and County have clearly express support of HMSC expansion. In particular, the City and County have clearly expressed support for proactive planning and development of student housing associated with the HMSC expansion. The City and County have expressed their commitment to working with OSU to identify and work together to resolve issues that arise with expansion of the HMSC, especially issues related to ensuring development of student housing.

The following recommendations are based on discussions with the Advisory Committee, as well as discussions with Newport staff.

- **The City and County should express preference for direct and proactive involvement from OSU in student housing development.** The City of Newport City Council and Lincoln County Board of County Commissioners should express their preference for OSU taking an active role in development of student housing in Newport, rather than depending on the housing market to ensure that student housing is built. The City and County can express their preference for proactive involvement by OSU by resolution.

OSU could play an active role in student housing development in the following ways: (1) OSU could develop and operate student housing, (2) OSU could work with a private developer to develop student housing and OSU would master lease and operate the housing facility, or (3) OSU could work with a private developer who would build and manage the housing facility as an OSU Affiliate.

The City of Newport and Lincoln County prefer that OSU have greater involvement in operations of the student housing development. OSU could either develop and operate the student housing facility or OSU could work



with a private developer to develop student housing and OSU manage and operate the housing facility. We recommend that the City and County formally express a preference by resolution for either of these roles for OSU's in student housing.

- **Given the limited number of available sites that meet the criteria for student housing development, OSU should be proactive in securing a development site.** The criteria for a site for student housing include: a location south of the Yaquina Bay Bridge, outside of the tsunami inundation zone, access to urban infrastructure (such as transportation, sewer, and water), and other criteria. This project identified several areas that meet the criteria for student housing. However, there are relatively few sites in Newport that both meet these criteria and are development-ready (or could be made development-ready relatively quickly).

One of these areas, Phase 4 of the Wilder development, is serviced and could be ready for development relatively quickly. The two other sites would require infrastructure investments to make them development ready, which would take more time and may be more expensive. For example, the BGB parcel would require annexation, re-zoning, and infrastructure development.

Outside of the Wilder development and adjacent parcels, there is no land in Newport that meets the criteria as well for student housing. Other areas pose bigger challenges, such as more costly infrastructure development or transportation challenges for students.

ECONorthwest recommends that the OSU secure a property for development or obtain an option to purchase (or lease) a property as soon as possible. Wilder is proceeding with Phase 4 of development and the flexibility to incorporate student housing will decrease over time. Other sites may become unavailable for development, if landowners make other development plans.

- **OSU should develop a phasing strategy for HMSC expansion that includes managing student growth and timing of student housing development.** An important part of ensuring that students have housing in Newport as the HMSC grows is timing the development of student housing with the growth of students in Newport. If too much student housing is built before there is enough student growth, then housing might be vacant, which is a significant concern for developers. If not enough student housing is built to meet student growth, then students will have to rent housing in Newport (increasing pressure on the Newport housing market) or find housing in nearby communities (requiring automotive commuting to HMSC).

There are a number of ways to address this challenge. OSU can use existing housing at HMSC as a way to house students as HMSC expansion begins and if, after some student housing is built, more students come to HMSC before enough housing is built. In addition, there may be opportunities to work with developers to build student housing that also meets the needs of typical Newport renters, so that student housing could be rented to non-students easily.

We recommend that OSU develop a phasing strategy for HMSC expansion that includes managing the timing of student growth with student housing development.

- **The City, County, OSU, and OCCC should continue to work together to facilitate expansion of the HMSC and student housing development.** We recommend that the City, County, OSU, and OCCC continue to actively collaborate on HMSC expansion. We also recommend that each party ensure that other stakeholders, both public and private, are brought into the collaboration and into partnerships.

As OCCC continues to grow and expands its programs, it may attract more out-of-area students, some of whom may be interested in living with OSU students. A growing pool of students, both OCCC and OSU students, will be more attractive to private developers, who may be interested in building additional student housing after the initial OSU student housing is built.

In addition, other marine science or educational programs may have an interest in the student housing opportunities associated with the HMSC expansion. For example, OMSI's Coastal Discovery Center or the Oregon Coast Aquarium may have interns or AmeriCorps staff who would prefer to live in student housing.

We recommend continued collaboration by way of establishing a standing, active steering committee to guide collaboration among the public agencies and with other stakeholders.

- **The City of Newport, Lincoln County, and other cities in Lincoln County should continue to coordinate about issues related to housing and the HMSC expansion that may affect the entire county.** ECONorthwest recommends that the County and all of the cities in Lincoln County continue to actively collaborate on issues related to HMSC expansion, especially housing. While undergraduate students are most likely to need housing in South Beach, HMSC's faculty, staff, and some graduate students may prefer to live in other parts of Lincoln County.
- **The City and County should work together, and with other cities in the County, to decide whether to offer a multiple-unit tax exemption.** This tax exemption could be used to encourage development of multifamily,

student housing, and other housing in Newport or other cities in Lincoln County.

Other communities in Lincoln County may be interested in using this tool to encourage multifamily housing and would benefit from Newport and Lincoln County's experience in implementing it. Lincoln County and Newport should engage other cities in the County in the discussion about potential use of multiple-unit tax exemptions.

We recommend that the City of Newport and Lincoln County further evaluate the multiple-unit tax exemption. If there is interest in using the program, the first step is to identify one or more specific areas in Newport, where the City wants to encourage student or multifamily development, to implement the tax exemption. We also recommend customizing the tool by identifying the criteria for use of the tool (such as return on investment, sustainability, inclusion of community space, percentage affordable or workforce housing, etc.) and consider establishing a program cap.

- **The City and County should work together, and with other cities in Lincoln County, to evaluate options for using CDBG or Section 108 funds to encourage development of multifamily housing that includes low-income and workforce housing.** One of the ways to decrease potential impact of student growth on Newport's housing market is to encourage development of more multifamily housing, such as low-income subsidized and workforce housing. Two funding sources that other cities in Oregon use to support this type of housing development are CDBG and Section 108 loans.

We recommend that the City, County, and other cities in Lincoln County evaluate options to use CDBG funds or Section 108 loans to support multifamily housing development, as possible.

- **The City of Newport should consider options for offering SDC financing or credits to encourage multifamily or student housing development.** The City already offers SDC credits. The City should weigh the trade-offs in lowering SDCs to encourage multifamily or student housing development. Lower SDCs may make it more financially viable for private developers to build multifamily housing. This change might result in increased multifamily development. However, lowering SDCs for multifamily may require increasing SDCs for other development types or replacing the lost funds through a different fee or funding mechanism.

The City should review their SDC methodology and decide whether to adjust the methodology to lower SDCs for multifamily (including student) housing.

- **The City of Newport should evaluate whether areas in and around the Wilder development are zoned to allow for enough student housing and**

**other multifamily housing development.** The City should work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport should adjust the zoning in this area to allow for development of student housing and other multifamily housing.

- **The City of Newport should encourage and facilitate development of retail and service amenities in South Beach.** These amenities would include a grocery store, restaurants, banks, and other retail and services to serve students, residents, and employees in South Beach. Some opportunities for development of such amenities include:
  - *Highway 101 and 35<sup>th</sup> Street.* The City recently acquired a site for redevelopment at Highway 101 and 35<sup>th</sup> Street. The Newport Urban Renewal Agency will manage redevelopment of this site. Redevelopment of this site may focus on development of amenities and services to serve businesses and residents in South Beach, as well as visitors traveling on Highway 101.
  - *Highway 101 and 40<sup>th</sup> Street.* This site provides the opportunity for development of retail and services for businesses and residents in South Beach, as well as visitors traveling on Highway 101. Private developers could work together to develop this site.
  - *Commercial development in Wilder.* The plans for the Wilder development include incorporating commercial uses, such as a coffee shop or services such as a fitness facility.
- **The City of Newport should make policy amendments, as necessary, to support student housing development and HMSC expansion.** Policy amendments may include amendments to the Comprehensive Plan, expressing support for student housing development and HMSC expansion. If necessary, the City could change implementing ordinances to allow or encourage student housing development or HMSC expansion. In addition, the City should consider policy changes that support using tools, such as the multiple unit tax exemption, to encourage student housing and multifamily development.

We recommend that the City adopt policy amendments, such as the following Comprehensive Plan amendments:

Policy: The City of Newport will encourage development of multifamily housing, including student housing, throughout the City in areas that allow multifamily development. Increasing the supply of multifamily housing is crucial to meeting the needs of Newport's workforce and lower-income households, as well as to supporting student growth at the Hatfield Marine Science Center. The City will

identify and implement appropriate tools to support multifamily and student housing development.

Implementation Measure 1. The City of Newport will work with Lincoln County to evaluate the use of the multiple unit tax exemption to support multifamily development. If the City and County choose to offer the multiple unit tax exemption, they will work together to identify the area(s) to apply the tax exemption, develop criteria for offering the tax exemption, and set criteria for using the program (such as a programmatic cap).

Implementation Measure 2. The City of Newport will work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing.

Implementation Measure 3. The City of Newport will work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport will adjust the zoning in this area to allow for development of student housing and other multifamily housing.

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