



AGENDA & NOTICE OF PLANNING COMMISSION MEETING

The Planning Commission of the City of Newport will hold a meeting at **6:00 p.m. (note earlier starting time), Monday, January 26, 2015**, at the Newport City Hall, Council Chambers, 169 SW Coast Hwy., Newport, OR 97365. A copy of the meeting agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder, 541-574-0613.

The City of Newport Planning Commission reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

NEWPORT PLANNING COMMISSION Monday, January 26, 2015, 6:00 p.m. AGENDA

A. Roll Call.

B. Approval of Minutes.

1. Approval of the Planning Commission work session and regular session meeting minutes of November 24 2014, the work session minutes of December 8, 2014, and the joint City Council/Planning Commission work session minutes of January 12, 2015.

C. Citizens/Public Comment.

1. A Public Comment Roster is available immediately inside the Council Chambers. Anyone who would like to address the Planning Commission on any matter not on the agenda will be given the opportunity after signing the Roster. Each speaker should limit comments to three minutes. The normal disposition of these items will be at the next scheduled Planning Commission meeting.

D. Consent Calendar.

E. Action Items.

1. Election of Planning Commission Chair and Vice Chair for 2014.

F. Public Hearings.

1. File No. 2-MRP-14-A. Appeal of the Community Development Director's decision of approval for File No. 2-MRP-14, a minor replat of portions of Lots 1 and 4, Block 1, Nye & Thompson Addition as submitted by Bret Fox. The Appellant, Bret Fox, is challenging Condition of Approval No. 2, which requires widening and reconfiguring of the property's access to SW 2nd Street, removing and revegetating an "abandoned" portion of the 2nd Street right-of-way, and replacing the sidewalks along the property's Olive Street and 2nd Street frontages.

2. File No. 2-SV-14. Consideration of a request submitted by Rex and Theresa Capri for a proposed partial street vacation of the northern 30' wide portion of NW 17th Street abutting lots 16, 17 & 18, Block 8, BEACH PARK ADDITION (a portion of Tax Lot 7901 of Tax Map 11-11-05-BA) and the southern 30' wide portion of NW 18th Street abutting Lot 7, Block 8, BEACH PARK ADDITION (also a portion of Tax Lot 7901 of Tax Map 11-11-05-BA). The Commission will forward a recommendation to the City Council on this matter.

3. File No. 5-CP-14. Consideration of legislative text amendments to the Housing element of the Newport Comprehensive Plan to include new policies and implementing measures to encourage the development of multi-family housing, including student housing, as recommended in the Newport Student Housing Report, prepared by ECONorthwest, dated November 2014. The Commission will forward a recommendation to the City Council on this matter.

G. New Business.

H. Unfinished Business.

I. Director Comments.

J. Adjournment.



Meeting Notice

Please note that there will not be a Newport Planning Commission work session meeting held at 6:00 p.m. on **Monday, January 26, 2015**. **The regular session will begin at 6:00 p.m.**

Draft MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
November 24, 2014

Planning Commissioners Present: Rod Croteau, Lee Hardy, Bob Berman, Mike Franklin, Gary East, and Jim Patrick.

Planning Commissioners Absent: Bill Branigan (*excused*).

Citizens Advisory Committee Members Present: Dustin Capri.

Citizens Advisory Committee Members Absent: Suzanne Dalton (*excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

Chair Patrick called the Planning Commission work session to order at 6:00 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Summary of the discussion with the taxing entities and the next steps in forming a new north side Urban Renewal District. Tokos noted that the Commission had asked him to bring this back to get a sense of where we are. In the packet, there is a summary of that essentially after the Feasibility Study was prepared and vetted through the Planning Commission and the City Council. He said this kind of went on hold through the summer, and then started again in earnest in August. Tokos and City Manager Nebel have met individually with each of the County Commissioners, the Chamber of Commerce, OCCC, LCSD, Samaritan Pacific Systems and the hospital board, and the Port of Newport. They also shared this with Linn-Benton-Lincoln ESD; who is held harmless because their funding is based on enrollment like LCSD and their tax is pretty small, so they didn't feel it was necessary to come over to get a presentation.

The Port didn't have a whole lot to offer; they have a very small tax so their impact wouldn't be that bad. The Port was pretty supportive because they have benefitted significantly in the past from URDs. They recognize they are part of the scheme and are okay. The County is generally supportive; but they need to work the numbers. They have to figure out how much pain they can comfortably absorb and convey that to the City Council. They haven't done that yet. Having a joint Planning Commission and City Council work session scheduled in January will be a catalyst for them doing it. The Community College is sensitive, too. Unlike the School District, the College is not held harmless because their funding is not enrollment-based; so this will impact them. Tokos and Nebel will meet with their full board at their next meeting; probably in January. The only feedback from the School District was that they would like the boundary expanded to pick up the high school and the prep academy; largely so there's at least an opportunity to address Eads Street, which is a problematic situation for them now. Potentially, depending on what happens with the fairgrounds, this could put some additional properties in play. Berman asked what LCSD is thinking of fixing. Tokos said they don't have a clear idea; they just didn't want the option to be precluded. They are going through facility challenges now with enrollment going up. They will have to open Yaquina View again, which they closed down. They are looking at converting the intermediate school into a full middle school. They would move the prep academy over to the intermediate school to have additional space at the high school. They are juggling facilities around. They have largely expended the bond measure with all of the improvements they made district-wide. They just wanted to put that out there. Tokos said it might be useful to include that in the boundary. It's nontaxable; it hits us on the acreage side. It doesn't really impact anything on the collection of increments since its public. The hospital also is generally supportive. They are cautious about a couplet on 9th Street because they don't know how that will impact their overall plans for redevelopment at the hospital. They are looking to expand pretty soon. They had a desire to do substantial expansion of the hospital, which would require voter approval of a bond. They have held off putting a bond out for a number of years. They are trying to get a handle on how this might impact their expansion plans. They recognize that forming a district can be a significant benefit to them with improvements to such things as the water distribution system. That could be made a project so we have a more robust system to serve an expanded hospital. Berman asked what the extension and transportation items on the taxing districts referred to. Tokos said that would be like the OSU Extension Service, the Animal Services, and the Solid Waste; and those are all County agencies with no separate Boards. Tokos and Nebel met individually with the Board of Commissioners. Those additional ones automatically go if the County signs off on it. Tokos said we have pretty much covered all of our bases at this point.

Tokos said we are looking at setting up a joint work session between the City Council and the Planning Commission. He asked everyone what they thought about January 12th meeting, which is a regularly-scheduled Monday meeting. Everyone felt that was fine. Patrick said that his concern is would we do it during work session or bleed over. Tokos said he planned to hold it during work session at 6:00 p.m. as that work session. Patrick asked if we would get through it in an hour. Tokos said we would assume

yes; but if not, we will adjust the schedule. We could always start the regular session at 7:30 p.m. as we get closer and find that we need additional time. Tokos said the Finance Department is working on numbers for how these three options would impact the City's tax revenue on a near-term basis. Hopefully we will have that for that meeting. It would be nice if the County and the others could get us that, too. He can advise them once we set a date. Patrick asked if we push our acreage number if we add in the high school. Tokos said we were not at the cap. He thinks we're still okay; but he will double check that. The reservoirs are in, so that gives us more of a cushion. Those properties aren't that big. We can do that.

Tokos said this is good timing to get going on this. The tax rolls were just updated at the end of October. If we're forming a district, we want to do it using that set of data; so it would be timely. Berman asked, to establish the frozen base before the next time. Tokos said yes, otherwise we have to update all financial information. Patrick said as long as we get it done by next October. Tokos said also by the time we hit April and May, we want to be well along because that is when budget starts to eat up City staff time.

Tokos said that the City did a town hall meeting up in Agate Beach recently; and he talked about it to the Chamber of Commerce. Those went over pretty well. Patrick said that at the Agate Beach meeting, they looked mostly favorable. Tokos said they would love to see something up there. Policymakers have to weigh out how beneficial that is. There are challenges in Agate Beach given some of the instability issues. Paving streets may not last very long up there. Solutions up there have to get fairly creative. Croteau said without doing something about storm water drainage, it wouldn't be worth paving. Patrick said they talked about that. He said we should have a geologist come to talk about water loading system. Hardy thought we could look around for a better qualified person to do that. Tokos said he would have City Engineer Gross talk about that. Hardy said that the geologist oversimplified the problem. Gross pointed out that there are storm drains up there already. Whether they're all the places they should be is the question. She lives up there and knows what the ground water situation is like. Tokos said that storm drainage only goes so far. We have the underlying geologic issues up there. When you concentrate water in an area, you have to be careful how you do it. You can exasperate things if you don't do it right. Patrick said there also was talk about giving credits to someone taking care of storm water on site. He said that if you got the wrong part, you could create your own "slip-n-slide".

Berman asked if it's at all possible to coordinate Urban Renewal with LIDs. Tokos said that is what we are doing in South Beach for Phase III in 2017-2020. We have funds reserved for lower priority streets, smaller local streets, where Urban Renewal can buy down the cost of an LID by about half. If they want to have the street paved, it costs about half. That can certainly be done.

Berman said that he has to say that the PowerPoint was absolutely excellent. It was right to the point, very clear, and very understandable. It's very well done.

2. Discussion of scope of work for City of Newport/ODOT TGM project that will leverage LIDs as a transportation-funding tool. Tokos said basically on this item, we submitted a grant application to Transportation Growth Management (TGM), which is a program formed from two State agencies, DLCDC and ODOT. In the past they recognized that land use planning and transportation were inherently connected and have relationships with each other. They pooled some funds for grants to address issues related to land use coordination and transportation planning. A lot of funds come out of this pool to update Transportation System Plans (TSPs). Newport did a big update of our TSP in 2012; and funding came in part from TGM. Every time we do an update to our TSP, they always have financing tools for how to pay for these improvements we need to make to the system over time. The City has been fairly creative. Urban Renewal leveraging is a way to help pay for transportation improvements. With local gas tax for example, we can surface more streets. We have been surfacing many of the gravel streets in the City where we didn't have funds to do that previously. The room tax has been used before. Our LID (Local Improvement Districts) program has fallen on the wayside. In the past the City used to create these districts, but stopped doing it. It's mainly just the general perspective that it's too complicated for smaller jurisdictions to do it. There's the tracking, the financial side of it, and how it's paid for. Do we collect all of the funds up front? Do we have to put together our own reserve to pay for it and then assess the people to get paid back over a period of time? That whole mechanism of what projects are priorities; why some are priorities relative to others. And, there's the whole public engagement. Over the years the City has collected remonstrance agreements. When people have done simple partitions, we haven't hit them for full street improvements. It would kill the project plus in many cases you're talking about a small segment of street when you actually need the full segment constructed. Instead, we have these agreements; which says that they are committed to participate in an LID at such time that it actually makes sense to do these improvements. We haven't acted upon those, however. So we said to TGM that we're not all that different than other small jurisdictions. This was strategic on our part because TGM likes to fund projects that are not only applicable to Newport but can be applicable to any other small jurisdiction. They recognized that they can't just be funding these TSP updates where jurisdictions accrue all these great projects and then not provide meaningful assistance with some of these different funding mechanisms; and they agreed to fund it. We are in the process of working on the scope of work. The packet included the draft Scope of Work document that David Helton of TGM put together based on information Tokos provided in the grant application and some other background documents. The Scope of Work goes through what we are trying to accomplish.

Tokos went to the "Project Study Area" of the document where it has the "Plan Components," which are elements for an LID Implementation Plan to include. The first of these is guidance on how to establish LIDs and administer them given the modest

staff. We don't want a Portland model; just a smaller jurisdiction model. We can't allocate two people from our Finance Department to be dealing with this on an on-going basis. Another element to include is identification of factors that will increase the likelihood of a successful outcome. LIDs take a lot of work; and they can involve a lot of political capital at time that can be invested in an LID project. Better guidance that policymakers can have on when they should proceed with it or not would be helpful because if enough people remonstrate against a district, it doesn't happen. We don't want to be regularly trying to form LIDs and keep failing. The third bullet is criteria for selection and prioritization of projects to fund using LIDs based on assessment of legality under Oregon law, the City's overall need and funding from existing and potential sources, public acceptance, and other considerations that arise during development of the Plan. How should the City go about prioritizing projects as being really good candidates for LIDs? The next point is identification of LID financing tools and strategies; use of them as a financing tool for subdivisions, existing and new developments. How are other jurisdictions using it? What are some other strategies given the statutory framework we have to work under? Guidance on future use of remonstrance agreements and strategies for leveraging them. Evaluation of our template; is it adequate, or should we be modifying it.

Berman asked if these agreements have fixed dollar amounts. Tokos said, typically no; they are improvement-related. They are basically agreeing to participate in an LID should one be formed to do say sidewalk improvements or sidewalk and street improvements, or a traffic signal improvement. Berman asked, it's only if an LID is set up, I'll participate; otherwise it's "don't come after me to pave 20 feet of street." Tokos said that's correct. If we create an LID for that type of improvement that you're committed to, you're stuck; they can't vote against it. Patrick said a lot of time you have to get everybody to agree or a certain percentage to agree to do a project. But, if you signed the remonstrance agreement, it's an automatic yes vote. Croteau asked the breadth of infrastructure project that can be carried in an LID. Tokos said every type the City maintains; street, sidewalk, water, and sewer. Patrick said probably even undergrounding of electrical. Tokos said, lighting, probably yes.

Tokos said there will be some amendments to the Municipal Code and some to the Comprehensive Plan. He noted that he already has some notes of reshuffling the priorities because Helton put them in the wrong order. Tokos said that amendments to our Comprehensive Plan would be polices for the types of transportation system improvements that should be targeted for LID funding and how they should be prioritized. This gives the Planning Commission and City Council some policy guidance for having to deal with these. A key element would be some informational materials for outreach that can be reused. Then, to break down a couple of case studies with specific areas in the City that are well-positioned to have LIDs fund transportation improvements. So they go ahead and walk it through and say with this case scenario, this is how it would play out. Tokos said there is one area in South Beach; the Coho/Brant 2017-2020 final phase where we have matched funds from Urban Renewal to pave streets like Coho, 29th, and 28th. Another area would be the signalization of 73rd as that's getting closer. We have a whole bunch of remonstrance agreements up there in that area. He said there might be some others as we go back through remonstrance agreements. Tokos said just because we have somebody on the hook, doesn't mean they are going to be happy about it. Even though they know they are committed to participate, they could show up and say don't do it; this is too financially painful for me.

Patrick asked how we plan on financing. Tokos said that is part of this. Do we just straight up do an assessment? That is pretty tough. If we say, "We're going to pave this segment of street, and that's going to cost \$100 thousand; and we're going to assess it at \$10 thousand a pop to the properties that abut, and you have to pay it in 60 days." That's not very nice. On the flip side, we don't have funds set aside where we can say we'll just pull \$100 thousand from somewhere and do it, and then do some sort of graduated assessment against the properties over a period of time or more collected upon sale of property that could take 30 years. Berman asked if we could bond. Tokos said we have to pay bonds off. That gets at assessments. We could potentially bond it and then turn around and assess against each property. Patrick said we use to have Bancroft bonds. That's how the City ended up with Candle Tree and then sold lots off. Also, Lakewood Hills twice he thinks. Tokos said we picked up Shore Pine Hills as well.

Berman said, going back to the remonstrance agreements, what if he does a subdivision with 30 lots in it and signs an agreement and leaves the streets unpaved, sells the lots, and then he's gone. Tokos said he would use Berman's example just for example purposes only because our code wouldn't allow that; a subdivision would actually have to pave. Using that example, say they were gravel streets and there were remonstrance agreements; that does transfer to successors and assigns. It pulls up in the title report when you buy it. Rod asked if these are typically multi-year projects. Tokos said it depends. The last of the LIDs we did were very modest little sewer connections; and those weren't multi-year. You had four or five property owners. He thought one was on Vista. That was very minor cost, pretty focused, and done relatively quickly. If you do a larger street project and you're getting into storm water work, you're doing that for a couple of years easily.

Moving on to the Project Approach section, Tokos explained that this talks a little about how we would anticipate that they would go about it. He sees that Helton didn't quite get the language right for what Tokos wants to have in here for project approaches. These are steps that they can take to get to the desired outcomes. But, we're open to alternative ways of dealing with this. There aren't a whole lot of consultants out there. The two types of consultants that might want to work on this type of project would be firms that deal with SDC charges and those methodologies, or firms like ECONorthwest who are on the general financial planning side would also fit in this. The State will put this out for RFP. They have a list of firms they will accept RFPs from.

Then we'll be involved in the selection process. Berman asked who actually manages the project; the City? Tokos said on this one we will; and it says that towards the back of the document. Berman asked if Tokos' time becomes part of the match. Tokos said it can be; but it's not likely in this case because we did budget about \$15 thousand cash as a cash match. We do that in part because the accounting gets to be very burdensome when we have to document every 15-minute increment that we're involved in a project; that eats up a lot of time.

Capri said that the scope is a little vague on what the deliverables are going to do. Tokos said it's such a unique one. He said Helton tried to be very specific, and it ended up being almost ten pages and got cumbersome. Because of the unique nature of this project, this one fits their alternative RFP approach, which is to be a little bit vague and let proposers define it a bit and come up with the details to get us to where we want to go. Capri said just from reading this it seemed that it could go a thousand different directions and still meet those; and that's probably the goal, to get different ideas. Tokos said, right, to get different ideas and see which way makes the most sense. Capri said there wasn't a timeframe either. Tokos said that was in the earlier document; it's not in the scope. He said there will be. This gets plugged into another document. TGM is behind the eight ball on this. They have some flexibility on when this fires up. Tokos said we have not lost the grant. They were the ones that were supposed to put the original scope together and they were way behind.

Tokos asked if there were any other comments on this. Croteau said it seems really good. Patrick said he would like to see this if we can actually get something that is usable. Capri really likes the case studies and thought that's a really important part. Tokos said he thought he is going to like the information material because this is a hard subject to convey to the public. Also, if we can get some good policy guidance to help elected officials because the first few are going to be bumpy. This hasn't been dealt with in a while. After that, we'll probably get there. We'll be able to deal with it if one person gets up and says they don't like this because we're not dealing with one property owner kind of thing. Plus if they have some policies to relate to so they know and feel comfortable with "yes, we want to have this conversation for these reasons." Berman said of course the first question anyone is going to ask is "what's this going to cost me?" He said that's going to be very complex to figure out in advance, especially if you're working in conjunction with Urban Renewal or any of the other mechanisms; when you figure out how much is left over that people are going to have to pay for. Capri said, and what do they get, too. He said that's probably going to be in the informational materials; and Tokos agreed. Capri said he's okay spending for something if he knows he's getting something back. Tokos said, right, especially too if you can work the assessment in a way that's more transparent to the property owners. Work it in as an assessment over time as opposed to up front because the up front is tough. Patrick agreed it almost has to be spread out over time. Tokos said but if we do it over time, how can we do that without compromising the City financially. How can we structure it in a manner so our Finance Department doesn't get overwhelmed? We have other bonds we deal with on a regular basis, too; water, sewer, Urban Renewal. You can only have so much of that out there and account for it. Patrick said it would be nice if we could tie it to tax assessments. Tokos said that would be nice to feed it into there, and it just becomes a supplemental property tax assessment.

Croteau thought that this has great potential. Although it's going to cost people money, it's an opportunity for the City to partner with other sources of funding, too. Berman said there's a lot of people who complain about the streets not getting fixed or ask how come storm water's not there. Here we're saying, "Okay, here are the mechanics." We're going to do it; and here's what it's going to take. All of a sudden people shut up and say yes or no instead of just complaining all the time. Hardy said that the people on her street got together and paid to have the street paved. The City did "X" and the neighborhood did "Y" and got a paved street. She said it wasn't a LID; it was all voluntary. It was a short two-block section, but they split it amongst as many as could participate. The tradeoff was decreased dust and improved property values.

Tokos asked if this looked generally okay; and the answer was yes. Capri asked if Tokos would review the RFPs when they come in; and Tokos confirmed that. Capri asked Tokos if he would update the Commission on this.

3. Discussion of the summary of the Student Housing Study. Tokos said the Planning Commission proper had an opportunity to see this coming out of the last work group meeting. This is now moving to the City Council on December 1st. Now that there's a recommendation section, he thought it would be worthwhile for the Commission to take a look at it. He had handed out the latest version of the Next Steps. He said that if the Commission is so inclined, you can provide a recommendation to the City Council on your thoughts on these next step items. On December 1st, the Council will likely accept the report and then also direct the Planning Commission to start working on some of these recommendations that involve changes to the Comprehensive Plan. Just as a refresher, Tokos noted that there has been an ad hoc work group that has been assisting and met three times. The catalyst for this is the OSU expansion. Right now they are in the process of trying to get the balance of their funding for that 100,000 square foot expansion at HMSC. They largely have the private side of it covered, and the other half has to come from the State. They will be lobbying the Legislature to try to get that; and they want to make sure they have all of their bases covered. They are likely to get questioned a lot about the impact of dumping that large number of students on Newport. That is what this has really been targeted to address. Tokos went over the list of the members of the ad hoc group.

Tokos went over the key points in here. He said on the next steps the emphasis is on OSU being proactive in its involvement in getting student housing established in Newport. That's the key recommendation. The analysis in the study shows that we don't

have the capacity to just absorb 450 additional students without displacing most of our workforce that need that housing. Otherwise they get pushed further out, and our businesses have difficulty in being able to hire employees at the wages they can afford to pay. It has that kind of domino effect. The number of available sites in close proximity (and most, if not all, of those are in the Wilder area) are limited. OSU needs to be proactive in actually securing the site. They need to prioritize that. That's another key recommendation. They may not be in a position to actually construct anything for a few years; but they should secure the site. Otherwise they may be in a position that the only suitable sites they can utilize have a greater number of constraints; maybe they have to extend a collector roadway a certain distance or something whereas right now there's a site that has full services. They may need to have a phasing strategy; they're not in terms of their course offerings in a position to say they are going to have all of the students here. They need to think through that. Croteau asked if that isn't bullet 3, which he believed should read "OSU may need..." He thought that we need to just substitute "should." He said all of the rest of the bullets are more forceful and more direct. Berman said "OSU needs to develop." Croteau said needs to or should; it needs the force of the rest of the bullets.

Tokos said that the next bullet is that we need to coordinate with each other in getting this to happen. He said OSU, OCCC, the County, and the City are all partners. Croteau said that the last paragraph there could be more forceful as well. He thinks they're really going to need a steering committee to see this thing through to the end; just to be comprehensive and keep people on task, and keep it integrated. He said that "one way to ensure" is kind of wimpy. He would say that we "recommend continued collaboration..." Hardy said the consultant was too concerned about it being too pushy. Croteau said now is the time to be pushy not wimpy. He thinks this is an important component of the continued working together; an organization that will see it through. Capri said OCCC is involved too, and that's a big part of it. Tokos asked Croteau how he phrased that. Croteau said, "We recommend that continued collaboration by way of a standing active steering committee;" or something of that nature. There are a lot of organizations that have to be integrated to make this thing happen comprehensively and smoothly.

On the next bullet, Berman said that if you start rolling in all of the cities in the county, he thinks that is a little too broad. There are cities that could be impacted or should participate in some way. He asked if we really want to have somebody come from Eddyville to every meeting of the steering committee and will have absolutely nothing to do with this. Tokos said his sense of why this bullet was put in here was because there is recognition that this isn't a Newport only issue. The domino effect there being the less capable our community is to provide workforce housing then pushes that workforce into neighboring communities that they themselves may not even be in a position to have affordable workforce housing. Hardy said she thought that we are making a mistake thinking that workforce is going to be displaced by student housing. Because of the temporary and transient nature of student housing, they won't be able to compete against tenant prospects. Tokos said they would absolutely compete. Capri said they are willing to pay more. Tokos agreed and said that their housing situation is such that they will more likely group together; so you'll have multiple students in a house so they can afford more. Hardy said not in her business they won't; they don't do multiple adult households. Capri said, but on college campuses. Hardy said you could do that in college housing; but you can't force that on the private sector. Croteau said there are sufficient numbers of landlords who would accept this. Tokos said the other piece here is while the genesis of this study is student housing related to the expansion at OSU, the study does try to strategically work in the fact that we already have a well-documented shortage of multifamily units generally. So, the healthier we can make that the better able this community can absorb additional growth. Capri asked if the City of Toledo was involved at all just because in theory they're the ones that would have the biggest impact because of proximity. Tokos said or Waldport he would think; and they were there. The only community that wasn't represented was Toledo; we had Depoe Bay, Yachats, Waldport, and Lincoln City. He doesn't know if Toledo right now has anybody that can be acting in the planning capacity.

Hardy thought one thing you at least want to mention is not to expect Newport to take care of mass transit needs or transportation needs; given the fact that they would like to think that all of their students will hike and bicycle back and forth to class. She said it was interesting that that very tiny demographics analysis they had at the last meeting; the ones that responded all had pets and lived all over the place. In other words if you're asking where you're living and why; that seemed to be the paramount reason why they weren't living close in. So if you have a substantial number of students with pets, multifamily housing might not be appropriate. Capri said with regard to the public transportation, in theory Newport's transportation could benefit from it. In Eugene, Oregon State University pays some amount of money per student so every student can ride the bus. He said maybe that's something that could be worked out with OSU. Hardy suggested to encourage them to at least think about enhancing their parking down there. She thinks you're going to have a healthy percentage of students who do drive and don't want to live on campus. Tokos said if they develop in Wilder, for example, they actually have a pretty good situation where they have housing within walking and biking distance; and we will have infrastructure in place to allow that to happen without folks having to go out on 101. However, that being said, there are no services in South Beach yet. This doesn't really address that aspect of it. They still need food and shopping; they still want to go to restaurants. Tokos told Berman that bullet was just about the need to coordinate with other jurisdictions.

Tokos said that the next bullet is that the City and the County should work together along with other cities in the County to decide whether to offer a multiple-unit tax exemption, which is one of the potential tools on one of the recommendations. Tokos talked to Don Huster about it a little bit. Tokos said this could be a very viable tool. It's not just a back end of a project type thing.

Depending on how this is structured, when you get financing from a lender to do a project, they are looking at your income stream over a certain period of time; and if you have that type of property tax exemption that is going to help. The other aspect that Tokos likes a lot as opposed to monkeying around with SDCs, which is fine too, is that this spreads the wealth a little bit better. That's not just Newport; that's all of the taxing entities. At the end of the day we all benefit from that development. We haven't tried it. We haven't seen any meaningful multifamily development in a long time. We can't influence property value a whole lot; we don't have any leverage there. There is a finite amount of land available. So where can we influence it? We can influence it with up-front costs like SDCs; that's Newport-centric in our ability to be able to pay for capital improvements to support growth. That has its pros and cons. This one does to, but we haven't really explored it yet. He thinks it's worth a good hard look to see if we can structure it. We have flexibility under the statute; we don't have to structure it one particular way. Berman asked if Newport could decide to offer property tax exemptions, and that would affect all of the taxing authorities; or do we have to get permission from every single one of them just like we were talking with Urban Renewal. Tokos said you can do this with one taxing entity. It could be Newport only. Generally how it's been done, it would be all the jurisdictions. You can look at it as a catalyst for development on undeveloped property where you're not getting a lot of property taxes off that anyway because it's vacant. If this is the driver to get a development happen, and you give up property taxes for ten years, you may not have seen any development on that property in ten years without doing that. He said the flip side gets a little trickier when you start talking about using this as a tool to incentivize redevelopment of some of our older apartment complexes. Capri asked how you determine eligible properties; does it have to be associated with OSU? Tokos said this would be multifamily generally. Plus you can put hooks on it; and they typically do. If you're a developer and you want this property tax exemption, then a certain number of your units have to be offered at 80% MFI during the life of your exemption. So some percent of those units will be at a price point where more folks in our community can afford to rent them.

Tokos said the next couple of points include CDBG (Community Development Block Grant), which is another way with Lincoln County in partnership. Typically these are administered through a county; so we would want to engage the County on that. There is more active involvement in housing there. Taking a look at SDCs. Berman asked what Section 108 funds are. Tokos explained that that is related to CDBG. Basically you can borrow against up to five years' worth of CDBG authorizations to get a larger pool of funds to do a meaningful project up front that you wouldn't be able to given your caps on CDBG.

Tokos said then the next point gets at, if we're looking at Wilder, we need to recognize that a number of these sites that would be suitable there are in lower density R-2, and there would be requirements to amend the planned development. We would be agreeing to help facilitate that.

The next bullet is that the City should encourage and facilitate development of retail and service amenities in South Beach. Tokos said this came up regularly. It's kind of an impediment to student housing down there. They can only offer so much in a student housing environment.

Tokos said then at the end you have basically a policy that Newport will encourage development of multifamily 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 work force and low-income households as well as supporting student growth at HMSC. The City will identify and implement appropriate tools to support multifamily and student housing development. Then there are three implementation measures including the two we just talked about; multiple-unit tax exemption and the CDBG funds because we don't do either of those right now, and then that the City will work with Wilder on the changes to the Plan.

Franklin asked if this is going to be a year-round need for student housing. Tokos said it's a mix. Some are here for the full calendar year. A significant number of the students are only going to be here for a quarter and then go back to Corvallis for the balance of the academic year. Hardy said the college could actually facilitate the back and forth. They don't lose their right to housing in Corvallis for being over here. Capri said if they are full-time, they will likely have a twelve-month lease even if they are gone, they are paying for the summer. Berman said that's the whole thing about OSU administering it. Tokos said OSU recognizes that they will have to have an active role.

B. Adjournment. Having no further discussion, the work session meeting adjourned at 7:00 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Draft Minutes
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, November 24, 2014

Commissioners Present: Jim Patrick, Mike Franklin, Lee Hardy, Rod Croteau, Gary East, and Bob Berman.

Commissioners Absent: Bill Branigan (*excused*).

City Staff Present: Community Development Director Derrick Tokos and Executive Assistant Wanda Haney.

A. **Roll Call.** Chair Patrick called the meeting to order in the Council Chambers of Newport City Hall at 7:02 p.m. On roll call, East, Franklin, Patrick, Croteau, Berman, and Hardy were present. Branigan was absent but excused.

B. **Approval of Minutes.**

1. Approval of the Planning Commission regular meeting minutes of November 10, 2014.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to approve the Planning Commission minutes as presented. The motion carried unanimously in a voice vote.

C. **Citizen/Public Comment.** No public comment.

D. **Consent Calendar.** Nothing on the Consent Calendar.

E. **Action Items.**

1. **Recommendation to the City Council regarding the Student Housing Study.** This was what the Commission had just discussed in work session. Tokos noted that the Commissioners are welcome to, but are not obligated to, forward a recommendation on this to the City Council or share any thoughts with them for their meeting on December 1st. Patrick thought the Commission should recommend what was discussed in work session. Croteau thought that Tokos had captured the wording changes. Tokos said one way to approach this would be to ask that he share that information with ECONorthwest as they're collecting final comments to tighten up the language and make it a little more affirmative in the two areas the Commissioners suggested in the work session and then share with the City Council what the Commission's thoughts are; if you think this is a good way to go or not. Patrick said he thinks it's a good way to go. He thought it's nice that it's set up as dual workforce housing and student housing because we need both. One will directly compete with the other. We need to have something that works for both sets; not just one.

MOTION was made by Commission Croteau, seconded by Commissioner Franklin, to recommend the document with the changes suggested and that ECONorthwest look at it again but as a whole it's ready to move forward. The motion carried unanimously in a voice vote.

F. **Public Hearings.**

1. **Continued Hearing on File No. 3-Z-14.** Consideration of legislative text amendments to Title X (Signs) of the Newport Municipal Code (NMC) to create standards for the placement of electronic message signs on public properties. Existing provisions for signs have been clarified and consolidated, and a new subsection created that is specific to public-zoned lands. The Commission opened the hearing on this matter on November 10, 2014, took testimony, and continued the hearing to tonight. The Commission will forward a recommendation to the City Council on this matter.

Patrick continued the hearing for File No. 3-Z-14 at 7:04 p.m. by reading the summary from the agenda. He called for the staff report. Tokos noted that in the packet was a full ordinance he had put together. He made the changes in the areas that were recommended coming out of the last meeting. He outlined those changes in his cover memo. He noted that again, he had the full record here. He said that he added new language dealing with night-time limit or cap. He went with 11:00 p.m. to 6:00 a.m., but the Commission can set whatever hours they feel are appropriate. That is what Newberg used, and it seemed reasonable because most businesses are closed by 11:00 p.m. However, there is an accommodation in there for those facilities or businesses that are open longer than that. They can keep the light on

while they are open to the public. Berman said as an older American, he would like it set for 10:00 p.m. There is the exception if they are still open, that is fine. He said if he lived across from the sign up at the PAC, 10:00 p.m. is a reasonable time to turn it off and quit having that light come in his bedroom window. Franklin said as a younger American, he would agree with Berman. He thought 11:00 p.m. is a little bit too late. Croteau thought that was fine because there is the provision for keeping it on for places that are open for business. Patrick agreed that if they're open and doing something, then that's fine. At the Commission's suggestion, Tokos will change that to having to be off from 10:00 p.m. to 6:00 a.m.

Berman raised a question about wording in Section 10.10.015 of the 28-page markup draft. He said that on the third line he didn't understand what was trying to be said and why it's even there. Tokos said that was from the existing code. He agreed that the word "comply" is in there twice; it should just say "comply with Chapter 10.15," which is a different sign code for Agate Beach and isn't attached here. Patrick asked if we need to make a pass at the Agate Beach Sign Code. Tokos said we talked about that briefly before but left it alone; there's not a demand for it at this point. It can always be revisited. Patrick thought at some point we should get the sign codes all under one. Tokos said they have a much more restrictive code up there. Patrick wondered why they did that. Tokos said they did a neighborhood plan, which talks about having a desire for it to be more restrictive probably because it's largely residential. Berman wondered if someone who wanted to put up a sign that was permissible in the City but not in Agate Beach would argue discrimination against a portion of the city without any basis. Tokos said there is the Agate Beach Community Plan that says as a matter of policy those who live up in Agate Beach area don't want to have as robust signage. Legally we can certainly say a certain part of the City has different rules. That fits within the time, place, and manner. Croteau asked if there's a provision for a variance in the neighborhood plan up there. Tokos said there are variance provisions that actually apply to both. He doesn't know that getting an electronic message sign is eligible for a variance under those rules; but addressing some other aspects would be. Patrick talked about the Shear Sensations sign that was painted on the side of the building, which violated the size for a sign in Agate Beach; but because it was painted on the building that meant it was a mural and not a sign.

Berman's next question was under 10.10.030 (Definitions) Item (G). He noted that he couldn't find Exhibit A that it referenced. Tokos said he will have to go back to see if there are prior versions of the sign code that have it. Patrick thought that was an old one that was for signs that stick out over the sidewalks and such. Franklin said it also mentions Draft Ordinance No. 2075 with attached Exhibit "A." He asked if that's the same one. Tokos said that is the exhibit to the ordinance. He said this an Exhibit A that is in the actual Municipal Code. It is a little different. There should be a graphic that goes with that. Tokos made a note to find the exhibit or, if not available, strike the reference and tweak the language so it makes sense without it. Patrick barely remembers there being one; there was a picture showing projection and clearance from the ground. Croteau said when you read this, you hardly need an exhibit; the wording is pretty clear.

Then, Berman went to Item B on page 9 of 28. He noted that there is still the reference to a 60 watt incandescent bulb there. Tokos said that he missed that. Patrick said that brings up a point, too. He thinks we should have an illuminance meter with so much light at so many feet from the sign. That's fine; but we also need a point source limit, too. That means at a certain distance you can have one bright light shining the same amount of light as the entire sign puts out. Berman said that is what this Item B was getting at, but it did it with a 60 watt incandescent. If we're going to eliminate that, we need some alternative. Patrick said then you just go look up what a normal 60 watt bulb would be. Tokos said you just want what the equivalent is in lumens so that it's more current. He said he would get that. Patrick said that pretty much puts a limit on your point source; sources can't put out more light than a 60 watt bulb. Tokos said we'll probably have to buy an illuminance meter.

Berman said then on page 15, you get to the point where you're talking about R-1, R-2, and R-3. The introductory sentence there says "in all residential districts, the following signs are allowed," and there are A, B, and C; it lists three categories of signs. Then under R-4, it's the same thing. Then you get to commercial and industrial, you say the following signs are allowed but it goes into categories; you don't talk about signs. Tokos said he should add, "the following signs are allowed subject to the following parameters: ..." Berman said the same problem occurs in the Public. Patrick thought we outlawed roof signs. He asked if they are back in now. Tokos said he wasn't aware of outlawing them; they may be prohibited in Agate Beach. Patrick said it was Bay Front. Tokos said we just recently permitted one down there at the Coffee House. Berman asked if this whole thing only applies to signs that are visible. He knows there was one place where it said if a sign was facing into a driveway or something. He asked, what if somebody had a flat roof and painted a 100-foot-long sign that you could only see from an airplane; would that fall under here? Tokos said there is a provision in here, he thinks under exemptions, about if you can't see it. He read, "Signs not visible from public right-of-way or from property other than where the sign is located." So, he guessed if you put it facing directly up, and nobody would see it other than a plane; you are probably fine. Patrick said it's an

exception written for the “no left turn,” “stop signs” facing in. You can put that on private property facing in as you’re coming out. That type of directional sign you can put inside your property without affecting your sign allotment.

Tokos said another change was that he did a cap on brightness. He asked if that seemed okay. He used 0.3 foot-candles. Croteau said it looks like someone, the ISA, has taken this pretty seriously; and it’s pretty well-documented. Tokos said that is what he pulled this out of; their Night-time Brightness Guide. Not all jurisdictions are tackling that, but to the extent that they do, it seems to be where they are going. In the packets he had included the code from Medford, which is much more extensive and more of an involved process than what we are in. Their Council hasn’t acted on this yet; but if you look at their materials, this has been a long saga with them. It’s pretty involved. Tokos was trying to avoid putting the detail into our code that they did; he just didn’t know if it was necessary. He expects this is going to get addressed on the brightness if there’s a complaint that somebody has theirs set too high; this is a method for us to go out and see if that is the case or not. Berman asked if this is a complaint-driven thing. Tokos said we would share this information with them in setting it up. A lot of this stuff is adjustable in electronic message signs. Whatever it is on day one, the next owner can come in and crank it up. He said at Walgreens for example, their management didn’t realize they were rotating their messages too fast; and they had to reset it. He fully expects that it’s going to happen. He said it was no one’s fault; they just didn’t know, and they adjusted it when they were told. He expects that brightness will happen that way too. Croteau said the Medford ordinance is really detailed. Tokos said they’re a larger jurisdiction with much more in the way of resources and a lot more of these issues to struggle with.

Berman thought this reads very well. It’s relatively easy for the department to administer he thought. Patrick recommended that if we do get that meter it would be nice to be able to go out and spot check some of the brighter signs in town and see where they’re falling at. Tokos emphasized that this particular standard applies only to electronic message signs. Most of our back-lit signs would be under the general prohibition; whatever that 60 watt light bulb equivalent would be.

For the record, Tokos noted that he made changes to the variance section because it was not synced up with when we had made the changes to variances. The sign variance language was not in sync with the Zoning Ordinance language dealing with variances. We changed that a few years back and created the opportunity to do an adjustment relatively easily; up to 40% of dimensional standards. Beyond that, true variance standards apply, for which there has to be a legitimate hardship and which is very hard to meet. That whole concept between adjustments and variances wasn’t in the sign code language; and so trying to cross-reference over to basically an older code, it didn’t make any sense. That is why he made those changes. Patrick asked if it has the same 40% for signs, too. Tokos said they have slightly different standards that apply for sign variances. If you’re trying to get multiple additional signs for example, you’re going to be in a variance and a hardship situation. If you’re fixing a nonconforming situation, it says something to the effect that it’s a staff-level review if you’re making a nonconforming sign situation a little bit better. He said, looking at the markup copy, it’s the variance requirements section that starts on page 27 and continues on page 28. It talks about “all sign variance applications based on a change in a sign or signs that decreases but does not eliminate an existing nonconformity” can be a staff-level review. “All sign variance applications that propose to increase the number of signs or propose a variance from any other numerical standard” shall go through a Planning Commission variance review, which is the hardship.

Berman noted that there are several references to Chapter 10.15. Tokos explained that that is the Agate Beach sign code. He said the same variance standards apply to either. That’s what it is driving at.

Tokos said if the Commission is so inclined, now they can recommend that this package be presented to the City Council for adoption with the changes as noted.

MOTION was made by Commissioner Berman, seconded by Commissioner Croteau, to send this ordinance forward to the City Council for their consideration with the changes noted at this meeting. The motion carried unanimously in a voice vote.

Berman asked if the City Council didn’t have to have another hearing on this; and Tokos confirmed that the Council will have another public hearing. He noted that he did provide copies of these materials to Mark McConnell and Catherine Rickbone. Neither felt they needed to show up tonight; but they did receive copies, so they were aware of the changes.

G. New Business. No new business.

H. Unfinished Business. No unfinished business.

I. Director's Comments.

1. Tokos noted that the City Council only has one meeting in December; it is the 1st. They have cancelled their second meeting in December. He noted that the Commission has talked before that we won't be holding a second meeting in December either. He is expecting right now having a work session at the first December meeting to talk about the phase-out of the parking districts. They will be hitting their 5-year time limit; so we will be looking at what some of the options are for making adjustments to the parking code.

2. Berman asked again what the date was for the joint meeting between the Planning Commission and the City Council. Tokos said that will be January 12th.

J. Adjournment. Having no further business to discuss, the meeting adjourned at 7:30 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Draft MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
December 8, 2014

Planning Commissioners Present: Bill Branigan, Lee Hardy, Bob Berman, Mike Franklin, Jim Patrick, and Gary East.

Planning Commissioners Absent: Rod Croteau (*excused*).

Citizens Advisory Committee Members Absent: Suzanne Dalton and Dustin Capri.

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

Chair Patrick called the Planning Commission work session to order at 6:02 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Discussion regarding potential changes to the off-street parking code considering the upcoming expirations of the existing parking districts. Tokos began the discussion by walking through the history as he understands it and issues that led to where we are now and where the City may want to take this. Hopefully the District Advisory Boards will be amenable to this as well. Tokos thinks there are definitely some near-term changes that the Commission is going to want to make because of the upcoming expiration of the Nye Beach District, which will be effective July 1st next year. He said for decades the City has had off-street parking requirements, which is currently Chapter 14.14 of our Municipal Code. They set out ratios for the number of spaces you are to provide off-street or out of the public right-of-way and public property to support parking for the people who are going to your business or provide parking for your home. There are three distinct areas identified as areas that warranted special regulations because there just wasn't sufficient area to provide those spaces off-street. The City instead employed the approach of offsetting that with on-street spaces and in public lots. These public lots are in Nye Beach and in the City Center in the vicinity of Hurbert and the Bay Front. There are public lots in those areas and a lot of on-street parking that is provided. In those areas as written into this code there are special area parking requirements, and a fee was imposed in lieu of providing required off-street spaces; which was like \$175 per stall per year for new development in those areas. That was in place for twenty some years. Eventually that fee was never adjusted, and there was a lot of public concern with the fairness or equity of that because some nonconforming businesses didn't have to pay and even after 20 years they were still paying it; why does one have to pay, and another one doesn't? Administratively it was a nightmare for the City to be tracking. There was also that this \$175 per space per year is nowhere near what it would really cost to put in parking stalls; that would be upwards of \$7500 per stall in some of these areas. So, there was a desire to go away from that and some momentum to form parking districts. The way the parking districts were formed was to create them as Economic Improvement Districts. It was a way for businesses to self-impose a fee on themselves either through a business license surcharge or through an assessment to do some range of improvements that will benefit the businesses. Tokos said to think of it as an LID for businesses. That could easily have been done to fund projects like the streetscaping that was done in Nye Beach by Urban Renewal, or undergrounding utility lines; there's a wide range of things you could do using Economic Improvement Districts. It was used as a tool to create parking districts that were funded by a business license surcharge and were tailored to meet the needs of each area. By State law, Economic Improvement Districts are limited to no more than five years without being reauthorized. They're not something you can put in place and just leave and let run forever. We are getting close to the five-year limit for Nye Beach. We're still a couple of years away for the Bay Front; and City Center falls in between.

Tokos said he has been thinking about July 1, 2015, when the Nye Beach District closes and what happens. That's what he wanted to talk to the Commissioners about because there are choices. There is the option that we could re-engage the businesses and extend the districts. In the Bay Front District they recognize that this is an interim solution. They know it's not generating what they really want, which is a parking structure or more robust transit services. Although it's a significant impact to businesses, in the scheme of things it doesn't generate the kind of money needed to do a parking structure. All it can really do is generate money for maintenance purposes in Nye Beach and the Bay Front, and basic maintenance in the City Center for sidewalks and such. Tokos doesn't think it is worth trying to renew them. They could get shot down anyway if enough business owners remonstrate against it. He doesn't think we want payment in lieu again either. It didn't work in the past. He thinks you could make a pretty good argument that if we could generate a consistent revenue source, say at least in Nye Beach, to deal with basic maintenance, then we could just lift the off-street parking requirements. That would be the ideal way to do it. In these special areas, no special off-street parking requirements. If you can provide it and as a business you want it; more power to you. Some would. If you have a big hotel going in, they're going to want to provide some of their own anyway. But the rationale being that we are providing enough on-street or public parking options that we don't need to require off-street spaces; we can offset it with public resources. But, the catch is that we have to generate something to maintain these public resources. The

private property owners aren't doing it; our tax base isn't set up to cover this. We could theoretically use room tax; but we never have, and it would be diverted from other things.

Tokos said for the Bay Front District we looked at pulling back the Abbey Street parking lot into the hill to create additional spaces there; but there are geotechnical issues and it wasn't cost-effective. We couldn't get it to pencil out for what we would gain as surface spaces. We looked at the Lee Street lot and potentially partnering with the lower privately-owned lot to combine the two. But we couldn't get anything there. There is no way to get a meaningful number of additional surface parking spaces. So, you are looking at structured parking; and the business license surcharge doesn't generate enough to fund a parking structure, even if you consider the \$240 thousand they have in the bank from the old payment in lieu of that's sitting there for the Bay Front at some point. Tokos said it would require a couple of million dollars at least. East asked where a structure would be located on the Bay Front. Tokos said that the Abbey Street lot would be ideal. Franklin asked if the Port would be willing to go in on having an area. Tokos said the Port pays \$6 thousand into the district. They striped in about 14 additional spaces out of Port Dock 7 in a gear storage area that they relocated. He said the Port is definitely willing to see what they can do. The Port was looking to do an administrative office building in the grassy area; but they've put that on the shelf for now. They have a lot of debt associated with the Terminal and Teevin Bros. not happening now; and they can't justify it. So they are trying to tread water with the modular buildings they have now. The Port is willing to be at the table, though. Tokos said there is a way to tackle a parking structure through metering if you can generate enough revenue. He said the City Center maybe is a place where you don't want to push metering; but it's worth including in any study done for utilization of parking spaces.

Tokos would like to pitch it as, we want to revise the zoning code for these special parking areas so that payment in lieu doesn't trigger automatically. These ordinances have that written in that it will come back into play; but we don't want to recreate payment in lieu of. It was a mess at the time, and we don't want that coming back and start up that program again. Tokos' advice is to amend this before July 1st to eliminate payment in lieu of and require that off-street spaces be provided unless parking districts are created by the City Council that authorize an alternative solution within these geographic boundaries. He said the Commission may also want to tweak these geographic boundaries a little bit as part of the process because these are the old original boundaries. He said the Commission may want to at least look at these boundaries and say are these old geographic boundaries still right or do we want to move them around a little bit. That would be a catalyst for forcing some action because we know that properties in those areas can't provide those off-street spaces; so they are going to want a solution. He said if metering's not right, he's all ears for what is.

Tokos said he thought metering is an important conversation to have. He said funding a study is the first step to do that. That is to have a third party independent of the City because we would be the revenue in-taker, so it's important to have a third party so it's not us doing our own analysis to justify certain metering rates. But, have an independent group do a study of all three geographic areas through the summer months, peak tourism. Evaluate the utilization of the spaces; so how heavily are the public (just public; not private) on-street spaces being utilized and how frequently are they being turned over. They can look at it and provide a couple of different financial models based on what we are trying to accomplish. We would identify what we are trying to accomplish capital-wise in Nye Beach; it's probably just maintenance. How often do we have to re-stripe the Nye Beach turnaround? What other improvements do we necessarily need to do when we go in and restripe in terms of repairing, or concrete surfaces, or upgrading utility accesses, lighting, and that kind of thing. Nye Beach has a unique streetscape put in by Urban Renewal. There's no funding source to maintain that; that's not to City standards, those paver blocks and all of that. Put a capital list together and figure out what kind of metering program would be needed to pay for it. The program would also look at monthly passes that may get at some of the businesses' concerns about where they park and may also look at where potential designated employee parking places would be outside the metering area. That would be captured as part of it.

Tokos said the Bay Front would be a similar thing; except maybe there it would be a revenue stream that could be used to contribute toward financing a parking structure. It wouldn't cover it all; but remember that district also has ¼ million dollars in the bank, and there may be other funding sources that we could explore to finance that. Those studies would establish if metering is appropriate; and also, with these different capital objectives, how you could structure a metering program. On the Bay Front you would certainly have demand for some sort of monthly pass. Maybe you designate a certain lot that fishermen and others go to, and the Port makes financial contribution to cover their monthly passes. There are ways to play with that.

Franklin asked if Tokos is talking about metering year round. Tokos said the study could be done both during peak and off-peak utilization or study the peak time and make assumptions about the off-peak time. He said the Bay Front for example still probably has enough parking demand in the off season to warrant some form of metering. With these kiosks, you can scale it. So, summer months it's a higher parking fee, and winter months it's lower. Franklin asked what other communities on the coast use metering in the State of Oregon. Tokos said he didn't know; but he knows for example that Hood River, which is a comparable size to Newport, does do metering in their downtown. He said it's not a big-town phenomenon per se. It's more about if there's enough value and demand for those public assets to warrant metering. Metering not only gives you a revenue source, but it will encourage turnover. Hardy asked if metering wouldn't be a huge capital expense in itself. Tokos said the study would cover that; at what point we would recover up-front costs in the meters themselves. That would absolutely be part of the study. The revenue from metering would not be going to enforcement. Tickets would pay for enforcement; those who violate pay for enforcement. The

revenue goes toward maintenance and improvement of those assets. Branigan said, but they would have to patrol. Tokos said the Police contract for that; they would have to ramp up their enforcement contract. Berman asked if they are breaking even by contracting that out. Tokos said it has been. He said if they have to ramp that up, how will that play on enforcement and how much you charge for tickets. All of that would be part of it.

Franklin asked how tourists perceive the communities that have meters. Does that impact businesses in a negative light? Hardy said ultimately there are people who gripe and people who are suckers for this town. Patrick said there is nowhere else but Oregon that you can park next to the beach for free. Berman said in southern California, parking costs \$16. Patrick said, look at Florida. There are very few places where you park next to the beach that doesn't have a price on it. Tokos said there are very few areas where you have the kind of utilization like we have in Nye Beach and the Bay Front that you don't have some kind of metering, which is for the turnover and a revenue source to maintain those assets because they are very valuable. Franklin said enforcement will have to look at a vehicle and will have to come back and check on it; it will be more work. Hardy said are businesses going to like that quicker turnover and not retaining customers in their businesses. Tokos said they might get customers they otherwise wouldn't; at least at times they otherwise wouldn't. Berman said people may be parking on residential streets where there aren't meters. Tokos said he doesn't believe that anybody coming over to Newport to enjoy Nye Beach or the Bay Front are going to care at all about paying a meter fee.

Berman asked if he was talking high-tech meters like in Portland. Tokos said absolutely; that's how it's done, kiosks. Franklin asked how those will do in this kind of weather. Tokos said these kiosks are employed in coastal areas. We will have to figure out which ones work and which don't. They have the kiosks that you can set up on a block by block basis; they also have the individual stall ones. Berman said he would drive a couple of blocks to find a free parking space. Franklin said there's nothing stopping the workforce in Nye Beach from going elsewhere. Tokos said the workforce can go. Franklin asked, when thinking of a location centralized to the Bay Front and the downtown area, has the 9th Street lot been considered for a location for a parking garage? Tokos said we could have a shuttle there. Patrick said that lot does fill in the summer with Bay Front people. He would much rather have the structure down on the Bay Front. Patrick asked Tokos when they penciled out a parking garage, was it strictly a parking garage or commercial and parking garage. Tokos said to his knowledge that hasn't really been delved into in great detail. Patrick said if you made commercial development so you fill in that block of cars where there's nothing going on and you have businesses underneath the garage, you generate some income to help pay for the garage. Tokos said that's why he's being careful to say any kind of metering fee on the Bay Front would be "a" revenue source not "the" only revenue source to finance construction of a parking structure. Tokos said Patrick was right; if you did some sort of commercial development in conjunction with that, that is a way of helping to pencil it out. He said obviously charging for the parking structure parking spaces too would be a way to deal with it. East asked if it's possible to have first floor commercial and parking up above. Tokos said we could look at street access above.

Tokos said the carrot is you do away with off-street parking requirements. The impact is that there is going to be a cost. Right now the cost is being borne by the business owners through a business surcharge; you're shifting the cost to the patron, and you're adjusting it. The Bay Front would be scaled differently to achieve something different than Nye Beach. The reason we can do away with off-street parking requirements is because there's been a substantial investment in the public infrastructure to provide that parking there as opposed to on the private property in these areas where it's just more difficult to do it. Hardy said most of the areas are built up and have no room. Tokos said or design it like Archway Place and put it underneath. Berman asked, so in the meantime, after the district phases out on July 1st if the ordinance is modified so there are no off-street parking requirements; there is no revenue stream at all. Tokos said for a brief period of time for Nye Beach there wouldn't be. Patrick asked if that can be part of the Economic Development District. Tokos said they can finance the study out of the existing revenue. He thinks Nye Beach is going to use most of their money to do some improvements to the turnaround. We can pull the resources together for this. He said the study isn't cheap; but it is scalable. He said this kind of study is important because it provides a forum for the public to get engaged; and everybody gets better educated. If the recommendation is that meters are appropriate at certain levels in these different areas, and folks have had a chance to digest it and are okay with that; there's your ammunition for the City Council to actually act. Without any kind of analysis, we're shooting in the dark. You are looking at just the data piece for between \$15-20 thousand; and with the whole thing including public meetings, development of financial analysis and strategies at \$45 thousand on the top end. The Bay Front has more than that sitting in their account for the Parking District that they're probably not going to utilize; Nye Beach has around \$35 thousand; and City Center has \$6 thousand. Some portion could come from each of the districts and we could throw in about \$10 thousand of room tax; and do the study right. Patrick thought we want to split it up. He also thought that we want to adjust those boundaries before we get started too because the City Center area has to include the entire area around the hospital where they are expanding. They keep increasing their use faster than the parking. Tokos said the hospital will be going to the voters regarding their expansion. Franklin said the Nye Beach parking limit is for three hours. He wondered if they could go to two hours. East said they would pay for whatever time they're there. Franklin said the meters won't happen for a while. Tokos said we are looking at 6-12 months to do the study. Patrick said we won't know what we're going to do before Nye Beach shuts down. We have to fix that one now. He doesn't think that payment in lieu of will every generate funds. Or if we set it at what it actually should be, that's \$7500. We've already been down that road; nobody likes that. Tokos said there are a lot of ways to tackle that in Nye Beach. Franklin asked what percentage are delinquent. Tokos

said he thought we were something like 95% compliant. He said the issue is more with turnover; and how much resources you apply to a business that went out of business and didn't pay the fee.

Berman asked who pays for the little maintenance outside these three districts. He said, say along 101 where a sidewalk cracks. Tokos said sidewalks are the responsibility of the property owners. Franklin said that Tokos had mentioned a project in Nye Beach in front of the old dry cleaners; but he asked isn't that their responsibility? Tokos said we could hook it on them when and if it redevelops. When we do any kind of pavement improvement now, like when we finished off Benton, it was to the benefit of the adjacent property owners. We could have said that we would never pave that until they form an LID. If that laundry property redevelops, we could at that point in time get them to put sidewalk in front of it. Hardy said, you're talking about using some of the parking district money to repair or improve sidewalks; how is that fair? Tokos said we do that right now. We did 3rd Street with public money. Some of those property owners would argue that they didn't benefit at all. Every time the City or Urban Renewal does investments, people benefit. You can argue that they benefit disproportionately to other people. All the Urban Renewal investments in Nye Beach are infrastructure that helped catalyze some of that down there. He said it's public money. Hardy said you have owners in one part of town that have to maintain their sidewalks, and in other parts of town the City just comes in and does it for them; how is that fair? Berman said it's the Parking District doing it, which they paid into. Hardy asked, so it's like you're establishing little cooperatives. Berman said so you don't have to do it all yourself. Patrick said 3rd Street was needed; we need one on Nye Street. He said we have areas in town where pedestrians are walking in the street. He said we got it taken care of around the High School pretty much. Tokos said the City has a hodge-podge of sidewalk connections. In some areas we have decent sidewalk, and in some areas we don't. It's historic going back to development way back when, when things weren't thought through as carefully.

Tokos said we can tailor the parking study to deal on the capital side for whatever we feel is appropriate to deal with. If it's just maintenance, it's maintenance. If it's maintenance and some certain capital improvements, put it on the table. His sense is as part of a study to put a range of things people may want. We can break it up; this is maintenance number, and this is additional number with the additional capital projects. This is how the fee could be structured if it's just maintenance or if you're dealing with maintenance and this additional capital work you want to do. Patrick added, which is different for the different areas. Nye Beach would be basically maintenance. The only capital thing you could have would be a shuttle running to the parking lot at the PAC. The Bay Front needs a structure eventually; and the only way to get there is by funding it somehow. Tokos said metering is as appropriate a place to look as anything else. Patrick said you can't run it on the back of all of the businesses down there all the time; although he thinks in that area you'd be better with both running at the same time. Tokos said though, say you're paying money to utilize the Lee Street lot for instance as sticker parking. Say you create orange stickers and that's an orange sticker lot up there, and anybody with an orange sticker can park up there. Businesses have to pay for those monthly passes, so they're contributing. Say the fishermen get to use those on-street spots over by Port Dock 7 and 5, and the Port pays for monthly passes. They put a green sticker on them, and they become green sticker eligible. There are ways to tackle that one. It would be part of the program. Then most of the rest of the on-street assets down in the tourist area are straight turn-over kiosks. Ditto for the Abbey Street lot and the Fall Street lot.

Patrick said he didn't know what we could do in the City Center other than include the hospital. Tokos said that including them is a great point; you don't leave them out. He said it's another area where the City has a lot of on-street parking assets. You have the Hurbert Street lot and the lot by Digital Diner, and a lot of on-street parking there. It's worth looking to see at least what the utilization is right now and what the turnover is. If for no other reason, it helps inform about timing the parking. He said and then maybe just make a conscious choice or even the report's recommendation may be that, given the level of development down here, it doesn't warrant metering. Maybe it's not turning over quickly enough for you. Berman asked if the timeframes are so different that you can't coordinate with the new Urban Renewal lots. Tokos said Urban Renewal probably is not for funding a parking study. Urban Renewal would be one way of addressing parking needs, particularly with the hospital. That would be one way to help pay for even a modest structure over there or help supplement whatever the hospital is eventually able to sell for their GO bond; bolster that funding so they can do structured parking as part of their package as opposed to making surface lots. Branigan said he would assume the hospital will provide parking; they can't afford to have their patients taking a mile hike. Tokos said at some point we're going to have to do away with that right-angle parking on 9th. You can't have that on a street like 9th that's serving basically as a collector. At some point it's just too much of a traffic hazard to have that kind of congestion there with people backing across both lanes trying to get in and out. Branigan said especially if ODOT is still considering making the changes to one-way traffic flow. Tokos said that's a long-term possibility; and we've talked to the hospital about that, so they're aware of that. He said that Urban Renewal can be a way of helping fund the parking solution; but the study needs to happen independently of that because they're two different creatures.

Hardy noted that it looks like you wouldn't be able to have the study completed for another year because you have to go through a tourist season. Tokos agreed, and said that \$45 thousand would include the off-season evaluation too. Do you want it to actually be measured off-season, or do you want to make assumptions off-season? Franklin asked if you can turn the meters off in the off-season; and was told we could. Patrick said the thing about the kiosks is that you can have it be demand pricing; at the high point of summer when you have all your tourists in there, you can adjust your parking level to whatever it needs to be. Franklin was concerned that it may discourage locals in the middle of winter if they have to get out in the rain and go stand at a

kiosk. Tokos said he thinks we will hear a lot of what Franklin was just talking about through the whole process. Tokos can talk to some folks who do this kind of work to see how they go about addressing those concerns specifically. He's fairly certain that the study will show that generally it doesn't impact your users, your locals or your tourists, because they get used to it. He said the danger of turning off kiosks is then you get the gripes because they forget about them when they are turned off and then they start getting into the habit of not having to pay; then you turn them back on and they don't think about having to pay again. He said even if it's just an adjustment in fee, at least you get in the habit of using the kiosks. Franklin asked if we can ask them when they do provide comparisons that they do use comparable cities like Hood River and like small towns in Washington that are not right next to Seattle without trains that are close by so they're not hopping on subways and things. Tokos said right, where you don't have another alternative like Portland where you have streetcars and the light rail where you can avoid going down there and dealing with it. Branigan said that Portland turns their kiosks off at 7 o'clock at night. Tokos said that Eugene is the aggressive one. He noted that Salem sells day permits too in the downtown area where you can just buy a day pass. Patrick mentioned all of the meters around the Capitol, and you have to have \$20 worth of change. Tokos thought that Hood River is an excellent corollary. Their main street, which is all metered, is very similar to the kind of traffic we have on the Bay Front and similar to Nye Beach for density and walkable shops.

Berman said regarding City Center, it might be more productive and less expensive to concentrate only on Nye Beach and the Bay Front. There is no immediate problem in the City Center, so why not defer that for a couple of years. Use the money more effectively just in Nye Beach and the Bay Front. Tokos said that's a fair point. He thinks it's worth studying though because we have similar assets in City Center that we do in Nye Beach and the Bay Front, which is a lot of your parking is accommodated in public areas as opposed to private lots. If for no other reason to get a sense, and it probably gives you a legitimate argument to say that we shouldn't put meters there. The data will say utilization isn't high enough, so meters aren't warranted here. It's one of the three that's already identified as a special parking area. He would go ahead and analyze it; and he suspects that the data is going to show it shouldn't be metered, or it at least would support a recommendation that it not be metered to achieve economic development. Patrick said also because of the utilization of parking around the hospital and along the highway. Tokos said and the 9th and Hurbert lot and the Digital Diner parking lot would be picked up. Franklin asked about the parking lot further down the hill above the Canyon Way. Tokos said that would be picked up as Bay Front. Franklin asked if that can be a location for a parking garage. Tokos said we could look at a lot of different spots, and each would have its own issues. He thinks the challenge with 9th and Hurbert, and to a lesser extent the Canyon Way lot, is the distance from the lot to where the people are going to want to go. If you could put it in the Abbey Street lot, that would be ideal. People are going to want to use it because it's super-convenient. They hate going up to the 9th and Hurbert lot in the summer. Franklin asked with Urban Renewal downtown, are they thinking about taking parking off 101. Patrick said that's always been on the table. Franklin said he asked because you're going to have people walking into City Hall saying they got a parking ticket and their side mirror knocked off. Tokos said that City Engineer Tim Gross had mentioned that we should tackle that as part of a parking study. Tokos said that would totally sidetrack the whole study. We don't want it with a whole other tangent of people getting upset about parking being taken away, and it's going to destroy their businesses. He thinks the on-street parking on US 101 is a separate conversation that will have to be picked up at a later date; probably under Urban Renewal with a corridor study. Once we get an Urban Renewal District in place, we have a funding mechanism. We roll that into one of the first-round projects, and that would be a refinement planning for the City Center area. That's probably going to take 12 months in itself. People will be engaged because they will know that an Urban Renewal District has been formed and there is going to be money coming in to fund something that comes out of that planning study. Patrick said the parking study will be useful backup information because you need to know what your usage level is right now. So it gives you a baseline to say this is what we need to do or maybe we don't need to do this. Franklin asked if we have any parking studies done in the past; or will this be the first. Tokos said this is the first real one. You'd get a nice clean inventory of spaces too. We'd know exactly what our number is in each area.

Tokos was asked about the lot that City Hall and the Recreation Center are on. He thought that there would be a general desire not to extend City Center generally past these original boundaries and not go where the Parking District went; which was to go with a small fee but throw a broad net. Maybe pick up the hospital. He doesn't know about City Hall. Patrick said that's kind of a stretch to get here. East asked how many spaces we are going to lose for the new pool. Tokos said that's being studied separately as part of the pool financing; so we'll cover it that way. Patrick said they have an option to get some more parking if they have to. East asked if there's still the consideration of splitting the directional traffic on 101. Tokos said that's the couplet concept. East wondered if the hospital expansion will interfere with that. Tokos said not necessarily. Patrick said that's something that you probably can do under Urban Renewal; not during the parking study. He said the parking study is just for parking. Tokos said this study is strictly about utilization, about turnover, and then financial models for potential metering. Patrick said we need to catch those anyway because we need to catch that lot. That lot needs to be part of the study because it affects the Bay Front. He said if we don't include City Center in here, the Canyon Way parking lot maybe gets picked up, but the 9th and Hurbert Street lot wouldn't be included. Tokos agreed that the 9th and Hurbert lot wouldn't be part of the Bay Front study; although it is influenced somewhat. Franklin said it's used mainly by people on the Bay Front though. Tokos said in the peak season, yes. Patrick noted it gets used by the taxi service. And, the adjacent restaurants use it.

Tokos asked if the Commissioners felt that this approach seems to make sense; and the answer was yes. Patrick thought we need to get the buy-off from the Parking District people before we're spending their money though. Tokos said he would meet with

each of them. He said his inclination for Nye Beach is to let it expire. If there's one year of not collecting business license surcharges there, he doesn't see that as a huge equity issue. Another approach we could take is try to reform a district for one year so it expires about the same time as the Bay Front; but he thinks that gets rather petty at that point. Berman asked if the City Council couldn't just renew it. Tokos said not without giving people an opportunity to remonstrate against it. They have to take it through a two-step public hearing process, and business owners can object. Franklin said then it would be seven or eight months later; so you might as well just let it expire. Berman said the process could be started now. Patrick said we have to start it right about now. Berman said rather than just reform, go through the normal process of renewing it but make it shorter than the five years. Tokos said that gets interesting in that Nye Beach was in effect an extra year as opposed to the other two districts. He is inclined to let it expire. Fire up the study before everything's done so people understand. You can't have no off-street parking requirement and then no way to maintain the on-street that you are relying on in lieu of the off-street. That just doesn't make sense. We have always struggled with what's the appropriate funding way to pay for maintaining those on-street assets because they're more robust in these areas than elsewhere for good reason. Payment in lieu of didn't work. He doesn't think business license surcharge is a good long-term solution because of the mechanism and having to constantly renew. He said that metering may make the most sense. Patrick said metering gets at the people who actually are using the spaces. Metering or really good time limits and enforcement because what happens a lot of times is that you get employees parking in those spots. It kills the turnover of the spot in the summertime. Tokos said he hears it from the Parking District people, it's a combination of business owners and employees.

Tokos will set up meetings with the Parking Districts. He said another thought about this is that the current three Parking District thing hasn't worked well for us. We don't have the resources to staff three parking districts. If this gets momentum, you could do one oversight advisory committee to periodically deal with metering issues that come up and to probably periodically do follow-up studies just to recalibrate the meters. Was the original metering making sense? Are you getting the turnover you're looking for? You can do less-expensive studies periodically just to gauge and survey that to see. Berman asked what body then spends the money. Who sets the priorities and defines the projects? Tokos said you can set an oversight committee for that; probably an advisory committee to the City Council. They would make recommendations for capital expenditures. Franklin asked if most of the money would go to fund a parking structure on the Bay Front. Tokos said you can set it up such that the metering revenue from each of the districts gets set into their separate accounts. So what's generated from Nye Beach could go to Nye Beach. Franklin said he would prefer that. Patrick said your rates are going to be set differently because Nye Beach will be more maintenance than capital projects. You're not trying to accumulate money for a capital improvement project; you're just trying to maintain what you have and maybe a few improvements here and there. That would be a different fee structure than the Bay Front. He agrees that we should keep them separate. Tokos said it's probably easiest to set it up that way just because every business in each area will want it that way; and that's fine.

Franklin asked if the parking lot at the turnaround would be part of the metered area. Tokos said yes. We would have them evaluate every public asset that's used for parking. He would think that's the way to tackle it. Patrick added, and do the PAC too. You look at whether or not metering the PAC makes any sense. Tokos said that's what the analysis will say because you have to have enough utilization to warrant it. You get over a certain threshold and then it makes sense. It's analyzed for it; but maybe at the end of the day, the PAC isn't getting hit hard enough to warrant it. That's the kind of information you get out of the study. Franklin wondered how the PAC would feel about tourists and employees of businesses filling up their parking lot when they have functions going on. Tokos said it's a public parking lot, and they're absolutely welcomed to use it now. Berman said there are the two little lots at the VAC too. Tokos said that once Nye Beach develops further to the south, he sees the PAC lot being a lot more heavily utilized. Franklin asked if the City had funds to purchase a lot like that and build parking spaces just for employees. Tokos said the City doesn't have any money that could be dedicated to that purpose at this point; and he doesn't see Urban Renewal in Nye Beach with a new district. That was the prior district, and those investments were made. A new district will be more US 20 and 101.

Patrick said the parking study should give us that kind of stuff because this has happened in a lot of places. He said to look at Aspen for one and what they have done there as far as trying to control their parking. It will give you all the options and what you can do. He said he would pick a number like 80% of the funds that have been raised in a district stay there. We may have other things that we want to do with that money that may be useful and would benefit both Parking Districts; an additional study later on, maybe something to do with the downtown because it's never going to generate the funds it needs. Franklin thought we need to consider the future of downtown and what it's going to need; so it does need to be included in this. Tokos said he would try to couch the conversation about metering largely in Nye Beach and the Bay Front; this is not an effort to meter City Center per se. But it is important that the use of parking spaces in each be evaluated. The big thing here is that we are talking about public assets that benefit everybody in this community and all the businesses in these areas. We're talking about what we need to do to ensure that these public assets will be there long-term for folks and can be enhanced and improved over time in a manner in which we feel they need to be. He thinks that resonates a little bit better. In the end, we're trying to say to lean more heavily on these public assets so we can entirely do away with this off-street parking requirement in these areas because we realize that that's not realistic to try to get those off-street spaces. That just puts more of a premium on those public assets.

Hardy asked if Tokos needed a recommendation from the Commission to go ahead with the study and get that rolling. Tokos said he will speak with the Parking Districts, and then maybe we can set at the first regular meeting in January for the Commission to just initiate amendments to the parking code to address the fact that the Parking Districts are going to expire, and we don't want the payment in lieu of coming back in. That amendments will be needed to address that reality that some of these Parking Districts may or may not exist and how that works with our current code. That just gets the ball rolling. He doesn't think there needs to be a bunch of public outreach for that. But, before the Commission actually sees amendments, Tokos will have had a chance to have conversations with the three Districts and can let the Commission know how it went. Patrick said it at least puts them on notice, and we're doing them one at a time. We need to fix whatever we need to long before Nye Beach expires or else we're back to payment in lieu of. Franklin didn't think adding the year on is a good idea because then we're asking for people's attention to two separate actions, and they don't understand. Tokos agreed that it confuses things because you're having two conversations. He thinks the better approach is to have as clear a message as we can.

Tokos will start lining up meetings with the three Parking Districts after the first of the year; so try to get those meetings held in January. Maybe he can have a report back to the Commission by the first February meeting. With that, he can bring a draft of the code amendments to look at as well; we can do that in work session. He said the code amendments aren't that big. At this point in time all we are saying is payment in lieu of is not coming back, maybe the district boundaries get tweaked a little bit, and that means that off-street parking is required unless we come up with some better way of dealing with it.

Franklin wondered what the result is that we don't see. He wondered if we're going to get push-back from people in the adjacent neighborhoods that now a bunch of people are going to be parking on their streets and taking up their parking spots to stay out of the metered areas. Tokos said for his part, he would try to get the public engaged at a point in time when we actually have data for them to look at and things for them to think about and not engage them too early when we don't have the answers to any of their questions. Tokos said that's the kind of thing that could really come out if we engage too quickly and we don't have enough information to back it up, and then people will start speculating. Patrick said in Salem you see that; once you move away from the Government offices there are signs stating "parking for residents" or "parking with permit only." You can't go off into those areas to park. Franklin asked if you now charge homeowners to have a permit. Tokos said right now we have a registration sticker program for homes in Nye Beach. Those in the district now get stickers for their cars he thinks for free as an accommodation for the 3-hour parking limitation to say that we recognize they have no off-street parking and are in a 3-hour timed parking area. Franklin said maybe that's something else that could accumulate some revenue, though; stickers for businesses or employees or owners. He thought if you're going to charge a business or employee, you should charge a homeowner as well. Tokos said that's a fair point. He said put it out there; they will be complaining about it, though. Patrick said that's what we'll get out of the parking study. Tokos said that is what's nice about parking utilization studies; it gives you a good handle on how heavily these spaces are being utilized. Patrick said we don't have those numbers; we guess. Tokos said with tourists, though, they aren't going to squawk; paying \$3 or \$4 at a meter is nothing because this is their vacation. Patrick said the only time you get nervous as a tourist is with your timespan. Like when he goes to Salem, and it's two-hour parking and he has a four-hour meeting. Tokos said that the study helps you understand what your turnover is and how much you can push that. Fortunately he doesn't think most people going down on the Bay Front are necessarily down there four hours in a row. You're probably fine in the two-hour range, maybe three-hours. But the study will show that. Patrick said plus we are going to need a mechanism there for when someone is doing repairs. Like when he had to block off the parking lot in Nye Beach to work on Franklin's building. He said if he has to pay that's fine, but he needs to know about it ahead of time. Tokos said that Gross had said he needs accommodation for his city crews when they're working. Tokos said we can deal with that. Tokos said if you're working on a structure, we can come up with something for that. On the Bay Front, we're not going to tap every Trident truck that goes in there. We will have to solve some of that with the fish plants; not the industrial guys. Berman said the whole loading and unloading zone needs to have some kind of consideration for a permit too. Patrick said by State law, delivery trucks can park in the middle of 101 w/their blinkers on and unload. Berman said he wasn't talking about 101; he was talking about Nye Beach and the Bay Front where you have a food delivery truck. Franklin said delivery trucks are stopped in the middle of the street down there all the time. Tokos said generally you are probably going to want to set it up to exempt loading; that's typically what you would do. Although, you try to designate appropriate loading areas.

B. Next meetings.

Tokos noted that the meeting on December 22nd has been cancelled. On January 12, 2015, the joint work session with the City Council on Urban Renewal is a go. The second meeting in January is the 26th. On the 26th the Commission can initiate the parking code amendments. Also on the 26th, the Council with the student housing said they want to see those Comp Plan amendments done; so if it's okay with the Commission, Tokos will just schedule that for a hearing because those are pretty straightforward and the Commissioners have already seen them as part of a work session. To make sure we have enough time, we will have only the work session with the City Council on the 12th for an hour to an hour-and-a-half; no regular meeting. Patrick thought that is better when you're trying to do something with that large of a group. Tokos summed up the January meetings will be just the work session on the 12th and a couple of action items on the 26th in regular session.

C. Adjournment. Having no further discussion, the work session meeting adjourned at 7:11 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Draft MINUTES
City of Newport City Council and Planning Commission
Joint Work Session
Newport City Hall Conference Room A
January 12, 2015
12:00 noon

City Council Members Present: Mayor Sandra Roumagoux, Laura Swanson, Ralph Busby, Dean Sawyer, Wendy Engler, and David Allen.

City Council Members Absent: Mark Saelens.

Planning Commissioners Present: Jim Patrick, Rod Croteau, Bill Branigan, Lee Hardy, Bob Berman, Mike Franklin, and Gary East.

PC Citizens Advisory Committee Members Absent: Suzanne Dalton and Dustin Capri.

City Staff Present: City Manager Spencer Nebel, Community Development Director (CDD) Derrick Tokos, City Recorder Peggy Hawker, City Attorney Steve Rich, and Executive Assistant Wanda Haney.

Chair Patrick called the Planning Commission work session to order at 12:00 noon noting that the agenda item was to discuss the process for the possible formation of a North Side Urban Renewal District. He turned the meeting over to CDD Tokos, who asked if first City Manager Nebel wanted to make a few comments.

Nebel noted that we have had a preliminary study as well as a number of discussions about creating a new Urban Renewal District for the north side of Newport. Through the course of several discussions, Nebel and Tokos have met with the various taxing districts to brief them on the potential new Urban Renewal District. He said that basically Tokos in his memo has outlined the process and various questions that need to be responded to or at least discussed as part of our discussion today outlining how we should be proceeding with this issue. There's also discussion as part of the list from an organizational standpoint about how we should lay this out. Should we continue as we have with the City Council serving as the Urban Renewal District? Should we create a new Urban Renewal District Board? If we have the City Council continue to be Urban Renewal, should there be a group that's appointed to work with the Council going forward and the Planning Commission on the various aspects of this plan. There are some organizational questions that we will get into as well. He thought our hope at the end of today's work session is to share some ideas, thoughts, and concerns about these various issues and get some direction on how we are going to proceed next with this issue. Nebel turned the meeting back to Tokos to work through the issues he had listed and then open it up for general discussion.

A. Unfinished Business.

1. Discussion regarding the public process for the possible formation of a North Side Urban Renewal District.

Analysis & outreach conducted to date: Tokos said that he would begin by working off his memorandum of January 9th that he put together as kind of a list of discussion topics. He said that in many respects Nebel had done a really nice job of covering the first part in terms of review of the feasibility study. The City spent some time and resources to do a feasibility study to determine if it's viable for the City to form a new district north of the bridge. The City Council and the Planning Commission have been heavily involved in that both in the review of the analysis as it was performed and identification of potential projects so that we could actually start to frame what it might look like so we could see if it was financially feasible. Three different scenarios were produced, and the maps showing each are included in the packet. All three are viable. He said it's more incumbent upon the City Council to make a decision and probably provide some sidebars should you decide to move forward with an Urban Renewal District for a task force to then begin to refine it. Tokos said, as Nebel had noted, he and Nebel met with each of the affected taxing entities; which were generally supportive, but each one had their own angle to it. Lincoln County School District recognizes that they are actually held financially harmless as a result of this because of the way they are funded, which is from the State based on enrollment. They still had some thoughts. Their primary thought was kind of a minor change. They would like to see the school district's properties by the fairgrounds included so that some solution to Eads could potentially be out there since that's been an ongoing issue with it cutting through their campus. Swanson asked what other taxing entities Nebel and Tokos had met with. Tokos said they met with the County, which picks up a few other taxing entities; not only the general county, but also transportation, and also the animal shelter. They met with the Port of Newport, the Hospital District, and the Community College. They offered to meet with the Linn Benton/Lincoln broader education district; but after reviewing the proposal, they indicated that they didn't need to meet with us. Tokos said he believes they covered all of those on the list that are the affected taxing entities. Each one wanted to know what the near-term impact was going to be to them; and they would like an opportunity to weigh in on that. He thought that, if you elect to move forward, it's

going to be important to have a point of time that's structured where they can actually provide formal comment because that will get them motivated to get that information into the record and help inform you as policymakers.

Updated tables showing impacts to taxing districts. Tokos said he tried to work with Nebel and ECONorthwest to reframe the information in a couple of different ways so it's really clear to all taxing entities; the City included because it's the one that gets hit the most. He wanted to frame the information to be very clear in terms of likely impacts. He said in the packet are a number of tables we have. He noted that the first one he will look at is the "Impact to Taxing Districts." You have the small option, the mid option, and the large option; which show the impact in terms of the taxes that otherwise would have been collected and available for general fund purposes that are redirected to Urban Renewal; the impact on an annual basis from forming a new district. What is on the back of each of these pages is a new table showing in terms of percentages the impact to the total tax revenue to these districts. That is South Beach, which is already in effect, plus the formation of a new North Side District. That's just another way of framing it so they can see the impact. He has included two examples in the packet, but he has done that for each of the taxing entities. They went ahead and did tax revenue projections for each of the taxing entities and discounted it. The table in Example 1 is Lincoln County. It projects out at that 4.5% growth rate. We have our 3%, which is what you would typically get in normal annual increases in assessed value of what you have on the ground, and the extra 1.5% has to do with new development which wouldn't be on the books in previous years. That's the same 4.5% assumption that was done in the feasibility study. You've escalated your assumed assessed value and then discounted it by 7%, which assumes a 93% collection rate. That remainder actually does come in; but at a later date. Generally on any given year we assume 93% is what is available for actual use because the rest of those taxes will come in at a later date. Then you see the small, medium, and large scenarios depicted against that. Tokos was looking at the small, but they're all structured the same. It shows the revenue before Urban Renewal, what you're currently redirecting to the South Beach District, then what would be redirected to a new Urban Renewal District, and the total of that, and what's left is your revenue after Urban Renewal, which is what you would have available for general fund purposes, and then the percent difference. For the County, it's relatively small because their taxing boundary is the entire county so it's relatively small impact to their overall tax base. Whereas, with the City of Newport, which is example 2, it's significantly higher because our geographic boundary is smaller so this proportionately is a larger piece of our tax base. But, it's the same format. He thinks it lays it out very explicitly for each of the taxing entities.

Tokos said he was looking for feedback of whether this does enough. Is there other information we haven't either collected or displayed that would help you or the taxing entities make that decision whether or not to proceed. Busby thought that this information is great, and it's laid out very well. It answers his questions. But he also thinks we need to look at it from the bigger picture and something the public would want to understand. He said Urban Renewal on the surface for a city like us is a good thing because basically we're getting \$3 or something for every dollar we are putting into it. His concern is the bigger concern of can we afford that dollar; can we afford to do this. If you go back and look at our budgets for the last couple of years, we are actually budgeting more than we are taking in already in the overall budget. It looks like that trend will continue unless we make some changes. Our expenses are going up faster than our revenues are increasing. That being the case, this 10-15% withdrawal from the general fund that we're going to be putting in Urban Renewal takes away from potential services that may have to be cut as a result of increasing costs down the road. He recognizes that is very hard to project; but when you look at taking \$3-\$5 hundred thousand out of the city budget to go toward Urban Renewal, that's three to five policemen we wouldn't have or a fire truck we don't get or something like that. He thinks it would be useful if we had some kind of analysis of how we will be able to afford this. He recognizes that as the potential North Side Urban Renewal increases the old South Beach Urban Renewal declines, so in effect it's not a huge change percentage-wise in the amount of money we're taking away from the budget; but nevertheless with increasing expenses and not quite as fast increases in revenue, we have a potential problem unless we cut something down the road. He thinks we ought to address that in this process. Allen said to balance that, even though the property tax will be diverted from the general fund, if you create an Urban Renewal District you have the ability over time to do infrastructure projects which would offset the impact to the water and sewer funds. Busby said that's part of the analysis. Allen said you have to look at it as each fund in the city budget will be impacted differently. The general fund will be impacted negatively; the water and sewer and other infrastructure funds will have a lessening impact in the city budget because Urban Renewal can potentially take up the slack. Busby said he thought of that, and that would be part of the analysis. But, you say you're taking away 15%, but maybe not really; maybe you're only taking away 10% because it's going to projects you're going to do anyway under another account so to speak. He thinks that information ought to be available before we make that decision. He realizes that requires a lot of conjecture; but it's something that needs to be looked at. Allen said if a new district is put in place and the actual plan and the different projects are going to be proposed, we have to look at what are those projects that are being proposed, what impact will those projects have on the city budget meaning will Urban Renewal pay for the majority of those projects and lessen the impact. So a lot of it will have to do with what are the projects that will be delineated. If you don't have the projects delineated, it's going to be less likely to be able to project the impact on the budget; especially to the water and sewer funds.

Patrick said on the information side, maybe we need one with the same setup but without the Urban Renewal District so we can see what it looks like if we don't do anything. Nebel said if you go further back into the packet; there are examples set up assuming increases in revenue. He said, looking in the City medium scenario #2, the first column is the revenue before Urban

Renewal. Taking a look at that, column 2 is the commitment we already have for South Beach Urban Renewal that runs through 2027. He said that regardless of what decision we make on the north side, that's something that is going to happen. Patrick said he can't tell what the existing percentages are. Or show it by South Beach just by itself; so where we're at right now. You can't really tell the increase. Nebel said that's a good idea. You can extrapolate that, but it doesn't really show it. Tokos said these are great points, but asked if there's other information on the data itself that you think we need to pull together to help for you to make a decision. Allen said on the large option, it includes a lot of Agate Beach. He asked if any of that is outside the city limits. Tokos said all three options are limited to properties that are already inside the city limits. Allen said if they were outside, we would need the County's buy-in; now we only need to consult with them. Tokos confirmed that was correct.

Tokos said that one thing that's been asked was the issue of if we do nothing, will we realize that kind of growth because a lot of these projects are intended to catalyze growth and economic revitalization of our community. If we don't have enough money, are we going to have enough if we do nothing? One thing with Urban Renewal is to catalyze that growth; it does increase the likelihood that our tax base is going to grow at a more robust level that will then support the costs. He said that's a tougher one to get our arms around. Busby agreed, but said you have the midpoint between three and ten years from now where you may have problems because that's before you will recognize the advantages of it. Patrick said another thing that would help is to get this same format with the district in Nye Beach and the history today in South Beach. Particularly in Nye Beach, showing the history of what we spent and what we realized in the end; because, if you're trying to justify this, it helps to show people previous examples of what we did do.

Berman had a question about the revenue before Urban Renewal on the impact sheets. He said it's unclear what assumptions are being made for increased property tax values and assessed evaluations from the Urban Renewal District as opposed to just normal 3% growth. In other words, we were talking about showing one with no new Urban Renewal District; so if you don't have a new District, how much would "before Urban Renewal" change based on increased property values as a result of Urban Renewal. Nebel didn't think this is that sophisticated. This column is just showing an assumption of 4.5% growth, which is kind of a historic number; it's not trying to measure the impact Urban Renewal would have on increasing or decreasing. This is just a fixed 4.5%. Berman said and that's based on history. He said so realistically then, if we did both, this number is going to go up. Nebel said that is the point Busby is making. We think it should. Projecting that becomes an artistic task. Tokos thought almost a better way is to look at the projects in sum and make a policy judgment as to whether those are quality projects that are in the best interest for this community to pursue. He said we are basically taking a portion of general fund money to invest in infrastructure, which is not that uncommon; but Urban Renewal just happens to be the tool for that. Infrastructure is part of it; but there are also strategic site investments, loans for business façade improvements. He thinks there are a lot of ways you can go with it; but almost a better way is looking at a package of projects and make a policy judgment if those are important projects for the community and if the benefit to the community is enough over the long-term that they warrant this kind of investment. He said he wished he could give a more definitive input. Croteau said we can all look at the numbers and make recommendations based on that; but when it comes to the public, they want to know what kind of projects you are talking about. If you talk revitalization of downtown or traffic issues, they will say yes we need some fixes.

Engler noted that the fairgrounds redevelopment is listed on the projects list. She asked how much the City is going to participate in that. She thought the fairgrounds is a County property. Tokos said it is a County property. He said the figures here are such that they would support things like improving the access at 20th and Harney and widening Harney so there is better access to that property. Basically the infrastructure improvements that would be needed to make that facility enhancement that the County envisions to be viable. The County is still reworking exactly what they want to do. What this shows is that there would be a significant amount of infrastructure work needed to support any kind of meaningful redevelopment; and Urban Renewal would be an important player there. Busby said that was good to know because he had the same question because he didn't know the intention there.

Allen said he had a question policy-wise. We had a north side district for so many years; it closed four to five years ago. The projects that were done were centered around Nye Beach. He noted that a lot of your options include that same area. Agate Beach wasn't included. He thought out of fairness, if we create a new district, we really need to look at areas that were not included in the initial district that was in existence all those years and make sure to cover areas that were not included before. He wasn't saying we shouldn't include some of the older areas; but he thought that at least out of fairness, we should at least look at those. Agate Beach was the area that he was thinking about. Tokos said outside of that, the areas in these scenarios would be the corridor strip for 101 from 20 north and the 20 corridor that weren't really part of that original district. Allen said part of 20 was if you consider some of the properties east of 101 for three blocks; the Recreation Center and everything else. Tokos said he was talking about Highway 20 more in the vicinity of Moore Drive and those areas. Allen said but if you go down to the Bay Front, the Embarcadero and all of those areas were part of it. He said generally though north of Fred Meyer was excluded totally; and if you look at the Highway 20 corridor, some pieces were included in the previous district. He said it just depends on how you want to look at it from a fairness standpoint.

Engler said that she noticed that the couplet right-of-way improvements are the biggest ticket item here. She asked if that's a must-do item; or is that something that's going to be looked at as part of an overall plan. Tokos said it would be the latter. He wanted to provide context for the group about the projects and what they mean at this point and what they would mean moving forward. He said that the project list was developed between staff and the Planning Commission largely drawing from the various plans that were developed with pretty significant public outreach at different points in time. The couplet is part of the Transportation System Plan with the initial concept of it being either on 7th or 9th. He said these projects aren't set in stone. He would expect that there would be refinements and adjustments should you move forward and form a task force to do that kind of work on the projects list. What is important is that at the end of the day what's in that projects list has to be something that the Planning Commission and the City Council can find to be consistent with our Comprehensive Plan. If we start pulling in some things that have no relationship to our existing economic development policies, which we've done a lot of public outreach to develop, or our transportation, or our water system; then we have issues. That is the box we have to work within. He said with the couplet it is the potential biggest project; but it's also the biggest gain in terms of tax revenue. At the end of the day, is it the best interest in the City Center; it may or may not be. The way he would envision this is, if it ends up in the Plan, you can always scale it down easier than you can expand an Urban Renewal Plan once it's been started. He would envision in a phasing plan, your initial phase would have funds reserved for refinement plan for the City Center where we could do tangible public engagement and sort whether or not the couplet is going to work or not; and if not what the alternative solution is that is going to revitalize the area. That would be Phase 1. He said with Coho/Brant for example, you get some pretty tangible public involvement when you do a refinement plan and have money behind it, and people believe that something is going to happen as a result of that planning effort. He said that these projects right now are at the feasibility study stage. If you elect to move forward, they would be refined into an actual plan. But then again, they are a framework. As that plan moves forward we would expect that they would be refined, just as you refined the South Beach Plan with various amendments, as opportunities come up and you can provide further definition about a project. Allen asked if what Tokos was saying was if the plan has certain projects in it, as you move forward it's easier to revise those projects rather than adding on new ones. That's a more formal process. Tokos confirmed that. Allen said if you feel something might be a potential, put it in the plan but phase it out over time so you have steps along the way of whether to continue it or not. Tokos said exactly.

Engler said that Patrick had mentioned Nye Beach. She noted that all of the Urban Renewal planning that was done came out of the Glick Plan. So they had a really sturdy plan even though they didn't stick to it the whole time. That big streetscaping plan is from that. So, she thinks it's important to have a plan. Allen agreed that a lot of the components of the Glick Plan were put into the Urban Renewal Plan; it was used to create the Urban Renewal Plan.

Nebel noted that we have had discussion on some of the preliminary projects and asked if Tokos wanted to talk about that. Tokos said he would run through the projects. He said that looking at the potential projects list, there are the three different options. The largest would include Agate Beach. There you have some funds that would be reserved for Phase 1 work, which would be a refinement plan. That would be engagement to fine-tune exactly what types of projects are needed in the Agate Beach area and to what scale. From that kind of planning effort, he would imagine an amendment would come through to further define what some of these other categories are. So the Agate Beach improvements to existing local streets, which calls for about a million dollars, through a refinement plan would then get rather specific; such as this kind of street at this location of this nature. He said if you're familiar with how we did it with Coho/Brant, that's kind of how it would play out; you'd have those more detailed projects and then come back and do an amendment. It has funds reserved for storm drainage improvements, improvements at intersection points with 101, and then we have a significant waterline upgrade that's in our Facilities Plan, which is needed to facilitate further growth in that area, that is included as well. Under public buildings there's a contribution toward fairgrounds redevelopment at \$3 million. You see a total cost of \$9 million. You will see total costs far exceeding Urban Renewal contributions as you go down the list; those are estimates as to where other funds would be coming from for the project. With the fairgrounds for example, much of that would be coming from the County. A public safety building is in the small and large options and would be partially funded by Urban Renewal and partly from other sources. Berman asked if it would be worthwhile to have this list annotated somehow with where the rest of the money is coming from; the difference. List potential sources where that money may come from when there's such a big difference like that; he's sure that difference jumps out. Tokos said you could. Berman thought that it seems that an explanation of some of the potential sources for that difference would be useful. Allen asked why the public safety building was left out of the mid option. Tokos said for one, there was some discussion as to whether or not that is the best type of investment to land in Urban Renewal. Then there was some desire to have the feasibility study show some mixing and matching to give some variety in options and numbers. He said, as you can see, the mid option has the lowest total maximum level indebtedness. It was designed to show what happens if you have lower maximum debt level, a larger boundary; and it shows that you are able to ramp up and close down sooner. Allen said so the decision by the feasibility study for the mid option was if the debt is less and the boundary is larger, let's just remove the public safety building instead of something else. Tokos thought it was a decision to pull that out in order to reduce the maximum level of debt and focus more on infrastructure and economic development and revitalization projects. Allen thought that needs to be further clarified because that seems like a big omission. He said you may want to at least note why it's not included in the mid option so in case people are interested in the mid option, you have a choice to put it back in there and just reduce the amount of something else. He said this is just a feasibility study, not policy choice; and he doesn't want to have this feasibility study starting to set policy. Nebel thought that's a good point to make. How you mix and

match these is something that will be coming down with the planning process formally. This is really more for illustration purposes, but it also does give you the flavor of what kind of project can be included. Allen said it was the omission that caught his attention.

Continuing through the projects list, Tokos noted that under transportation system enhancements, downtown revitalization and couplet refinement plan was included. Then there's the couplet itself; for which half would come from the State (\$12.5 million) because this is the state highway system, and \$12.5 from Urban Renewal for \$25 million in total. There are intersection realignments that are in our Transportation Plan; for example the dogleg at 6th and 101 which is a major issue. These are existing projects that have already been identified in our Transportation System Plan as important things to do to help revitalize and encourage redevelopment. There are funds for parking improvements that could potentially go for things like partnering with the hospital for example as part of their expansion plans. There's right-of-way acquisition because you have to have some money reserved for that. Similarly with the signal installations or adjustments. We have a number of those within the district. Economic development projects include a range of things like billboard removal, site preparation for reuse, and that would be partnering with businesses for positioning their property on 101 for redevelopment by helping them deal with demolition of older dilapidated structures and things like that. He would expect strings would be attached to anything like this. A program would have to be put in place to actually make it happen. Other line items like storefront façade loans and grants, strategic site acquisition, street trees, landscape island enhancements, way finding improvements, and utility undergrounding are all viable types of projects that would be typical and common in an Urban Renewal District for revitalizing an area. Tokos said at the end of the day, this list provides the framework for moving forward. Should you elect to proceed, an actual plan with specific projects and phasing would have to be put together. You can expect that this will change and morph somewhat. Roumagoux asked, under economic development on the site preparation for reuse, what would be required for demolition. Tokos said this could be set up so these are funds available to assist private developers and property owners. As part of the Economic Development Agency with an economic opportunity analysis and a group of business owners and other stakeholders, there was general recognition that we have a lot of underdeveloped properties on US 101 and US 20 corridors; properties with bad configurations that are difficult to develop, properties with existing improvements that are in bad shape and difficult for the owner to deal with. A program would be set up where if they are willing to do certain things that if you as the Agency felt confident would help revitalize our community, then you would make funds available to them to assist them in say aggregating multiple properties so that they can more effectively be redeveloped or assist them with issues of dealing with old buildings with asbestos issues and things like that where they as the individual property owner right now would like to do something but they're not in a financial position where they can do it all by themselves. That's the concept.

Allen asked what the length of time was for this new district. Tokos said that varies by option. The mid option for example ramps up the quickest and shuts down the quickest. The small and large will take a little longer. With these options, you are talking about initial increment coming off in 2016; probably able to do the first meaningful project between 2018 or 2020; and the close down on these various options varies but are somewhere in the 2040s. The large scenario is in 2044, the small in 2041, and the mid in 2036. For the feasibility study, we set this up to show the different scenarios and how they would play out. The mid option with the smallest maximum level of debt closes quickest. The small has a smaller geographic area but a heavier maximum debt level, which means it closes down over a longer period. The large has a larger project load and also a larger debt level and a larger geographic area. You have those three scenarios to see because at the end of the day if you elect to move forward, it's going to be important that you set some parameters for the task force when putting together the plan. One of the key pieces is that you would like to see a maximum debt level in this range. That gives them a working parameter to not keep loading projects. Similarly with the geographic boundary, they need some guidance on which option you prefer or some variation of those. Allen asked if there is any reference in the statute as far as how the jurisdiction handles the task force, or does it leave it open. Tokos said it's open-ended. Allen said he's talking about a task force in creating a plan as opposed to advising on the management of the plan. Nebel said those processes are something we want to talk about before the meeting breaks up. Allen said what he brought up at the Council meeting in November was for a task force that would advise the Urban Renewal Agency over the next twenty years as projects come forward. Here he's talking about a task force to help in creating the plan, which is a separate issue. Is there anything in the statutes with respect to that? Tokos said no. That's something he was hoping through this meeting we could get; parameters or some guidance as to what the general make-up should be or types of representation you would like to see in a task force if you elect to move forward.

Berman said as he recalled, the cutoff point is if the total cost exceeds \$50 million. Tokos said at \$50 million you have to have the consent from the affected taxing entities; they would have to say yes. Under \$50 thousand, you don't; you just have to consult them. Berman said the Armory could be affected and asked if Tokos had contacted them. Tokos said he hadn't talked to the Oregon Military Department. Roumagoux said maybe we should consider having a representative from the Armory on the task force. Allen said the idea of creating a task force to help develop the plan is something that came out of Tokos' and Nebel's discussion; and he's not really sure how that would work. The one Allen was more focused on back in November was once we have a plan, what do we want to use as an advisory committee if at all. He noted that there used to be a Newport Urban Renewal Advisory Committee for about three years after the Council took over Urban Renewal, but then that was disbanded. He wondered if we should reenact an advisory committee to advise us on Urban Renewal similar to the Planning Commission's citizen advisory committee. That's something he was hoping to hear about from the Planning Commission.

Croteau said that he liked the idea of continuity in something like this. He said this is a long-term plan; and you need a committee to look at this over the long haul. He said he is all for it. Allen agreed that more eyes are always good.

Tokos said now that we've covered the projects, he was hoping we could cover the key components of the Urban Renewal Plan briefly and then he has the schedule of steps that would be involved in actually putting the plan together. That is where we can talk a little bit more about the task force make-up that you would want to see in assisting in the development of the plan. Then we have the other conversation about whether to have an advisory committee on an on-going basis. Allen said the issue about whether the City Council should continue as the Urban Renewal Agency or not is something staff brought to your attention. That was never anything that the Council discussed in November. In fact, when the change was made from the Newport Development Commission, which was the old Urban Renewal Agency, and the City Council took over in 2007, there was a lot of discussion to transfer that back to the Council. But, staff wanted to bring it to your attention as an option even though the Council never even discussed it in November. He doesn't think it was on anybody's radar. He was thinking more of an advisory committee to the Council as an Urban Renewal Agency; not the Council basically handing the Urban Renewal Agency back over to something like the Development Commission. He said it's good to bring it up, but he doesn't think there was any discussion about whether we need to do that or not. Nebel said there has not been any consensus on any of these things; we've just had various discussions about it. He said part of the role of this meeting is to put these on the table and see collectively where we might want to go.

Overview of key components of an Urban Renewal Plan. Tokos said that he put together the key components out of the statute that have to be in an Urban Renewal Plan; and these were listed in his memorandum. One thing is that you have to have a specific boundary that has to be described by legal description. It doesn't necessarily have to be contiguous; that is okay. There will have to be some explanation of the physical, social, and economic conditions in this area that warrant the creation of an Urban Renewal District; underdeveloped streets, excessive parcelization, low improvement to land value. He said that we have a fair amount of information of record in our various plans that we can use to back that up; but we will have to explain what the conditions are that warrant it. We will have to describe how our projects listed will address that. If you create a plan, up front we will spend a fair amount of time explaining about what the issues are before we walk into what the projects will be. Digging a little bit more into what the conditions are is going to be part of putting a plan together. Then there would be a description of each of the projects that are to be undertaken; and this would be in a phasing plan. We would be using tax increment financing to fund it. There will be Phase 1, Phase 2, and Phase 3; much like in the South Beach plan. It's not limited to three phases, it could be two or four; whatever makes sense. Berman asked if that second sentence means that the City would be increasing staff. Tokos said, yes, we would be reserving funds for staffing. We would have to adequately staff an Urban Renewal program. He said, if you've seen Urban Renewal programs statewide, what you see is Urban Renewal funds for the administration of it and being able to implement it. Berman said so you would need one or more additional employee. Allen noted that what has happened in the past, if a staff member is used for Urban Renewal, sometimes the Urban Renewal District budget actually compensates the general fund or where that person actually comes out of. Berman said that's reasonable. He was just asking if you envision having to hire additionally for an Urban Renewal Agency of this magnitude. Nebel said we would add some sort of staffing level that's higher than where we are at right now. Patrick noted that Tokos is without an assistant planner right now. If things keep ramping up, he will need it. Allen asked then if you need additional staff, some of that compensation for staff could come out of the Urban Renewal budget. Tokos said yes absolutely, it would be coming out of Urban Renewal because that is what that person would be doing. He said if you look at districts elsewhere like Lincoln City or Coos Bay that is how it is done; your staff resources that you apply toward it are paid out of the Urban Renewal program. Allen said his recommendation is, if you're talking about impacts on the City budget, you may want to put a component in there if Urban Renewal is put into place and additional staffing is needed that Urban Renewal could help pick up the slack so you show lessening impacts somewhere else in the budget; so we're showing those offsetting impacts for the public. Tokos said that's a great point.

Tokos continued that by statute the phasing plan has to have estimated project completion dates. They recognize that they're estimates. Maximum level of indebtedness is a key item that has to be in there. He explained that is the maximum funds that the district can borrow for project purposes and doesn't include costs associated with debt retirement. So, interest on your bonds doesn't count in that total. It is the maximum amount you can actually spend for projects. Tokos said that the breakdown on ad valorem taxes and how it's going to be divided and how it's going to impact the various tax entities has to be in the plan itself. He noted that item "f" is very important, and you have a lot of options here. It talks about the types of future changes to the plan and the process you want to go through to make those changes. A substantial amendment is one that has to go through the same process as you use for putting the plan in place in the first place; you're talking about formal public hearings before the Planning Commission and the City Council and findings of consistency with the Comprehensive Plan. By statute the two things that land you in this are if you increase the maximum level of indebtedness or increase the boundary of the district by more than 1%, it constitutes a substantial amendment. He said that you can call other things substantial amendments if you want to. How you structure that in your plan is something that is going to govern you as you move forward. So, that is something to think about. An example of that would be that you can make it such that anytime you make a change to a listed project or if you change certain projects, you have to go through a substantial amendment. Or maybe you call out that for site acquisition, you want that category to go through substantial amendment or if it's over a certain dollar

amount because you want that higher level of public involvement. He said you have a policy choice here that we can draft into the plan. He thinks it's an important conversation, should you decide to move forward, that the task force should have and then the Planning Commission and City Council can ultimately decide how that should be set up. Allen had a procedure question. He noted that Tokos talked about the City Council and wondered if he was talking about the City Council acting as the Urban Renewal Agency, which would be a different entity so to speak. He said that right now when we do a substantial amendment or anything both the Urban Renewal Agency and the City Council have to sign off on it. He's wondering in doing these hearings, do we have to at least realize that when the City Council is meeting for these hearings it is as the Urban Renewal Agency. Tokos said that is a good point. We want to be clear that for forming the district, it is the City Council. He's pretty confident that is the way the statute reads. Then for every substantial amendment after that, it is the Urban Renewal Agency. Allen said Tokos should check that out because that will change how we notice and everything else. Tokos agreed. He said there are some smaller things in the statute to include in the plan; but those are the big ones to keep in mind that would be part of the plan itself.

Process for adopting the Urban Renewal Plan. Tokos noted that the blue sheet in the packet is a potential schedule he put together. He said that we have the meeting here to review the progress and discuss parameters of moving forward. March 2nd is plugged in as a meeting date to initiate an Urban Renewal District. That provides a formal opportunity for the affected taxing entities to weigh in. Tokos said if everyone is comfortable with this schedule in moving forward, what he would do is take this information that we've developed and look to enhance it with information he has received from the group and get that out to the taxing entities. That lets them know that we had conversations with them and now are getting more serious, and the Council is setting a date to consider formally initiating a process for moving forward. It lets them know that it's an opportunity for them to weigh in and provide feedback of their thoughts on how that should proceed. It creates a formal step for them. He said that there are two potential resolutions that come from that. One would be to set working parameters for the new district; within these boundaries and with a maximum debt level not to exceed this amount. He asked if there are other parameters anyone is thinking about. He wondered if that is enough, or are there other things you could put out there that would provide guidance to a task force? Busby said to put a timeframe. Tokos said he would reiterate to the task force that projects have to conform to the Comprehensive Plan; that is a requirement. The other resolution would be one to establish a task force to develop the plan, if you think that is a good idea. He thinks that is an important piece to have members of the community involved in developing that. He would suggest we provide each of the affected taxing entities an opportunity to participate or have a seat at the table. That would include the Port, the County, the hospital, the school district, and the college. Croteau said a representative from the Chamber of Commerce would be good. Engler asked how about the National Guard; she thinks they should be involved.

Allen thought that by March 2, we should figure out if we do these resolutions or if we create an advisory task force, is that going to be done through the Urban Renewal Agency making a recommendation to the City Council. In the past that is how we handled Urban Renewal issues. He recalled that when the South Beach District was extended, Patricia Patrick-Joling was Chair of the Urban Renewal Agency and handled the outreach and a recommendation was made to the Council. He asked if we want to set up a similar framework for this, meaning that the Urban Renewal Agency is the conduit in which we are doing all of these things, and then the recommendation from the Agency goes up to the City Council, and they also work in conjunction with the Planning Commission. He thought that we need to figure out that procedure as to what makes sense. Busby asked if the existing Urban Renewal Agency is a general Urban Renewal Agency to the City; and Allen said it is. Tokos agreed that it's a general agency for the City. He said statutorily, the Urban Renewal Agency wouldn't typically be involved in the creation of your district. Allen said it's probably not precluded; the Council has to sign off on it, but the statute doesn't say an Urban Renewal Agency can't participate. That's what he's getting at; more stakeholder involvement and more people wearing different hats. His thought is to make it as broad-based as possible.

Nebel said in putting this together, we are operating under the assumption that most folks around the table believe it's a good idea to go forward with a North Side Urban Renewal District. He asked if anyone objected to proceeding with this process. Swanson thought it is a good thing to pursue. She would like to see the downtown healed. Nebel said it sounded like discussion-wise, it's worth pursuing. He said something that impacts a few things is that it seems on the geographic issue, knowing what option or combination makes the most sense maybe should be discussed today as well. We have three identified options. One has the smallest geographic area. The mid option reduces the overall debt but speeds up the cleanup. The largest option, which includes Agate Beach, has the most significant impact on the taxing entities but would have the most significant reinvestment within the City. He wondered if there was interest in discussing whether we should be looking at the smaller option or at the one that includes Agate Beach. Busby thought before he makes any decision like that is he would like to know what we can afford. Allen thought that should be a task of the task force. He said the other taxing entities will probably want to weigh in on that as well as the size. He thought those are good discussions to get into more details with the task force. He thinks the Council and the Planning Commission will have representatives on that task force. Nebel said the geography is somewhat separate from the total amount because you could reduce the overall projects to include a larger geographic area. He thought the geographic area is the succinct question. He asked if there is any further thoughts on including the Agate Beach area. Allen said he wanted public input. Swanson noted that there have been things going on in Agate Beach already. Allen said there are probably a lot of things that could be done that probably can't be done now. There are things happening, but not

enough. Croteau thought that the large option includes a lot of things that one would like to see done. It hedges your bet in the sense of spreading the risk of growth across residential, commercial, and industrial. It's the option that provides the most; at least a little bit for everybody. From the point of view of community buy-in, it seems to him that the large option is the way to go; which is a totally different question from the financial one. He's looking at the sales side of it and at the prospects down the road to maximize whatever the investment is. Allen said that his point was that the large option includes Agate Beach, where the others don't; so he's inclined to agree with that one. Busby said, finances aside, if you focus all of your efforts in a small area, you will see more results quicker. Maybe that's a better thing. There's a lot to be said if we focused on one area; we'd see more progress and results. Allen said if we include the geographic area of the large option and let the task force flesh out that recommendation; they might say do the small area. But at least we are giving the task force the ability to look at the entire scope of all of the areas. If we just say look at this area and leave out Agate Beach, then we're basically making a policy choice without public input. If you include the large area, you have the ability to get stakeholder input to decide whether that area should be included or not. Let that flesh out over time. Busby said if you want the task force to make that decision, then we shouldn't really give them any area; let them pick. You can give them the map as a guideline. They don't necessarily have to pick one of these three; they theoretically could pick the whole city. Patrick added, speaking for the Planning Commission, we settled on large, small, and mid options. We've been hammering on this for a while. That doesn't speak to the argument of what you can afford; we're not covering that. We're just looking at what we thought should be done. That is how the Planning Commission ranked them. Berman said if Agate Beach is not included in an Urban Renewal District, the odds of anything significant getting done up there are slim to none. If you feel that it is important to do something there, this is a mechanism for doing it. You couldn't set up in the future an Urban Renewal District just for Agate Beach; the numbers would never work. Patrick said as far as the old north side district, it included City Center, Nye Beach, Bay Front; and the City Center didn't get anything because it just didn't work. The same thing with South Beach, we are doing things we never thought of; they weren't on the radar. He said the bigger the district is, the easier it is to move your money around inside it. That's one reason the Commission liked the big area; it gave us a lot of options and covered a lot of projects. Croteau said the task force should include representation from the County and any neighborhood or community associations that could be impacted; which the City Center would be one of them. Tokos said there's really no organization up in Agate Beach now; but there are individuals that reside up there or have a business up there that could have a seat around the table.

Nebel asked if on the geographic issue there were any other questions or comments to consider. Swanson said she would just as soon go for broke with the large option. Tokos thought for the March 2nd meeting, what we could do is provide a recommendation for the maximum indebtedness. He suspects you will get a fair amount of feedback from the County and the taxing entities on that as well; so that would be a good opportunity to at least try to pin it down at that meeting. He thought that would make the taxing entities feel better; that the maximum level of indebtedness is not a fluid thing going into task force discussion, and that that they have some sort of assurance that it is going to top out at a certain level. Roumagoux said that she agrees that if Agate Beach isn't included, we will never be able to sell it.

Tokos said, moving on through the schedule, is there anything else in terms of task force membership. Allen said there's one more Planning Commission meeting before the March 2nd Council meeting. He suggested putting that on the Commission's agenda so if the Planning Commission feels like giving additional input as a commission. He would like to see that recommendation come from the Planning Commission. Patrick said the Planning Commission could try to do that; say who the players should be and pass a recommendation up to the City Council. Tokos said, coming out of March 2nd, if things move forward and there are resolutions, we would look to hire a consultant to assist in development of the plan. We have \$30 thousand budgeted for that purpose this fiscal year, which should be a sufficient amount. Berman asked if a resolution is passed to establish a task force, who decides on an actual person-by-person basis who is on it. Tokos said the resolution would establish who is on the task force. Tokos said it could be listed as representation. Allen thought it should be which organizations, and let them decide who they send. Tokos said if it's not an association, if it's an individual resident or business owner, we would possibly want to call that out. Allen said you may want to include some public-at-large representative so you have a catch-all. Tokos said that's a good point. He said he would envision the task force holding probably six to eight meetings over a four-month period; twice a month sort of thing. It may extend to five months. The key here would be that the public hearings would be held before the Planning Commission and the City Council in late summer; August and September. No later than October because of the addition of the new tax rolls. The reason being that we don't want to have to update all of the data, so we want it to be before the tax rolls update to avoid any additional expense.

Urban Renewal Agency decision-making structure to support two Urban Renewal Plans. Tokos said the last item on the agenda was a discussion about, if a second district is created, should the City Council look to change how Urban Renewal works from what is currently being done. Is there any interest in pursuing the creation of an Urban Renewal Agency independent of the City Council? He said the other option would be to put in place an advisory committee to the Urban Renewal Agency, which is sitting as the City Council, which then discussion turns to ongoing and staffed or looking at something more like forming a task force for substantial amendments; that kind of thing. If it's ongoing, one thing he would encourage the group to talk about is if the Planning Commission could fit that role. The Commission has a formal role by statute every time there is a substantial amendment. It would be a way of keeping the Commission engaged in an ongoing basis. Busby asked what the staff recommendation was on that. Nebel said the biggest issue is that every group we have

requires staff support. The question would be how we would staff that effort; would we have adequate staff for an independent group? Tokos said personally he feels the Planning Commission makes sense because it has a formal role already in creating Urban Renewal Districts and approving substantial amendments. The Commission also has a role of looking at every facility plan we do. It would not be a new committee, which does pose logistical challenges at times. Allen said, since he brought this issue up in November, when the City Council took over Urban Renewal six years ago, the former Newport Development Commission became an independent advisory committee. They never met much, and so basically disbanded. It was taken off the books, so we would have to recreate it again. This would be advising the Urban Renewal Agency, not the Council. He would like to get input from the Planning Commission. He said this is an issue way down the line; this doesn't have to be decided immediately. This will only happen if we create a new Urban Renewal District. It's more a task force for putting together the plan that matters. For this other task force, we don't need to decide now. If a plan is in place, then we may need to decide this. He doesn't think we need one for South Beach. He didn't think the Planning Commission has to make a decision today. Nebel said that could even be part of the charge of the task force going forward as well, which would bring it to the Planning Commission which eventually would bring it to the Council. Allen said this would really be an advisory committee to the Urban Renewal Agency; so the Agency would have to decide what it wants. Patrick thought that the Planning Commission would want to discuss it. He thinks there are other ramifications to consider. He prefers to have checks and balances. He said it sound like the people who are doing the planning are now doing the implementing; unless there is a check that anything the Commission does with Urban Renewal also gets kicked up to the City Council. Patrick said this is where we got into trouble last time.

Nebel said the first question to raise as part of this to see if there is any consensus, the City Council has acted in the past as the Urban Renewal Agency, is there any thought that that doesn't work and we should go a different direction. Swanson was content with the way it is. Allen said he saw it work both ways. It's good to have checks and balances. He said when the Development Commission was taken over by the City Council, we lost those checks and balances; but there is some benefit because it is more efficient having the City Council being the Urban Renewal Agency. But, you lose checks and balances when you have efficiency. If it's worth being more efficient, we could have another checks and balances; an advisory committee could provide that. Roumagoux asked if there would be three then; the Urban Renewal Agency, the City Council basically, and then you would have the Planning Commission and this advisory group. Allen said the Planning Commission has always had a role; they have their statutory role regardless. He said what Patrick is saying is, if the Planning Commission does both, you lose your checks and balances because now the Planning Commission is kind of wearing both hats. He thought if you have a third committee, you have that third checks and balances that lends more credibility. Again, when the City Council took over Urban Renewal, you lost those checks and balances, which was okay; but can we add it back and make it a better process. Roumagoux asked Patrick what he meant by when we got in trouble. Patrick said back when we had an Urban Renewal District headed in a different direction and fighting with the City Council. The City Council wanted to do one thing, and the Urban Renewal Agency wanted to do something else. That's how it got dissolved and turned back into the City Council because we didn't have a process to actually reconcile it. Roumagoux asked Patrick, having lived through all that and seeing that, if he personally would see an advisory committee being beneficial. Patrick said possibly. He wants to talk to the Planning Commission and hash it out. The Commission would have to do some thinking about that. He thinks you could set up a system where we could do it and make better checks and balances. He said the Commission will have to do some talking about it. Allen said if you actually have an advisory committee that advises the Urban Renewal Agency, you want to make sure you have representatives from those areas like Agate Beach. Say you have a Planning Commission and no one is really from the Agate Beach area for a period of time, would you lose something. Whereas with an advisory committee, if somebody from Agate Beach was on that committee, and the Agate Beach area was directly benefiting from projects; again, it's not only about checks and balances, it's about more eyes looking at something and more stakeholder involvement. Nebel thought the representation issue is certainly easier with a stand-alone group because you would have them there to govern that specific geographic area; so that would certainly be an argument to do that. The efficiency is another argument, and checks and balances another.

Nebel said this was good discussion to help us guide some recommendations and alternatives as we get close to the March date. He thought it sounds like the Planning Commission will want to have a heart-to-heart on the issue as well. Allen asked Tokos if he thought that the task force we are creating to create this should weigh in on the later task force. Nebel said potentially they could in time; that's not a time-sensitive issue. If we got that group in place maybe that is really an appropriate discussion item as the plan takes shape. Tokos said we can also take some time and see how some of the other jurisdictions are dealing with Urban Renewal Agencies; what has worked for them and what hasn't. The consultant we would be bringing on board has developed Urban Renewal Districts for other jurisdictions and may have some feedback as well. Allen said put that under the scope of work for the task force that we are creating. Nebel said he didn't see anyone jumping up and down saying that we should have a separate autonomous Urban Renewal Agency separate from the City Council membership. He asked if everyone was comfortable with the current model; and he heard no objections.

Allen said it's probably good just to make it clear that even though we are moving forward with this process to look at creating a district; no decision has been made to create a district. At the end of the day, once this process is undertaken, we may not create a district depending on what we hear. He thinks it's good just to note for the record that we are just starting the process.

The final decision is way in the future depending on the information we are going to get. Nebel said but basically there is support for going through the process.

Before adjourning, Patrick wanted to know if the City Council had any problems or advice for the Planning Commission; and nothing specific was mentioned.

B. Adjournment. Having no further discussion, the work session meeting adjourned at 1:27 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Derrick Tokos

From: Stephenson, Garrett H. (Perkins Coie) <GStephenson@perkinscoie.com>
Sent: Thursday, January 22, 2015 4:13 PM
To: Derrick Tokos
Cc: Robinson, Michael C. (Perkins Coie); bret@thomasfoxproperties.com; Tim Gross
Subject: RE: Alternative Condition Language

Derrick,

We are taking a look at some other options that may meet Bret's financing goals, but also are considering your alternative approach. As we discussed yesterday, we would still like to continue to hearing to February 9. I will touch base with you before next week's hearing to make sure everything is set for the continuance. We will let you know how we would like to proceed with the replat as soon as we can.

Thanks again for your willingness to work with us.

Best regards,

Garrett

Garrett Stephenson | Perkins Coie LLP
ASSOCIATE
1120 N.W. Couch Street Tenth Floor
Portland, OR 97209-4128
D. +1.503.727.2042
F. +1.503.346.2042
E. GStephenson@perkinscoie.com

From: Derrick Tokos [mailto:D.Tokos@NewportOregon.gov]
Sent: Wednesday, January 21, 2015 4:40 PM
To: Stephenson, Garrett H. (Perkins Coie)
Cc: Robinson, Michael C. (Perkins Coie); bret@thomasfoxproperties.com; Tim Gross
Subject: RE: Alternative Condition Language

Garrett,

Tim and I talked a little bit more about the option Bret put on the table of possibly closing the south access as a potential solution and we think that might be a way of moving this forward. It would require that you add a cross-access easement to the plat so that the new Parcel 3 has a legal right to at least one of the driveway approaches onto US 101 (see attached tentative plan). We would then be able to find that the new parcel has adequate access.

Bret would then need to barricade off the access onto SW 2nd Street. He would also still need to reconstruct the sidewalk along approximately 150-feet of Olive Street at the north end of the property.

Reconstruction of the driveway and sidewalk at SW 2nd/Angle Streets could then be deferred to a future date, when Parcel 3 is ready to develop.

How the cross-access easement is structured would be up to you. It could be a blanket easement across all parking areas within the development or it could be more narrowly tailored to the driveway that is closest to proposed Parcel 3.

Let us know if you think this might be doable. In the meantime, we are proceeding with the assumption that the /26/15 hearing will be continued to 2/9/15.

Derrick I. Tokos, AICP
Community Development Director

City of Newport
169 SW Coast Highway
Newport, OR 97365
ph: 541.574.0626
fax: 541.574.0644
d.tokos@newportoregon.gov

From: Stephenson, Garrett H. (Perkins Coie) [<mailto:GStephenson@perkinscoie.com>]
Sent: Wednesday, January 21, 2015 3:31 PM
To: Derrick Tokos; Tim Gross
Cc: Robinson, Michael C. (Perkins Coie); bret@thomasfoxproperties.com
Subject: Alternative Condition Language

Derrick and Tim,

For this afternoon's discussion, here are two draft alternative conditions that we believe allow for more flexibility regarding timing of the improvements while ensuring that they are ultimately constructed.

The first triggers the improvements on development of Parcel 3 and would require that we specify such improvements in a development agreement.

"Prior to issuance of a certificate of occupancy for a new building on Parcel 3, the Applicant shall complete the following improvements:

- *The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street.*
- *The abandoned section of SW 2nd Street is to be removed and planted with grass turf.*
- *Sidewalks along the Property's Olive Street and SW 2nd Street frontage will be reconstructed where degraded.*

The Applicant shall enter into a development agreement with the City specifying the extent, timing, and value of these improvements prior to the final plat being signed off by the City."

Alternatively, we could use a condition that more clearly defines the required improvements. It also includes a provision for temporary closure of the driveway pending a development of Parcel 3.

"Prior to approval of the final plat, the Applicant/Owner shall sign an improvement agreement, acceptable to the City, which provides for the following improvements:

- *Widening of the driveway approach onto SW 2nd Street to accommodate 2-way traffic. Alternatively, the driveway approach may be closed until a certificate of occupancy is issued for a new building on Parcel 3.*
- *Removal of the portion of the adjacent section of SW 2nd Street not used to access the SW 2nd Street driveway or provide parking, and planting said unused section with grass turf. Alternatively, the driveway approach may be closed until a certificate of occupancy is issued for a new building on Parcel 3.*
- *Reconstruction of the degraded portions of the sidewalks along the Property's Olive Street and SW 2nd Street frontages.*

The improvement agreement may be amended to take into account changes to access required by a future development proposal for Parcel 3 and/or vacation of the abandoned section of SW 2nd Street. A duly executed improvement agreement shall be eligible for a one year extension pursuant to NMC 13.05.090(H). As an alternative to an improvement agreement, the Owner/Applicant may construct the above improvements prior to approval of the final plat."

Talk to you soon,

Garrett

Garrett Stephenson | Perkins Coie LLP
ASSOCIATE
1120 N.W. Couch Street Tenth Floor
Portland, OR 97209-4128

D. +1.503.727.2042
F. +1.503.346.2042
E. GStephenson@perkinscoie.com

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

NOTICE: This communication may contain privileged or other confidential information. If you have received it in error, please advise the sender by reply email and immediately delete the message and any attachments without copying or disclosing the contents. Thank you.

Memorandum

To: Newport Planning Commission
From: Derrick Tokos, Community Development Director 
Date: January 20, 2015
Re: Appeal of Minor Replat Approval (File No. 2-MRP-14-A)

On December 30, 2014, applicant/owner Bret Fox, through attorney Michael Robinson with Perkins Coie, LLC, appealed Condition 2 of the Community Development Director's approval of a 3-parcel minor partition. The appealed condition requires that Mr. Fox redesign the driveway approach onto 2nd Street/SW Angle Street and reconstruct sidewalk along the property's Olive Street and SW 2nd Street frontage. Grounds for appeal are attached.

City Engineer Tim Gross and I met with Bret Fox and his attorney, and have identified a path for resolving the appeal in a mutually acceptable manner. Mr. Fox is working through financing arrangements on the property that need to be concluded soon and he filed this replat application to create proposed Parcel 3 so that it could be excluded from that financing and planned for development separately. He is concerned that there isn't sufficient time to properly plan for and construct the improvements outlined in Condition 2 given his financing schedule. The Newport Subdivision Ordinance provides developers the option of entering into an improvement agreement to guarantee the improvements at a future date in lieu of constructing them prior to a plat being recorded. The Ordinance requires that an agreement be fulfilled within a year; however, I believe that the Planning Commission has the latitude to allow the developer to pursue a one-year extension using the process outlined in the code for extending the timeframe within which a final plat must be recorded. It is my understanding that this approach will meet Mr. Fox's needs.

I have prepared a revised set of findings-of-fact and a draft final order for the Planning Commission's considerations. They provide Bret Fox the option of entering into an improvement agreement in lieu of installing the requested improvements prior to recording the plat. Both Mr. Fox and his attorney have had a chance to review the documents and it is my understanding that they have found them to be acceptable.

If the Planning Commission agrees that this approach is a reasonable way of resolving the appeal, then I would recommend it proceed down this path assuming that there is no compelling testimony provided at the public hearing to suggest an alternative solution.

Attachments

- Applicant's Notice of Appeal with attachments, dated 12/30/14 (includes original staff decision)
- Draft Planning Commission Findings of Fact and Final Order

December 30, 2014

Michael C. Robinson
MRobinson@perkinscoie.com
D. (503) 727-2264
F. (503) 346-2264

Mr. Derrick Tokos, Director
City of Newport Community
Development Department
169 SW Coast Highway
Newport, Oregon 97365

Re: Appeal of Minor Replat No. 2-MRP-14

Dear Mr. Tokos:

This office represents Bret Fox (“Appellant”), who acts on behalf of NPT5 LLC, Fox Bay LLC, and Canon Beach LLC. Appellant requests a *de novo* appeal hearing before the Planning Commission. Please find enclosed the required form (**Exhibit 1**) and filing fee in the amount of \$250.00 (**Exhibit 2**) for an Appeal of the City’s decision (the “Decision”) on a Minor Replat (Case File No. 2-MRP-14).

The Appellant challenges Condition of Approval No. 2 (“Condition 2”), which requires widening and reconfiguring of the Property’s access to SW 2nd Street, removing and revegetating an “abandoned” portion of the 2nd Street right-of-way and replacing the sidewalks along the Property’s Olive Street and 2nd Street frontages.

A. Subject Property.

The property (“Property”) is addressed as 159 W Olive Street, 44 S Coast Hwy., 106 and 116 SW Coast Hwy., and 104 SW 2nd Street. It is more particularly described as tax lots 14700, 15800, and 15900 of Lincoln County Assessor’s Map 11-11-08-BA.

B. Challenged Decision.

The challenged Decision is a Minor Replat of the above-described property. A copy of the challenged Decision is enclosed (**Exhibit 3**). The file number is “Minor Replat No. 2-MRP-14”.

C. Appellant’s Standing and Timeliness of Appeal.

The Appellant has standing to appeal because the Appellant was the applicant for the replat, and made an “appearance of record.” The final order for the challenged decision was issued by the City on December 16, 2014. This Appeal is timely filed on December 30, 2014 before the appeal deadline of December 31, 2014.

D. Specific Grounds for Appeal.

Appellant appeals imposition of Condition 2 on the following bases:

1. There is no “essential nexus” between the replat and the required public improvements. The decision does not demonstrate that Condition 2 is “roughly proportional” to the Replat’s impacts on public infrastructure. The conditioned improvements constitute an unconstitutional taking of private property without just compensation under the Fifth Amendment of the U.S. Constitution. *Nollan v. California Coastal Com.*, 483 U.S. 825, 836-37 (1987); *Dolan v. City of Tigard*, 512 U.S. 374, 391-395 (1994); *Koontz v. Street Johns River Water Mgmt. Dist.*, 568 U.S. ____, 133 S. Ct. 2586, 2599–2600 (2013).
2. Failure to demonstrate rough proportionality between the replat and Condition 2 also violates Newport Municipal Code (“NMC”) section 14.44.040 which requires that conditions of development approval “shall be roughly proportional to the impact of development on public facilities.”
3. The City failed to demonstrate that Condition 2 is “reasonable,” as required by NMC 14.52.120.

Appellant wishes to work with the City to find a mutually acceptable resolution of these issues but files this appeal to protect its procedural rights.

Please confirm your receipt of this appeal and the appeal hearing date before the Newport Planning Commission. Please include this office on any official communications related to this matter.

Feel free to contact me with any questions you may have.

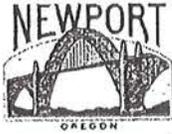
Very truly yours,



Michael C. Robinson
MCR:GHS

Enclosures

cc: Mr. Bret Fox (w/encls.) (via email)
Mr. Garrett Stephenson (w/encls.) (via email)



City of Newport
Land Use Application

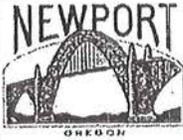
Applicant Name(s): Bret Fox Fox
Property Owner Name(s) if other than applicant
NPTS LLC; Fox Bay LLC; Canonhead LLC
Applicant Mailing Address: 515 W Pickoff Ave #410 SLC, UT 84115
Applicant Phone No. 435-659-9163
Applicant Email bret@thomastxproperties.com
Authorized Representative(s): Michael Robinson - Perkins Coie LLP
Authorized Representative Mailing Address: 1120 NW Couch Street 10th Floor Portland OR 97209-4128
Authorized Representative Telephone No. 503-727-2264
Authorized Representative Email: MRobinson@perkinscoie.com

Project Information
Property Location: Street name if address # not assigned
104 SW 2nd Street, 44, 116 South Coast Hwy
Tax Assessor's Map No.: 11-11-08-13A
Tax Lot(s): 14700, 15800, 15900
Zone Designation:
Legal Description: Add additional sheets if necessary
Portions lots 1+4 Block 1 Nye + Thompson Addition
Comp. Plan Designation:
Brief description of Land Use Request(s): Appeal of Replat lots 1+4
Examples:
1. Move north property line 5 feet south
2. Variance of 2 feet from the required 15-foot front yard setback
Existing Structures: if any Commercial Bldg on North lots
Topography and Vegetation:

Application Type (please check all that apply)
Annexation
[X] Appeal
Comp Plan/Map Amendment
Conditional Use Permit
PC
Staff
Design Review
Geologic Permit
Interpretation
Minor Replat
Partition
Planned Development
Property Line Adjustment
Shoreland Impact
Subdivision
Temporary Use Permit
UGB Amendment
Vacation
Variance/Adjustment
PC
Staff
Zone Ord/Map
Amendment
Other

FOR OFFICE USE ONLY
File No. Assigned:
Date Received:
Fee Amount: \$250
Date Accepted as Complete:
Received By:
Receipt No.
Accepted By:

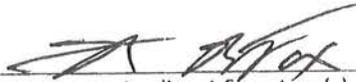
City Hall
169, SW Coast Hwy
Newport, OR 97365
541.574.0629



City of Newport Land Use Application

I understand that I am responsible for addressing the legal criteria relevant to my application and that the burden of proof justifying an approval of my application is with me. I also understand that this responsibility is independent of any opinions expressed in the Community Development and Planning Department Staff Report concerning the applicable criteria.

I certify that, to the best of my knowledge, all information provided in this application is accurate.


Applicant Signature(s)


Date

Property Owner Signature(s) (if other than applicant)

Date

Authorized representative Signature(s) (if other than applicant)

Date

Please note application will not be accepted without all applicable signatures.

Please ask staff for a list of application submittal requirements for your specific type of request.

Newport Plaza Investments
PO Box 970
Medford, OR 97501

Evergreen Federal Bank
PO Box 4250
Medford, OR 97501

MultiCHAX® # 15233DNS-07

96-7027/3232

CHECK NO.
155

***City of Newport

\$250.00**
12/22/2014

Two Hundred Fifty and 00/100*****

PAY
TO THE
ORDER
OF:

***City of Newport



AUTHORIZED SIGNATURE

Land Use-Replat Appeal Application Fee

⑈000155⑈ ⑆323270274⑆ 05 801937 00⑈

Newport Plaza Investments
***City of Newport
140 · Development Costs

Date: 12/22/2014 Check #: 155
12/22/2014

Land Use-Replat Appeal Application Fee

250.00

EXHIBIT 2

Evergreen Federal Ba Land Use-Replat Appeal Application Fee

250.00

Security features included. Details on back

NEWPORT

169 SW COAST HWY
NEWPORT, OREGON 97365

COAST GUARD CITY, USA



www.newportoregon.gov

MOMBETSU, JAPAN, SISTER CITY

COMMUNITY DEVELOPMENT DEPARTMENT
(541) 574-0629
FAX: (541) 574-0644

December 16, 2014

Bret Fox
NPT5, LLC; Fox Bay, LLC; Canon Beach, LLC
515 W Pickett Circle #400
Salt Lake City, UT 84115

Re: Minor Replat File # 2-MRP-14 (11-11-08-BA—14700, 15800, 15900)

Dear Mr. Fox:

Your application for the tentative plan for a proposed minor replat to modify lot dimensions in a portion of platted subdivision by replatting portions of Lots 1 and 4, Block 1, Nye & Thompson Addition has been reviewed and found to comply with all applicable ordinances and regulations of the City of Newport. A Final Order was signed today, December 16, 2014, confirming this decision (copy enclosed). Please note the conditions of approval shown on the Final Order.

Any land use decision by the Community Development/Planning Director may be appealed to the Planning Commission; so 15 calendar days (**December 31, 2014**) from the date the Final Order is signed are allotted before the approval becomes final.

An applicant or an aggrieved person may appeal the order of the Planning Director by submitting the appropriate application and the required filing fee to the Planning Department during the above-mentioned 15-day period.

Section 13.05.095 (E) of the Newport Municipal Code states the following:

Within two years of the tentative plan approval the applicant shall have prepared a final plat for the replat that is consistent with the tentative plan and state law (ORS Chapter 92). A signature block for the Planning Director, the Lincoln County Surveyor, the Lincoln County Tax Collector, and the Lincoln County Tax Assessor shall be on the final plat. Said final plat shall be submitted to the Community Development Director for signature. If a finding is made that the final plat is consistent with the tentative plan and all conditions have been satisfied, the Community Development Director shall sign the final plat and forward it to Lincoln County for review and recordation. The applicant shall submit one paper copy of the



recorded final partition plat within 90 days to the Community Development Department.

You are responsible for the following:

- (1) Complying with all conditions of approval, if applicable, listed on the final order.
- (2) Please bring in a current Lot Book report along with two 100% rag, vellum, or acid-free bond paper drawings, as required by state law (ORS Chapter 92), showing the approved partition and the Community Development Director will sign them. This office will then deliver the drawings to the Lincoln County Surveyor's office for processing. They will be forwarded on to the assessor and finally to the county clerk for recordation. Once these drawings have been received by the county clerk's office, they will contact you to make arrangements for payment of recording fees.

If you have any questions, please feel free to contact our office at 541-574-0629.

Sincerely,



Wanda Haney
Executive Assistant

Enclosures

cc: Udell Engineering & Land Surveying, LLC (agent)
Lincoln County Surveyor
Lincoln County Commissioners (letter only)
Lincoln County Assessor (letter only)
Lincoln County School District (letter only)
Building File (letter only)
Victor Mettle, Code Administrator/Planner (letter only via email)

**BEFORE THE COMMUNITY DEVELOPMENT
(PLANNING) DIRECTOR OF THE CITY OF NEWPORT,
COUNTY OF LINCOLN, STATE OF OREGON**

**IN THE MATTER OF PLANNING FILE NO. 2-MRP-14,)
APPLICATION FOR A TENTATIVE PLAN FOR A)
MINOR REPLAT, AS SUBMITTED BY BRET FOX ON) **FINAL**
BEHALF OF NPT5, LLC; FOX BAY, LLC; & CANON) **ORDER**
BEACH, LLC (APPLICANTS & PROPERTY OWNERS))
(UDELL ENGINEERING & LAND SURVEYING, LLC,)
AUTHORIZED REPRESENTATIVE))**

ORDER APPROVING A REQUEST FOR THE TENTATIVE PLAN FOR A PROPOSED minor replat per Section 13.05.095 of the Newport Municipal Code (NMC) to modify lot dimensions in a portion of a platted subdivision by replatting portions of Lots 1 and 4, Block 1, Nye & Thompson Addition, as illustrated in Exhibit "B".

WHEREAS:

- 1.) The City of Newport Community Development (Planning) Director has duly accepted the application filed consistent with the Newport Land Division standards codified as part of the Newport Municipal Code in Chapter 13; and
- 2.) The Community Development (Planning) Director has duly reviewed the request and has given proper and timely notice to affected property owners; and
- 3.) The Community Development (Planning) Director allowed the submission of evidence and recommendations from interested persons, Planning Department staff, other City departments, State agencies, and/or local utilities; and
- 4.) At the conclusion of said review, after consideration, the Newport Community Development (Planning) Director approved the request for a proposed minor replat.

THEREFORE, LET IT BE RESOLVED by the City of Newport Community Development (Planning) Director that the attached findings of fact, Exhibit "A," support approval of the request for the tentative plan for a proposed minor replat as illustrated in Exhibit "B."

BASED UPON THE ABOVE, the Newport Community Development (Planning) Director or designate determines that the request for the tentative plan for a minor replat is in conformance with the provisions of the Comprehensive Plan and the Municipal Code of the City of Newport, subject to the following conditions:

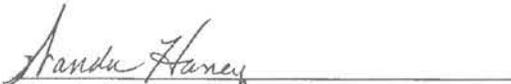
1. Existing easements of record shall be reflected on the final plat prior to recording. This includes the removal of the reference to blanket sewer easements that were lifted with the document recorded with Instrument No. 2014-05073 and a new public utility easement recorded with Instrument No. 2014-05074.
2. The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street is to be removed and returned to green space. Further, sidewalk along the properties Olive Street and SW 2nd Street frontage is to be reconstructed. All such improvements shall be installed and accepted by the City Engineer prior to the final plat being signed off by the City.

Accepted and approved this 16th day of December, 2014.



Derrick I. Tokos, AICP
Community Development Director
City of Newport

Attest:



Wanda Haney
Executive Assistant

EXHIBIT "A"

Case File No. 2-MRP-14

FINDINGS OF FACT

1. Per Section 13.05.095 of the Newport Municipal Code (NMC), the request is for tentative plan approval of a minor replat to modify lot dimensions in a portion of a platted subdivision by replatting portions of Lots 1 and 4, Block 1, Nye & Thompson Addition into three parcels (as shown in Exhibit "B").

2. The applicants and owners are Bret Fox for NPT5, LLC; Fox Bay, LLC; and Canon Beach, LLC, 515 W Pickett Circle #400, Salt Lake City, UT 84115 (Udell Engineering & Land Surveying, LLC, 63 East Ash St, Lebanon, OR 97355 (authorized representative)).

3. The application for the tentative plan for the proposed replat was submitted on October 31, 2014. A copy of the complete application is included in the file and is incorporated by reference into the findings.

4. The subject property is identified as Tax Lots 14700, 15800 & 15900 of Lincoln County Assessor's Tax Map 11-11-08-BA (portions of Lots 1 and 4, Block 1, Nye & Thompson Addition (currently addressed as: 159 W. Olive St, 44 S Coast Hwy, 106 & 116 SW Coast Hwy, and 104 SW 2nd St).

5. The Comprehensive Plan designation for the subject property is "Commercial;" and the zoning designation is C-1/"Retail and Service Commercial."

6. The total size of the subject property is approximately 2.52 acres, according to the preliminary survey submitted with the application materials.

7. According to the applicant, the site is generally level, sloping to the south; and there is a commercial building on proposed Parcels 1 & 2.

8. Notices of the proposed action as a property line adjustment were sent on November 3, 2014, to property owners within 100 feet per Section 13.05.095(A) of the Municipal Code, and to various City departments, agencies, and public utilities. The notice contained the criteria by which the application was to be assessed. Affected parties were given until 5:00 p.m., November 17, 2014, in which to make comment on the application. No comments were received by the Community Development Department during the comment period.

9. Section 13.05.070(C) of the Newport Municipal Code lists the types of general information that must be depicted on a tentative plan. Those items are as follows:

- (a) If a subdivision, the proposed name of the subdivision. This name shall not duplicate or resemble the name of another subdivision in the county and shall be approved by the Planning Commission.

- (b) Date, northpoint, and scale of the drawing.
- (c) Appropriate identification of the drawing as a tentative plan.
- (d) Location of the property being divided sufficient to define its location and boundaries, and a legal description of the entire property being divided.
- (e) Names and addresses of the owner, the applicant if different from the owner, and the engineer and/or surveyor.
- (f) The following existing conditions shall be shown on the tentative plan:
 - i. The location, widths, and names of existing streets and undeveloped rights of way within or adjacent to the tract, any existing easements, and other important features such as section lines, section corners, city boundary lines, and monuments.
 - ii. Contour lines related to some established bench mark or other datum approved by the city and having minimum intervals as follows:
 - For slopes of less than 5 percent: show the direction of slope by means of arrows or other suitable symbols, together with not less than four (4) spot elevations per acre, evenly distributed.
 - For slopes of 5 percent to 15 percent: five (5) feet.
 - For slopes of 15 percent to 20 percent: 10 feet.
 - For slopes of over 20 percent: 20 feet.
 - iii. The location and direction of water courses and the location of areas subject to flooding.
 - iv. Natural features such as wetlands, tidelands, marshes, or any natural resource identified as a protected Statewide Land Use Planning Goal 5 or Goal 17 resource on maps adopted by the city shall be identified. Other features, such as rock outcroppings, wooded areas, and isolated trees that serve as the basis of any requested modifications to the land division standards shall also be identified.
 - v. Existing uses of the property and location of existing structures to remain on the property after platting.
 - vi. The location within the land division and in the adjoining streets and property of existing sewers, water mains, culverts, drain pipes, and utility lines.

10. Section 13.05.095 of the Newport Municipal Code contains the criteria for approval of a tentative plan for a replat. Those criteria are as follows:

- (a) The tentative plan complies with the definition of a replat.
- (b) All lots within the tentative plan meet the requirements for configuring lots and or parcels listed under Section 13.05.030 or, if the original lots or parcels were nonconforming, the resultant lots or parcels will be less nonconforming.
- (c) Approval of the tentative plan does not interfere with the provision of key public facilities.

- (d) The applicant has agreed to sign consent to participate in sewer, water, or street local improvement districts that the subject lots would be part of once those districts are formed. Said consent shall be a separate document recorded upon the lots subject to the partition. The document shall be recorded prior to final plat approval.
- (e) Public facilities serving the minor replat are adequate under Section 13.05.045. Proposed streets within the minor replat comply with the standards under Section 13.05.015, including any allowed modification, or a variance has been obtained.
- (f) All required public improvements will be provided.
- (g) Any required geologic hazard report concludes that the property can be developed in the manner proposed.

CONCLUSIONS

1. With regard to Section 13.05.070(C) of the Newport Municipal Code, which lists the types of general information that must be depicted on a tentative plan, the following conclusions can be drawn:

- (a) *If a subdivision, the proposed name of the subdivision. This name shall not duplicate or resemble the name of another subdivision in the county and shall be approved by the Planning Commission.*

The proposed action is a replat of an existing subdivision. This standard applies to new subdivisions.

- (b) *Date, northpoint, and scale of the drawing.*
- (c) *Appropriate identification of the drawing as a tentative plan.*
- (d) *Location of the property being divided sufficient to define its location and boundaries, and a legal description of the entire property being divided.*
- (e) *Names and addresses of the owner, the applicant if different from the owner, and the engineer and/or surveyor.*
- (f) *The following existing conditions shall be shown on the tentative plan:*
 - i. *The location, widths, and names of existing streets and undeveloped rights of way within or adjacent to the tract, any existing easements, and other important features such as section lines, section corners, city boundary lines, and monuments.*
 - ii. *Contour lines related to some established bench mark or other datum approved by the city and having minimum intervals as follows:*
 - *For slopes of less than 5 percent: show the direction of slope by means of arrows or other suitable symbols, together with not less*

Section 13.05.030 requires that the resulting lots satisfy the minimum lot size of the zone district; possess at least 25 feet of street frontage other than an alley; will not become "through lots" (i.e. lots with frontage on two parallel streets); have side lines that run at right angles to the street upon which they face; are large enough to accommodate any required special setbacks; are no larger than 175% of the required minimum lot size of the zone (unless terrain or other conditions restrict further development potential); and do not contain wetlands or similar development constraints on more than 50% of the land area.

The zoning for the property is C-1 Retail and Service Commercial. The minimum lot size of the C-1 district is 5,000 square feet. According to the tentative plan that was submitted, the replat would result in three parcels with a minimum size of 0.28 acres (12,200 square feet) and maximum size of 1.55 acres (67,518 square feet).

The lots possess the required 25 feet of street frontage, abutting Olive Street to the north, S and SW Coast Highway to the east, and SW 2nd Street to the south.

As depicted on the tentative plan, the replat will not create any through lots. Further, the plan shows that the side lot lines for each new parcel run at right angles to the streets upon which they face. With respect to US 101, the side lines are as close to right angles as is possible considering the highway's curved alignment. This is consistent with the purpose of the criterion.

Typically, parcels are prohibited from being larger than 175% of the required minimum lot size of the zone. Exceptions are allowed if terrain or other conditions prohibit a further division of the property. In this case, there are other conditions that warrant the properties being sized as presented on the tentative plan. Parcels 1 and 2 have been sized to accommodate an existing commercial building with a defined party wall. A further division of these properties would force changes to the design of the building and configuration of leased space that would be expensive and impractical. With respect to Parcel 3, the new parcel encompasses an area previously occupied by a restaurant. While that restaurant has since been demolished, its footprint remains, as does the area that was once dedicated to parking. A further reduction in parcel size would make it difficult for a comparable use to be constructed at this location. It is also impractical to further divide the parcel because of access restrictions onto US 101 and the limited property frontage along SW 2nd Street.

The site is not impacted by wetlands nor does there appear to be other development constraints that would encumber more than 50% of the lot.

Considering the above, this criterion has been satisfied.

(c) *Approval of the tentative plan does not interfere with the provision of key public facilities.*

Notices of the proposed action were sent on November 3, 2014, to affected property owners within 100 feet of the subject property, and to various City departments, agencies, and public utilities. The notice referenced the criteria by which the application was to be assessed. A letter was received from City Engineer Tim Gross on December 8, 2014 (attached). No other letters were received.

This standard is designed to ensure that a plat does not interfere with the provision of key public facilities. Interference can occur when property is platted in a manner that would prevent the logical extension of streets, water and sewer services. The letter from Mr. Gross lists service limitations to the property, but does not identify any issues that would support a finding that the replat itself will interfere with the provision of key public facilities.

This criterion is satisfied.

- (d) *The applicant has agreed to sign consent to participate in sewer, water, or street local improvement districts that the subject lots would be part of once those districts are formed. Said consent shall be a separate document recorded upon the lots subject to the partition. The document shall be recorded prior to final plat approval.*

The subject property is located in an existing subdivision that has water, sewer, street, and sidewalk improvements in place. Therefore, this criterion does not apply.

- (e) *Public facilities serving the minor replat are adequate under Section 13.05.045. Proposed streets within the minor replat comply with the standards under Section 13.05.015, including any allowed modification, or a variance has been obtained.*

Section 13.05.045 sets out that tentative plans for land divisions shall be approved only if public facilities and utilities (electric and phone) can be provided to adequately service the new parcels. The applicant notes that no additional streets will be proposed with the replat and no changes to the existing traffic patterns will be caused by the replat. A written letter is required from the public facility provider and the utility provider stating the requirements for the provision of public facilities or utilities to the proposed land division. A letter from Travis Vaughn of CenturyLink, and a letter from Jake Pettis of Central Lincoln were provided with the application. These letters don't indicate that there would be any issues with serving the property.

The December 8, 2014 letter from City Engineer Tim Gross points out that water and sewer infrastructure are adequate to serve the proposed parcels. Mr. Gross notes that the storm drainage system for the area is likely over capacity, but given that the drainage system has not been adequately evaluated at a macro level, and that new impervious surface is not going to be created, he did not identify that additional improvements are needed to adequately serve the site. With respect to street accessibility, Mr. Gross notes that vehicle access is adequate where the property fronts Olive Street and US 101, with the caveat that the approach onto Olive Street may need to be evaluated for channelization in the future to mitigate congestion in the event high traffic generating uses are established on the property. Mr. Gross indicates that the driveway on the south side of the property, adjacent to proposed Parcel 3, does not provide safe or sufficient access. He points out that the width of the driveway is inadequate and that it does not provide direct access to the traveled way. The existing driveway egresses to an abandoned portion of SW 2nd Street then curves slightly to the west before connecting to SW Angle Street. As the City Engineer, Mr. Gross notes that in order for this access to be sufficient, the driveway will need to be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street would need to be removed and returned to green space so that drivers are properly oriented to the site. Lastly, Mr. Gross indicates that sidewalks on the north and south side of the property, along Olive

Street and SW 2nd Street are degraded to the point that they are inadequate to meet the needs of pedestrians and will; therefore, need to be replaced.

The improvements requested by Mr. Gross to ensure that public facilities are adequate to serve the site directly benefit the property. The tentative plan illustrates that Parcel 3 will be served by the driveway accessing SW 2nd Street and is the primary beneficiary of this access. The 150+/- feet of sidewalk along Olive Street and 90+/- feet of sidewalk along SW 2nd Street border the subject property and provide pedestrians a means of safely accessing the properties. Given these circumstances, there is a clear nexus between the requested improvements and creation of the three commercial parcels. Further, the replat creates additional development potential by creating a third property where there are presently just two parcels. Much of the property is developed with existing impacts on public facilities; however, Mr. Gross notes that those facilities are by and large adequate, pointing out that water, sewer, storm drainage, street access at Olive Street and US 101, and sidewalks along US 101 are sufficient "as is" to serve the site. Improvements requested are relatively modest when considering the totality of the services needed and are; therefore, roughly proportional to the additional development potential that is created with the platting of a third parcel.

Section 13.05.095(E) of the Newport Municipal Code requires that a final plat for a replat be completed within two years of the date of approval. This provides the applicant/owner with a reasonable amount of time to construct the improvements, so it is feasible to condition this decision such that the improvements must be installed and accepted by the City Engineer prior to the final plat being signed off by the City. Considering the above, this standard has been met.

(f) *All required public improvements will be provided.*

As noted above, driveway access and sidewalk improvements will be needed prior to the plat being finalized. The requirement is addressed with a condition of approval. This criterion is satisfied, as conditioned.

(g) *Any required submitted geological hazard report concludes that the property can be developed in the manner proposed, in accordance with any recommendations contained in the report.*

The subject property is not within a Geologic Hazards Area as defined in the Newport Zoning Ordinance (NMC Chapter 14.21). No report is required.

OVERALL CONCLUSION

The request complies with the criteria established for the approval of a tentative plan for a minor replat and is hereby **APPROVED**, subject to the following conditions:

1. Existing easements of record shall be reflected on the final plat prior to recording. This includes the removal of the reference to blanket sewer easements that were lifted with the document recorded with Instrument No. 2014-05073 and a new public utility easement recorded with Instrument No. 2014-05074.

2. The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street is to be removed and returned to green space. Further, sidewalk along the properties Olive Street and SW 2nd Street frontage is to be reconstructed. All such improvements shall be installed and accepted by the City Engineer prior to the final plat being signed off by the City.

stewart title

STC #01461-1022JET

Lincoln County, Oregon
06/18/2014 03:59:11 PM
DOC-QCD DOC-RL/E
2014-05073
Cnt=2 Pgs=7 Stn=20
\$35.00 \$5.00 \$11.00 \$20.00 \$10.00 \$7.00 \$20.00 - Total = \$...



00090585201400050730070071

I, Dana W. Jenkins, County Clerk, do hereby certify that the within instrument was recorded in the Lincoln County Book of Records on the above date and time. WITNESS my hand and seal of said office affixed.

Dana W. Jenkins, Lincoln County Clerk



GRANTOR:

City of Newport
169 SW Coast Highway
Newport, OR 97365

GRANTEE:

S&L Investments, LLC
1917 N. Beaver Creek Road
Seal Rock, OR 97376
Attn: Michael Jones

AFTER RECORDING RETURN TO:

City Recorder
City of Newport
169 SW Coast Highway
Newport, OR 97365

NO CHANGE IN TAX STATEMENTS

~~\$~~ 0.00 NO Consideration

**STATUTORY QUITCLAIM DEED
AND
RELEASE OF SEWER EASEMENTS**

RECITALS:

- A. The purpose of this conveyance is to release and relinquish all of the right, title, and interest of the City of Newport, a municipal corporation of the State of Oregon (City), in the following sewer Easements: (i) Easement dated November 5, 1928 by and between Ellie V. Lilly, as grantor, and City of Newport, as grantee, and recorded on January 10, 1929, in Book 56, Page 1, Deed Records for Lincoln County, Oregon; (ii) Easement dated November 2, 1928 by and between Andrew Ratchye, as grantor, and City of Newport, as grantee, and recorded on January 10, 1929, in Book 56, Page 2, Deed Records for Lincoln County, Oregon; (iii) Easement dated November 2, 1928, by and between Anton F. Will and Alma Will, as grantors, and City of Newport, as grantee, and recorded on January 10, 1929, in Book 56, Page 3, Deed Records for Lincoln County, Oregon; and (iv) Easement dated November 30, 1928, by and between Gertrude Josephine Ludesher and Mary A. Ludesher, as grantors, and City of Newport, as grantee, and recorded on January 10, 1929, in Book 56, Page 4, Deed Records for Lincoln County, Oregon (collectively, Easements for Sewer).
- B. The Easements for Sewer cross real property owned by S&L Investments, LLC, an Oregon limited liability company (Subject Parcel), described as:

PARCEL 1:

STATUTORY QUITCLAIM AND RELEASE OF SEWER EASEMENTS

74961-0003/LEGAL121975280.2

BEGINNING AT A POINT 100 FEET NORTH OF THE SOUTHWEST CORNER OF LOT 4, BLOCK 1, NYE AND THOMPSONS ADDITION TO THE CITY OF NEWPORT, IN LINCOLN COUNTY, OREGON; THENCE EAST, PARALLEL WITH THE SOUTH LINE OF SAID LOT 4 A DISTANCE OF 280 FEET, MORE OR LESS, TO THE WEST LINE OF U.S. HIGHWAY 101 RIGHT-OF-WAY; THENCE SOUTHERLY ALONG THE WEST LINE OF SAID HIGHWAY RIGHT-OF-WAY DISTANCE OF 450 FEET, MORE OF LESS, TO THE NORTH LINE OF SECOND STREET (FORMERLY NEWPORT STREET) THENCE WEST AND ALONG THE SOUTH LINE OF LOT 1, BLOCK 1, NYE AND THOMPSONS ADDITION A DISTANCE OF 90 FEET, MORE OR LESS, TO THE SOUTHWEST CORNER OF SAID LOT 1; THENCE NORTH ALONG THE WEST LINE OF SAID LOT 1 A DISTANCE OF 400 FEET TO THE POINT OF BEGINNING.

PARCEL 2:

THE NORTH 200 FEET OF THE WEST ONE-HALF OF LOT 4, BLOCK 1 NYE AND THOMPSONS ADDITION TO THE CITY OF NEWPORT, IN LINCOLN COUNTY, OREGON.

- C. The Easements for Sewer granted City an easement and right-of-way to construct, inspect, repair, service, and maintain a public sewer (including the right to make connections thereto).
- D. City has determined that the Easements for Sewer are no longer needed for public use with respect to the following parcels located within the Subject Parcel (the Quitclaim Portion) and therefore can be terminated and are specifically described as:

PARCEL 1:

THE WEST 100 FEET OF THE FOLLOWING DESCRIBED PROPERTY: BEGINNING 150 FEET SOUTH OF NORTHEAST CORNER OF LOT 1, BLOCK 1, NYE & THOMPSON'S ADDITION TO NEWPORT, LINCOLN COUNTY, OREGON; THENCE WEST 300 FEET; THENCE SOUTH 50 FEET; THENCE EAST 300 FEET; THENCE NORTH 50 FEET TO PLACE OF BEGINNING.

PARCEL 2:

THE EAST 200 FEET OF THE FOLLOWING DESCRIBED PROPERTY: BEGINNING 150 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 1, BLOCK 1, NYE & THOMPSON'S ADDITION TO NEWPORT, LINCOLN COUNTY, OREGON; THENCE WEST 300 FEET; THENCE SOUTH 50

FEET; THENCE EAST 300 FEET; THENCE NORTH 50 FEET TO PLACE OF BEGINNING.

PARCEL 3:

BEGINNING 200 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 4, BLOCK 1, NYE & THOMPSON'S ADDITION TO NEWPORT, LINCOLN COUNTY, OREGON; THENCE WEST 300 FEET; THENCE SOUTH 150 FEET; THENCE EAST 300 FEET; THENCE NORTH 150 FEET, TO PLACE OF BEGINNING.

PARCEL 4:

BEGINNING 50 FEET SOUTH OF THE NORTHEAST CORNER OF LOT 1, BLOCK1, IN NYE & THOMPSON'S ADDITION TO NEWPORT; THENCE RUNNING WEST 300 FEET; THENCE RUNNING SOUTH 100 FEET; THENCE RUNNING EAST 300 FEET; THENCE RUNNING NORTH 100 FEET TO THE PLACE OF BEGINNING.

- E. City has determined that termination of the Easements for Sewer is not contrary to the public's interest.

QUITCLAIM AND RELEASE:

1. For the above reasons, City, Grantor, hereby releases and quitclaims to S&L Investments, LLC, Grantee, and to Grantee's successors and assigns, all rights, title and interest in the Easements for Sewer and the Quitclaim Portion described above.

BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON TRANSFERRING FEE TITLE SHOULD INQUIRE ABOUT THE PERSON'S RIGHTS, IF ANY, UNDER ORS 195.300, 195.301, AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010. THIS INSTRUMENT DOES NOT ALLOW USE OF THE PROPERTY DESCRIBED IN THIS INSTRUMENT IN VIOLATION OF APPLICABLE LAND USE LAWS AND REGULATIONS. BEFORE SIGNING OR ACCEPTING THIS INSTRUMENT, THE PERSON ACQUIRING FEE TITLE TO THE PROPERTY SHOULD CHECK WITH THE APPROPRIATE CITY OR COUNTY PLANNING DEPARTMENT TO VERIFY THAT THE UNIT OF LAND BEING TRANSFERRED IS A LAWFULLY ESTABLISHED LOT OR PARCEL, AS DEFINED IN ORS 92.010 OR 215.010, TO VERIFY THE APPROVED USES OF THE LOT OR PARCEL, TO DETERMINE ANY LIMITS ON LAWSUITS AGAINST FARMING OR FOREST PRACTICES, AS DEFINED IN ORS 30.930,

AND TO INQUIRE ABOUT THE RIGHTS OF NEIGHBORING OWNERS, IF ANY, UNDER ORS 195.300, 195.301 AND 195.305 TO 195.336 AND SECTIONS 5 TO 11, CHAPTER 424, OREGON LAWS 2007, SECTIONS 2 TO 9 AND 17, CHAPTER 855, OREGON LAWS 2009, AND SECTIONS 2 TO 7, CHAPTER 8, OREGON LAWS 2010.

The true and actual consideration for this release is other than a monetary payment. This release may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

DATED this 18 day of June, 2014.

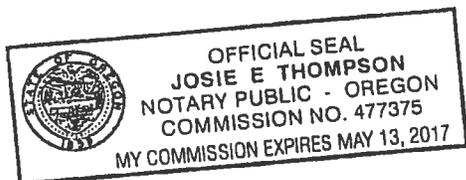
CITY OF NEWPORT

by *Spencer Nebel*

Spencer Nebel, City Manager

STATE OF OREGON)
) ss
County of Lincoln)

Personally appeared before me this 18 day of June, 2014, the above named Spencer Nebel, City Manager of the City of Newport., and acknowledged the foregoing to be his and its voluntary act and deed.



Josie E Thompson

Notary Public for Oregon

Acceptance of this Quitclaim Deed and Release of Sewer Easements
appears on next page

**ACCEPTANCE OF QUITCLAIM AND RELEASE
OF SEWER EASEMENTS**

S&L Investments, LLC does hereby accept the above described Statutory
Quitclaim Deed and Release of Sewer Easements this 16th day of
June, 2014.

S&L Investments, LLC,
an Oregon limited liability company

By: 
Michael A. Jones, Member

By: 
Lyle Yeck, Member

Notarial acknowledgements appear on following page

STATE OF OREGON)
) SS
County of Lincoln)

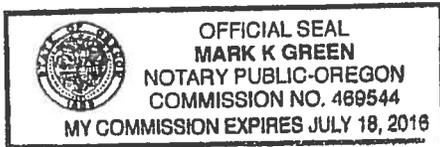
This instrument was acknowledged before me on the 16th day of June, 2014, by Michael A. Jones, a member of S&L Investments, LLC, a member managed Oregon limited liability company, as his and its voluntary act and deed.



Amy E. Purdom
Notary Public for Oregon

STATE OF OREGON)
) SS
County of DECATUR)

This instrument was acknowledged before me on the 16th day of June, 2014, by Lyle Yeck, a member of S&L Investments, LLC, a member managed Oregon limited liability company, as his and its voluntary act and deed.



Mark K Green
Notary Public for Oregon



stewart title

Lincoln County, Oregon
08/18/2014 03:59:11 PM 2014-05074
DOC-E Cnt=1 Pgs=5 Stn=20
\$25.00 \$11.00 \$20.00 \$10.00 \$7.00 - Total = \$73.00



I, Dana W. Jenkins, County Clerk, do hereby certify that the within instrument was recorded in the Lincoln County Book of Records on the above date and time. WITNESS my hand and seal of said office affixed.

Dana W. Jenkins, Lincoln County Clerk



STC #01461-1022JET

After recording return to:
City of Newport
169 SW Coast Highway
Newport, OR 97365

\$ 1000 Consideration

CITY OF NEWPORT, OREGON PUBLIC UTILITY EASEMENT

S&L Investments, LLC, an Oregon limited liability company, hereinafter referred to as "Grantor", owns the real property described below and does hereby give and grant unto the City of Newport, an Oregon Municipal Corporation of Lincoln County, Oregon, hereinafter referred to as "Grantee", an exclusive, perpetual easement for public utilities, including the right to lay, construct, and maintain any sanitary sewer or storm sewer, and all related appurtenances, hereinafter referred to as "Public Utility", to be constructed and located on, across, under or over the surface of the following described real property, as depicted on Exhibit A attached hereto:

An area in the Northwest 1/4 of Section 8, Township 11 South, Range 11 West, Willamette Meridian, Nye and Thompson's Addition, City of Newport, Lincoln County, Oregon, being described as follows:

A strip, 18.00 feet in even width, within and along the West lines of Lot 1 and Lot 4 of Block 1 of Nye and Thompson's Addition, City of Newport.

This is intended to exclude all other below-surface installations, except as may be specifically approved by the City.

City and its contractors, subcontractors, agents or employees shall have the right to enter and occupy the easement for the purpose of constructing the Public Utility, to permanently operate and maintain the Public Utility, to inspect, repair, replace, remove or renovate the Public Utility.

Grantor shall be responsible for landscape and surface maintenance within the easement. In carrying out this responsibility, Grantor agrees not to plant any tree, shrub or plant within the Public Utility easement, nor build any structure or place any fence in the easement without first obtaining written permission from City. Balm, poplar, locust, cottonwood or willow trees should not be planted near the Public Utility easement. It is understood that City may remove any physical obstructions including buildings, fences, trees, or shrubbery, and abate any use of the easement if City finds that the physical obstruction or use will interfere with the Public Utility or City's easement rights granted above, without recompense to the Grantor.

Grantor and City intend that this easement bind Grantor, his or her heirs, successors and assigns. This easement will not be considered abandoned until City has declared the easement

abandoned and no longer in use by City, and releases this easement in a duly executed and recorded Release of Easement.

In addition to all other remedies allowed by law, Grantee, its successors and assigns, shall have the right to seek injunctive relief for the enforcement of the terms and conditions of this easement against Grantor. If Grantee is required to bring suit or action to enforce the terms of this easement, Grantee shall be entitled to recover from Grantor such sums that the court may adjudge reasonable as attorney fees and costs in such suit or action, or upon appeal.

The true and actual consideration for this easement is \$10.00, receipt of which is hereby acknowledged.

This easement may be executed in any number of counterparts, each of which shall be deemed an original, but all of which together shall constitute one and the same instrument.

DATED this 18 day of June, 2014.

[Signature page follows.]

S&L Investments, LLC,
an Oregon limited liability company

By: *Michael A. Jones*
Michael A. Jones, Member

By: *Lyle Yeck*
Lyle Yeck, Member

STATE OF OREGON) SS
County of Lincoln)

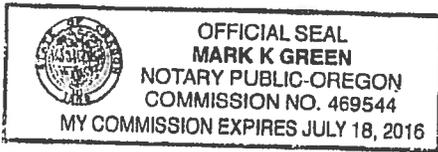
This instrument was acknowledged before me on the 16th day of June, 2014, by Michael A. Jones, a member of S&L Investments, LLC, a member managed Oregon limited liability company as his and its voluntary act and deed.



Amy E. Purdom
Notary Public for Oregon

STATE OF OREGON) SS
County of DESHUTES)

This instrument was acknowledged before me on the 16th day of June, 2014, by Lyle Yeck, a member of S&L Investments, LLC, a member managed Oregon limited liability company as his and its voluntary act and deed.



[Signature]
Notary Public for Oregon

City of Newport Acceptance of this Easement appears on the following page.

/ / /
/ / /

ACCEPTANCE OF EASEMENT

The City of Newport, Oregon, does hereby accept the above-described Public Utility Easement this 18 day of June, 2014.

Spencer Nebel

Spencer Nebel, City Manager

STATE OF OREGON)

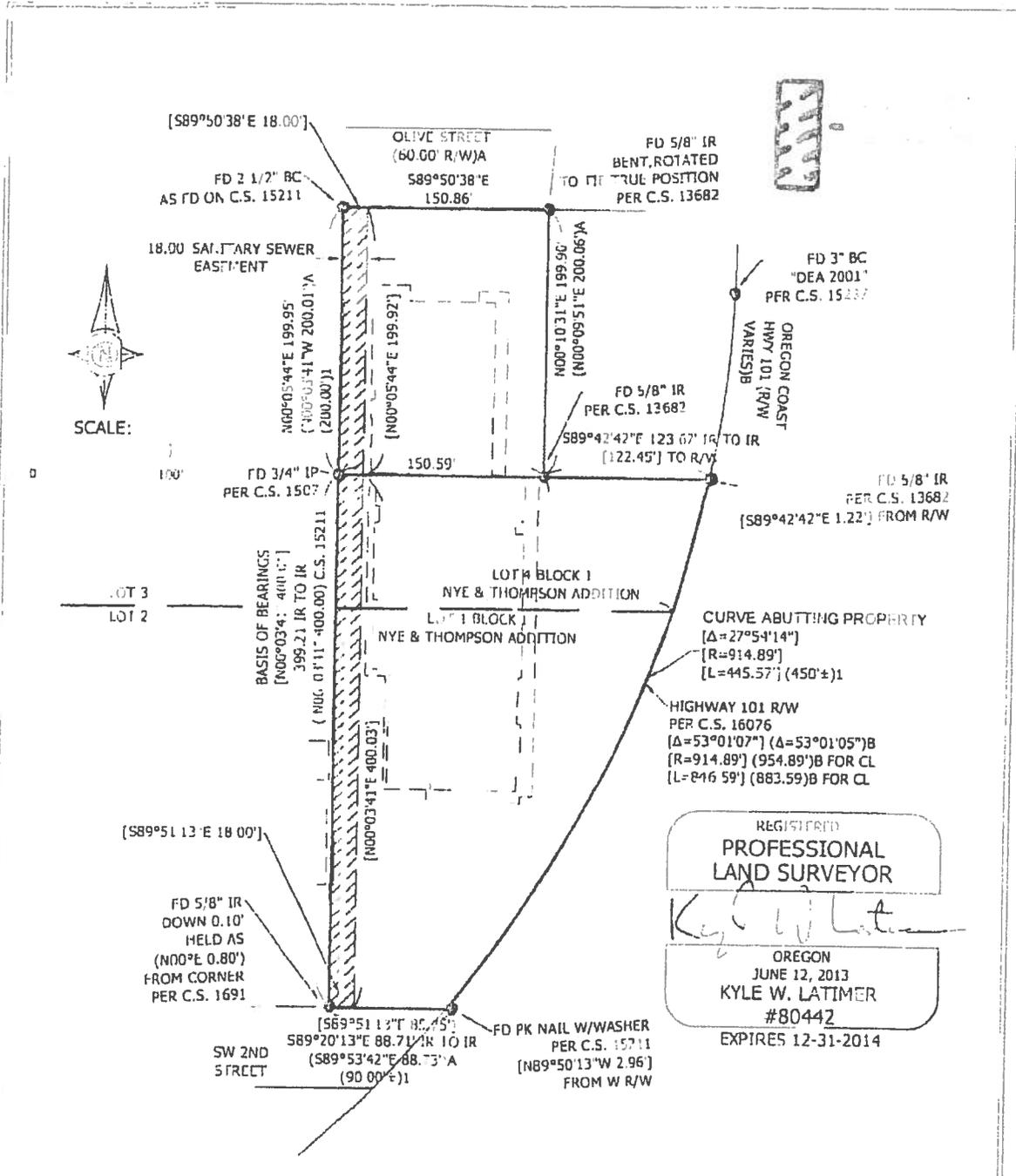
County of Lincoln) ss:

This instrument was acknowledged before me on the 18 day of June, 2014 by Spencer Nebel as City Manager of the City of Newport.

Josie E. Thompson
Notary Public for Oregon



**Exhibit A
Depiction of Easement Area**





**BEFORE THE PLANNING COMMISSION
OF THE CITY OF NEWPORT,
COUNTY OF LINCOLN, STATE OF OREGON**

**IN THE MATTER OF PLANNING FILE NO. 2-MRP-14-A,)
APPEAL OF COMMUNITY DEVELOPMENT DIRECTOR)
DECISION APPROVING A TENTATIVE PLAN FOR A)
MINOR REPLAT, AS SUBMITTED BY BRET FOX ON) **FINAL**
BEHALF OF NPT5, LLC; FOX BAY, LLC; & CANON) **ORDER**
BEACH, LLC (APPLICANTS & PROPERTY OWNERS))
(UDELL ENGINEERING & LAND SURVEYING, LLC,)
AUTHORIZED REPRESENTATIVE))**

ORDER APPROVING A REQUEST FOR THE TENTATIVE PLAN FOR A PROPOSED minor replat per Section 13.05.095 of the Newport Municipal Code (NMC) to modify lot dimensions in a portion of a platted subdivision by replatting portions of Lots 1 and 4, Block 1, Nye & Thompson Addition, as illustrated in Exhibit "B".

WHEREAS:

- 1) The Planning Commission has duly accepted the application and appeal filed consistent with the Newport Zoning Ordinance (No. 1308, as amended); and
- 2) The Planning Commission has duly held a public hearing on the application and appeal, with a public hearing a matter of record of the Planning Commission on January 26, 2015.
- 3) At the public hearing on said application and appeal, the Planning Commission received testimony and evidence; and
- 4) At the conclusion of said public hearing, after consideration and discussion, upon a motion duly seconded, the Planning Commission **APPROVED** the application in a manner acceptable to the appellant and that resolves the appeal.

THEREFORE, LET IT BE RESOLVED by the City of Newport Planning Commission that the attached findings of fact, Exhibit "A," support approval of the request for the tentative plan for a proposed minor replat as illustrated in Exhibit "B."

BASED UPON THE ABOVE, the City of Newport Planning Commission determines that the request for the tentative plan for a minor replat is in conformance with the provisions of the Comprehensive Plan and the Municipal Code of the City of Newport, subject to the following conditions:

1. Existing easements of record shall be reflected on the final plat prior to recording. This includes the removal of the reference to blanket sewer easements that were lifted with the document recorded with Instrument No. 2014-05073 and a new public utility easement recorded with Instrument No. 2014-05074.
2. The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street is to be removed and returned to green space. Further, sidewalk along the properties Olive Street and SW 2nd Street frontage is to be reconstructed. All such improvements shall be installed and accepted by the City Engineer prior to the final plat being signed off by the City, unless the applicant/owner enters into an improvement agreement as set forth in NMC 13.05.090, in which case the final plat may be recorded once the agreement has been executed. A duly executed improvement agreement shall be eligible for a one year extension pursuant to NMC 13.05.090(H).

Accepted and approved this 26th day of January, 2015.

James Patrick, Chair
Newport Planning Commission

Attest:

Derrick I. Tokos, AICP
Community Development Director

EXHIBIT "A"

Case File No. 2-MRP-14-A APPEAL OF DIRECTOR'S DECISION

FINDINGS OF FACT

1. Per Section 13.05.095 of the Newport Municipal Code (NMC), the request is for tentative plan approval of a minor replat to modify lot dimensions in a portion of a platted subdivision by replatting portions of Lots 1 and 4, Block 1, Nye & Thompson Addition into three parcels (as shown in Exhibit "B").

2. The applicants and owners are Bret Fox for NPT5, LLC; Fox Bay, LLC; and Canon Beach, LLC, 515 W Pickett Circle #400, Salt Lake City, UT 84115 (Udell Engineering & Land Surveying, LLC, 63 East Ash St, Lebanon, OR 97355 (authorized representative)).

3. The application for the tentative plan for the proposed replat was submitted on October 31, 2014. A copy of the complete application is included in the file and is incorporated by reference into the findings.

4. The subject property is identified as Tax Lots 14700, 15800 & 15900 of Lincoln County Assessor's Tax Map 11-11-08-BA (portions of Lots 1 and 4, Block 1, Nye & Thompson Addition (currently addressed as: 159 W. Olive St, 44 S Coast Hwy, 106 & 116 SW Coast Hwy, and 104 SW 2nd St).

5. The Comprehensive Plan designation for the subject property is "Commercial;" and the zoning designation is C-1/"Retail and Service Commercial."

6. The total size of the subject property is approximately 2.52 acres, according to the preliminary survey submitted with the application materials.

7. According to the applicant, the site is generally level, sloping to the south; and there is a commercial building on proposed Parcels 1 & 2.

8. Notices of the proposed action as a property line adjustment were sent on November 3, 2014, to property owners within 100 feet per Section 13.05.095(A) of the Municipal Code, and to various City departments, agencies, and public utilities. The notice contained the criteria by which the application was to be assessed. Affected parties were given until 5:00 p.m., November 17, 2014, in which to make comment on the application. No comments were received by the Community Development Department during the comment period.

9. Section 13.05.070(C) of the Newport Municipal Code lists the types of general information that must be depicted on a tentative plan. Those items are as follows:

- (a) If a subdivision, the proposed name of the subdivision. This name shall not duplicate

or resemble the name of another subdivision in the county and shall be approved by the Planning Commission.

- (b) Date, northpoint, and scale of the drawing.
- (c) Appropriate identification of the drawing as a tentative plan.
- (d) Location of the property being divided sufficient to define its location and boundaries, and a legal description of the entire property being divided.
- (e) Names and addresses of the owner, the applicant if different from the owner, and the engineer and/or surveyor.
- (f) The following existing conditions shall be shown on the tentative plan:
 - i. The location, widths, and names of existing streets and undeveloped rights of way within or adjacent to the tract, any existing easements, and other important features such as section lines, section corners, city boundary lines, and monuments.
 - ii. Contour lines related to some established bench mark or other datum approved by the city and having minimum intervals as follows:
 - For slopes of less than 5 percent: show the direction of slope by means of arrows or other suitable symbols, together with not less than four (4) spot elevations per acre, evenly distributed.
 - For slopes of 5 percent to 15 percent: five (5) feet.
 - For slopes of 15 percent to 20 percent: 10 feet.
 - For slopes of over 20 percent: 20 feet.
 - iii. The location and direction of water courses and the location of areas subject to flooding.
 - iv. Natural features such as wetlands, tidelands, marshes, or any natural resource identified as a protected Statewide Land Use Planning Goal 5 or Goal 17 resource on maps adopted by the city shall be identified. Other features, such as rock outcroppings, wooded areas, and isolated trees that serve as the basis of any requested modifications to the land division standards shall also be identified.
 - v. Existing uses of the property and location of existing structures to remain on the property after platting.
 - vi. The location within the land division and in the adjoining streets and property of existing sewers, water mains, culverts, drain pipes, and utility lines.

10. Section 13.05.095 of the Newport Municipal Code contains the criteria for approval of a tentative plan for a replat. Those criteria are as follows:

- (a) The tentative plan complies with the definition of a replat.
- (b) All lots within the tentative plan meet the requirements for configuring lots and or parcels listed under Section 13.05.030 or, if the original lots or parcels were nonconforming, the resultant lots or parcels will be less nonconforming.

- (c) Approval of the tentative plan does not interfere with the provision of key public facilities.
- (d) The applicant has agreed to sign consent to participate in sewer, water, or street local improvement districts that the subject lots would be part of once those districts are formed. Said consent shall be a separate document recorded upon the lots subject to the partition. The document shall be recorded prior to final plat approval.
- (e) Public facilities serving the minor replat are adequate under Section 13.05.045. Proposed streets within the minor replat comply with the standards under Section 13.05.015, including any allowed modification, or a variance has been obtained.
- (f) All required public improvements will be provided.
- (g) Any required geologic hazard report concludes that the property can be developed in the manner proposed.

11. City of Newport Community Development Director Derrick Tokos issued findings-of-fact and a final order approving applicant/owner's application for minor replat on December 16, 2014.

12. On December 30, 2014, the applicant/owner, through attorney Michael Robinson with Perkins Coie, LLC, appealed Condition 2 of the Community Development Director's approval. The appealed condition reads as follows:

"The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street is to be removed and returned to green space. Further, sidewalk along the properties Olive Street and SW 2nd Street frontage is to be reconstructed. All such improvements shall be installed and accepted by the City Engineer prior to the final plat being signed off by the City."

Applicant/owner's grounds for appeal are that there is no "essential nexus" between the replat and the required public improvements; that the Director has not established that Condition 2 is "roughly proportional" to the replat's impacts on public infrastructure; and that the conditioned improvements constitute an unconstitutional taking of private property without just compensation under the Fifth Amendment of the U.S. Constitution. Further, applicant/owner asserts that Condition 2 violates Newport Municipal Code Section 14.44.040, which requires that conditions of development approvals be roughly proportional to the impact of development on public facilities and that the City has failed to demonstrate that Condition 2 is "reasonable," as required by Section 14.52.120.

13. The City of Newport Planning Commission held a duly noticed public hearing to consider applicant/owner's appeal on January 26, 2015 and voted to adopt this amended set of findings-of-fact and a new final order after taking public testimony and considering evidence and argument in record.

CONCLUSIONS

1. With regard to Section 13.05.070(C) of the Newport Municipal Code, which lists the types of general information that must be depicted on a tentative plan, the following conclusions can be drawn:

- (a) *If a subdivision, the proposed name of the subdivision. This name shall not duplicate or resemble the name of another subdivision in the county and shall be approved by the Planning Commission.*

The proposed action is a replat of an existing subdivision. This standard applies to new subdivisions.

- (b) *Date, northpoint, and scale of the drawing.*
- (c) *Appropriate identification of the drawing as a tentative plan.*
- (d) *Location of the property being divided sufficient to define its location and boundaries, and a legal description of the entire property being divided.*
- (e) *Names and addresses of the owner, the applicant if different from the owner, and the engineer and/or surveyor.*
- (f) *The following existing conditions shall be shown on the tentative plan:*
- i. *The location, widths, and names of existing streets and undeveloped rights of way within or adjacent to the tract, any existing easements, and other important features such as section lines, section corners, city boundary lines, and monuments.*
 - ii. *Contour lines related to some established bench mark or other datum approved by the city and having minimum intervals as follows:*
 - *For slopes of less than 5 percent: show the direction of slope by means of arrows or other suitable symbols, together with not less than four (4) spot elevations per acre, evenly distributed.*
 - *For slopes of 5 percent to 15 percent: five (5) feet.*
 - *For slopes of 15 percent to 20 percent: 10 feet.*
 - *For slopes of over 20 percent: 20 feet.*
 - iii. *The location and direction of water courses and the location of areas subject to flooding.*
 - iv. *Natural features such as wetlands, tidelands, marshes, or any natural resource identified as a protected Statewide Land Use Planning Goal 5 or Goal 17 resource on maps adopted by the city shall be identified. Other features, such as rock outcroppings, wooded areas, and isolated trees that serve as the basis of any requested modifications to the land division standards shall also be identified.*
 - v. *Existing uses of the property and location of existing structures to remain on the property after platting.*

- vi. *The location within the land division and in the adjoining streets and property of existing sewers, water mains, culverts, drain pipes, and utility lines.*

The tentative plan prepared by Udell Engineering & Land Surveying, LLC, and its supporting information included in the case file, contains the above referenced information. The City coordinated with the property owner to replace the blanket sewer easements shown on the tentative plan with a utility easement that is tied to a specific legal description. Those documents are recorded with Instrument No. 2014-05073 and Instrument No. 2014-05074 (attached). The final plat will need to reflect this change. This can be addressed with a condition of approval. As conditioned, this criterion is satisfied.

2. With regard to the criteria in Section 13.05.095 of the Newport Municipal Code for approving a tentative plan for a replat, the following conclusions can be drawn:

- (a) *The tentative plan complies with the definition of a replat.*

Pursuant to Section 13.05.005/"Definitions" a replat is defined as:

“The act of platting the lots, parcels and easements in a recorded subdivision or partition plat to achieve a reconfiguration of the existing subdivision or partition plat or to increase or decrease the number of lots in the subdivision. A replat shall not serve to vacate a public street or road.”

The applicant’s proposal complies with the definition of a replat in that it involves the reconfiguration of platted lots within a recorded subdivision (currently identified as Tax Lots 14700, 15800 & 15900 of Lincoln County Assessor’s Tax Map 11-11-08-BA (Lots 1 and 4, Block 1, Nye & Thompsons Addition) into three parcels. No streets or roads are being vacated by this application. This criterion has been met.

- (b) *All lots within the tentative plan meet the requirements for configuring lots and or parcels listed under Section 13.05.030 or, if the original lots or parcels were nonconforming, the resultant lots or parcels will be less nonconforming;*

Section 13.05.030 requires that the resulting lots satisfy the minimum lot size of the zone district; possess at least 25 feet of street frontage other than an alley; will not become “through lots” (i.e. lots with frontage on two parallel streets); have side lines that run at right angles to the street upon which they face; are large enough to accommodate any required special setbacks; are no larger than 175% of the required minimum lot size of the zone (unless terrain or other conditions restrict further development potential); and do not contain wetlands or similar development constraints on more than 50% of the land area.

The zoning for the property is C-1 Retail and Service Commercial. The minimum lot size of the C-1 district is 5,000 square feet. According to the tentative plan that was submitted, the replat would result in three parcels with a minimum size of 0.28 acres (12,200 square feet) and maximum size of 1.55 acres (67,518 square feet).

The lots possess the required 25 feet of street frontage, abutting Olive Street to the north, S

and SW Coast Highway to the east, and SW 2nd Street to the south.

As depicted on the tentative plan, the replat will not create any through lots. Further, the plan shows that the side lot lines for each new parcel run at right angles to the streets upon which they face. With respect to US 101, the side lines are as close to right angles as is possible considering the highway's curved alignment. This is consistent with the purpose of the criterion.

Typically, parcels are prohibited from being larger than 175% of the required minimum lot size of the zone. Exceptions are allowed if terrain or other conditions prohibit a further division of the property. In this case, there are other conditions that warrant the properties being sized as presented on the tentative plan. Parcels 1 and 2 have been sized to accommodate an existing commercial building with a defined party wall. A further division of these properties would force changes to the design of the building and configuration of leased space that would be expensive and impractical. With respect to Parcel 3, the new parcel encompasses an area previously occupied by a restaurant. While that restaurant has since been demolished, its footprint remains, as does the area that was once dedicated to parking. A further reduction in parcel size would make it difficult for a comparable use to be constructed at this location. It is also impractical to further divide the parcel because of access restrictions onto US 101 and the limited property frontage along SW 2nd Street.

The site is not impacted by wetlands nor does there appear to be other development constraints that would encumber more than 50% of the lot.

Considering the above, this criterion has been satisfied.

- (c) *Approval of the tentative plan does not interfere with the provision of key public facilities.*

Notices of the proposed action were sent on November 3, 2014, to affected property owners within 100 feet of the subject property, and to various City departments, agencies, and public utilities. The notice referenced the criteria by which the application was to be assessed. A letter was received from City Engineer Tim Gross on December 8, 2014 (attached). No other letters were received.

This standard is designed to ensure that a plat does not interfere with the provision of key public facilities. Interference can occur when property is platted in a manner that would prevent the logical extension of streets, water and sewer services. The letter from Mr. Gross lists service limitations to the property, but does not identify any issues that would support a finding that the replat itself will interfere with the provision of key public facilities. This criterion is satisfied.

- (d) *The applicant has agreed to sign consent to participate in sewer, water, or street local improvement districts that the subject lots would be part of once those districts are formed. Said consent shall be a separate document recorded upon the lots subject to the partition. The document shall be recorded prior to final plat approval.*

The subject property is located in an existing subdivision that has water, sewer, street, and sidewalk improvements in place. Therefore, this criterion does not apply.

- (e) *Public facilities serving the minor replat are adequate under Section 13.05.045. Proposed streets within the minor replat comply with the standards under Section 13.05.015, including any allowed modification, or a variance has been obtained.*

Section 13.05.045 sets out that tentative plans for land divisions shall be approved only if public facilities and utilities (electric and phone) can be provided to adequately service the new parcels. The applicant notes that no additional streets will be proposed with the replat and no changes to the existing traffic patterns will be caused by the replat. A written letter is required from the public facility provider and the utility provider stating the requirements for the provision of public facilities or utilities to the proposed land division. A letter from Travis Vaughn of CenturyLink, and a letter from Jake Pettis of Central Lincoln were provided with the application. These letters don't indicate that there would be any issues with serving the property.

The December 8, 2014 letter from City Engineer Tim Gross points out that water and sewer infrastructure are adequate to serve the proposed parcels. Mr. Gross notes that the storm drainage system for the area is likely over capacity, but given that the drainage system has not been adequately evaluated at a macro level, and that new impervious surface is not going to be created, he did not identify that additional improvements are needed to adequately serve the site. With respect to street accessibility, Mr. Gross notes that vehicle access is adequate where the property fronts Olive Street and US 101, with the caveat that the approach onto Olive Street may need to be evaluated for channelization in the future to mitigate congestion in the event high traffic generating uses are established on the property. Mr. Gross indicates that the driveway on the south side of the property, adjacent to proposed Parcel 3, does not provide safe or sufficient access. He points out that the width of the driveway is inadequate and that it does not provide direct access to the traveled way. The existing driveway egresses to an abandoned portion of SW 2nd Street then curves slightly to the west before connecting to SW Angle Street. As the City Engineer, Mr. Gross notes that in order for this access to be sufficient, the driveway will need to be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street would need to be removed and returned to green space so that drivers are properly oriented to the site. Lastly, Mr. Gross indicates that sidewalks on the north and south side of the property, along Olive Street and SW 2nd Street are degraded to the point that they are inadequate to meet the needs of pedestrians and will; therefore, need to be replaced.

The improvements requested by Mr. Gross to ensure that public facilities are adequate to serve the site directly benefit the property. The tentative plan illustrates that Parcel 3 will be served by the driveway accessing SW 2nd Street and is the primary beneficiary of this access. The 150+/- feet of sidewalk along Olive Street and 90+/- feet of sidewalk along SW 2nd Street border the subject property and provide pedestrians a means of safely accessing the properties. Given these circumstances, there is a clear nexus between the requested improvements and creation of the three commercial parcels. Further, the replat creates additional development potential by creating a third property where there are presently just two parcels. Much of the property is developed with existing impacts on public facilities; however, Mr. Gross notes that those facilities are by and large adequate, pointing out that water, sewer, storm drainage, street access at Olive Street and US 101, and sidewalks along US 101 are sufficient "as is" to serve the site. Improvements requested are relatively modest when considering the totality of the services needed and are; therefore, roughly

proportional to the additional development potential that is created with the platting of a third parcel.

Section 13.05.095(E) of the Newport Municipal Code requires that a final plat for a replat be completed within two years of the date of approval. This provides the applicant/owner with a reasonable amount of time to construct the improvements, so it is feasible to condition this decision such that the improvements must be installed and accepted by the City Engineer prior to the final plat being signed off by the City. Alternatively, the applicant/owner may enter into an improvement agreement as provided in Section 13.05.090, in which case the final plat may be recorded after the agreement is executed.

The applicant/owner and his attorneys held a conference call with City staff on January 7, 2015 to seek a resolution to the appeal. Community Development Director Derrick Tokos reports that the applicant/owner is amenable to an amended set of findings-of-fact and a final order that allows an improvement agreement to be used to guarantee Condition 2 improvements. This is provided the agreement is for at least one year with the option for an extension of an additional year. Applicant/owner is working through financing arrangements on the property that need to be concluded soon and they filed this replat application to create proposed Parcel 3 so that it could be excluded from that financing and planned for development separately. Applicant/owner is concerned that there isn't sufficient time to properly plan for and construct the improvements outlined in Condition 2 given their financing schedule. The improvement agreement option addresses this concern. Proposed Parcel 3 is the only undeveloped property included in the replat and is driving the need for most of the improvements listed in Condition 2. The applicant/owner's representatives indicated at the hearing that the amended set of findings and final order are acceptable.

Section 13.05.090(C) indicates that all improvement agreements must provide for completion of the required improvements within one year of approval of the final plat. This one year timeframe aligns with language in Section 13.05.090(H) that provides that requests can be made to extend the one year time limit for submission of a final plat where public improvements are being made without an agreement. Unfortunately, this language contradicts Section 13.05.090(A) which provides two years for a final plat to be prepared and recorded. It is therefore evident that language in the subdivision ordinance relating to the timing for filing a final plat, including the completion of required improvements, through an improvement agreement or otherwise, needs to be clarified. This includes how the one year extension language outlined under Section 13.05.090(H) is to be applied. In the meantime, the Commission finds that it is reasonable to interpret these code provisions in a manner that allows an individual that has entered into an improvement agreement to apply for a one year extension of the improvement agreement under the provisions outlined in Section 13.05.090(H).

Considering the above, this standard has been met.

(f) *All required public improvements will be provided.*

As noted above, driveway access and sidewalk improvements will be needed prior to the plat being finalized. The requirement is addressed with a condition of approval. This criterion is satisfied, as conditioned.

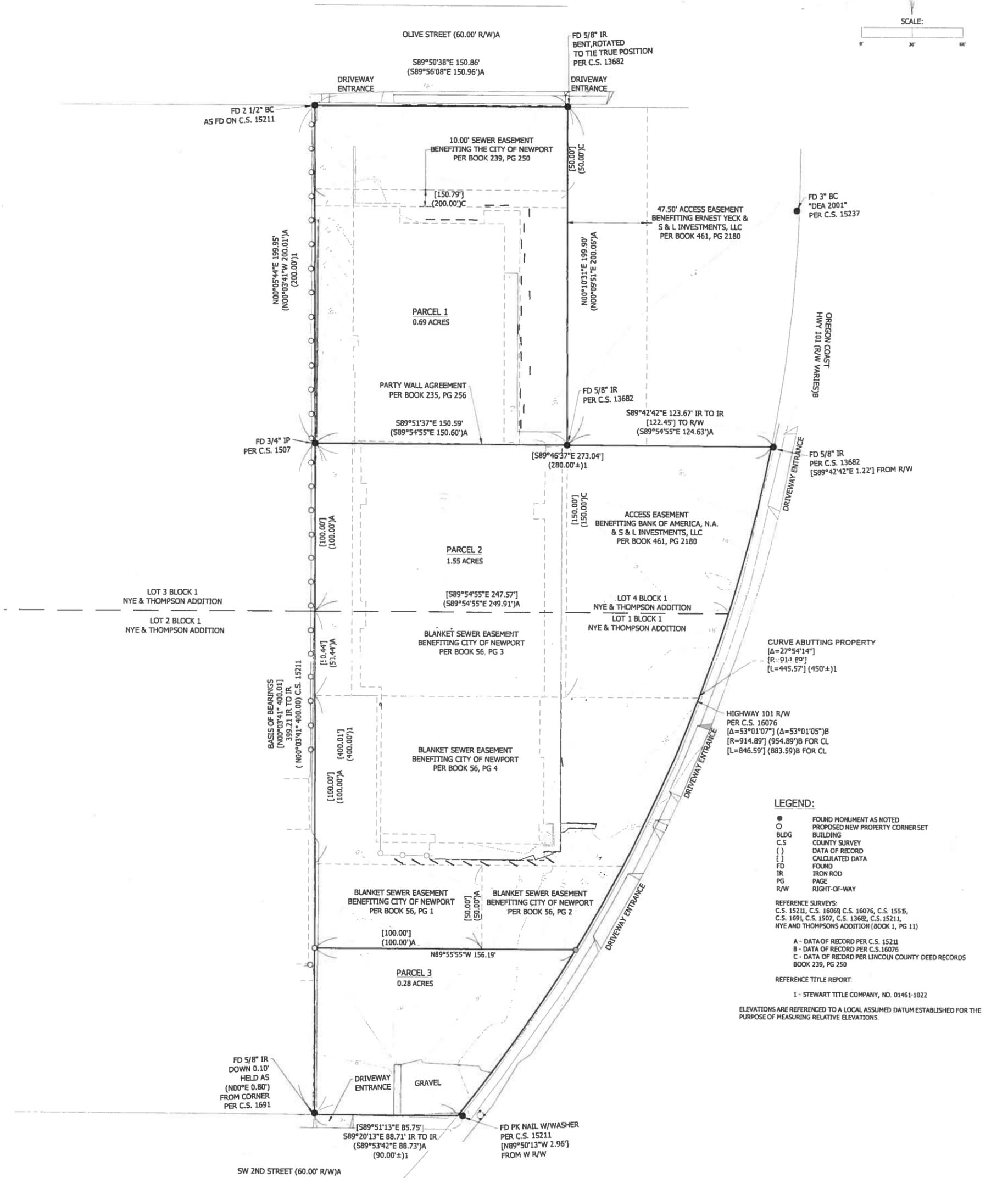
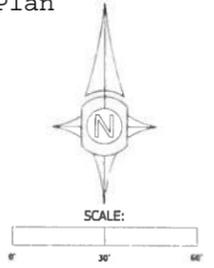
- (g) *Any required submitted geological hazard report concludes that the property can be developed in the manner proposed, in accordance with any recommendations contained in the report.*

The subject property is not within a Geologic Hazards Area as defined in the Newport Zoning Ordinance (NMC Chapter 14.21). No report is required.

OVERALL CONCLUSION

The request complies with the criteria established for the approval of a tentative plan for a minor replat and is hereby **APPROVED**, subject to the following conditions:

1. Existing easements of record shall be reflected on the final plat prior to recording. This includes the removal of the reference to blanket sewer easements that were lifted with the document recorded with Instrument No. 2014-05073 and a new public utility easement recorded with Instrument No. 2014-05074.
2. The driveway approach onto SW 2nd Street shall be widened to accommodate 2-way traffic and be redesigned to egress directly to SW Angle Street. The abandoned section of SW 2nd Street is to be removed and returned to green space. Further, sidewalk along the properties Olive Street and SW 2nd Street frontage is to be reconstructed. All such improvements shall be installed and accepted by the City Engineer prior to the final plat being signed off by the City, unless the applicant/owner enters into an improvement agreement as set forth in NMC 13.05.090, in which case the final plat may be recorded once the agreement has been executed. A duly executed improvement agreement shall be eligible for a one year extension pursuant to NMC 13.05.090(H).



LEGEND:

- FOUND MONUMENT AS NOTED
- PROPOSED NEW PROPERTY CORNER SET
- BLDG BUILDING
- C.S. COUNTY SURVEY
- () DATA OF RECORD
- { } CALCULATED DATA
- FD FOUND
- IR IRON ROD
- PG PAGE
- R/W RIGHT-OF-WAY

REFERENCE SURVEYS:
C.S. 15211, C.S. 16069, C.S. 16076, C.S. 1555, C.S. 1691, C.S. 1507, C.S. 13682, C.S. 15211, NYE AND THOMPSONS ADDITION (BOOK 1, PG 11)

REFERENCE SURVEYS:
A - DATA OF RECORD PER C.S. 15211
B - DATA OF RECORD PER C.S. 16076
C - DATA OF RECORD PER LINCOLN COUNTY DEED RECORDS BOOK 239, PG 250

REFERENCE TITLE REPORT:
1 - STEWART TITLE COMPANY, NO. 01461-1022

ELEVATIONS ARE REFERENCED TO A LOCAL ASSUMED DATUM ESTABLISHED FOR THE PURPOSE OF MEASURING RELATIVE ELEVATIONS.

Sheet
of
1
1
SCALE SEE BARSCALE

REGISTERED PROFESSIONAL LAND SURVEYOR
REVIEW ONLY
DATE: JUNE 13, 2013
KYLE W. LATIMER
#80442
EXPIRES 12-31-2014

DATE: 10/3/14
PROJECT: 14-189 FOX REPLAT
DRAWN BY: AAP, KWL
CHECKED BY: KWL

TENTATIVE REPLAT
104 SW 2ND STREET
44 & 116 SOUTH COAST HIGHWAY
NEWPORT, OR 97365

UDELL ENGINEERING AND LAND SURVEYING, LLC
63 EAST ASH ST.
LEBANON, OREGON 97355
(541) 451-5125 PH.
(541) 451-1366 FAX

CLIENT:
BRET FOX
515 W PICKETT CIRCLE SUITE #400
SALT LAKE CITY, UT 84115
(435) 659-9163

PLANNING STAFF REPORT
Case File 2-SV-14

- A. **PETITIONERS:** Rex and Theresa Capri
- B. **REQUEST:** The petitioner requests the city vacate a 30-ft x 40-ft portion of NW 18th Street public road right-of-way adjacent to Lot 7, Block 8, Beach Park Addition to Newport Oregon. Further, petitioner is seeking to vacate a 30-ft x 120-ft portion of NW 17th Street public road right-of-way adjacent to Lots 16, 17 and 18, Block 8, Beach Park Addition to Newport Oregon.
- C. **STAFF REPORT**
1. **REPORT OF FACT**
- a. **Plan Designation:** Low Density Residential.
 - b. **Zone Designation:** R-1/"Low Density Single-Family Residential."
 - c. **Surrounding Land Uses:** Single-family residential development to the north, south and west. Commercial development is situated to the east along US 101.
 - d. **Topography and Vegetation:** Both rights-of-way are partially developed with streets that provide access to single family residential properties. Undeveloped areas between the two rights-of-way, including the petitioner's property, are part of a steeply sloped and vegetated canyon.
 - e. **Existing Structures:** None immediately adjacent to the right-of-way proposed to be vacated. Residential homes exist, primarily on the opposite sides of each right-of-way.
 - f. **Utilities:** City maintains public water and sanitary sewer lines in both of the affected rights-of-way.
 - g. **Development Constraints:** Portions of the rights-of-way are steeply sloped, as they border a canyon and drainage that cuts through the lots within Block 8, Beach Park Addition to Newport Oregon.
 - h. **Past Land Use Actions:** None related to the rights-of-way at issue.
 - i. **Notification:** Notification to surrounding property owners, to City departments, and to public/private utilities/agencies was mailed on January 6, 2015 (See Planning Staff Report Attachment "B"). Notification

distance is as specified in ORS 271.080(2) for street vacations. The notice of the Planning Commission public hearing for this petition was also published in the Newport News-Times on January 9, 2015, January 16, 2015 and January 21, 2015.

j. **Attachments:**

Attachment "A" – Application Form
Attachment "A-1" – Petitioner's Narrative
Attachment "A-2" – Notification Boundary w/ Consenting Properties
Attachment "A-3" – Table Comparing Consenting to Overall Acreage
Attachment "B" – Public Hearing Notice and Map
Attachment "C" – Zoning Map of Area
Attachment "D" – Aerial and Contour Map of the Property
Attachment "E" – Street Vacation Statutes (ORS 271.080 et. seq.)
Attachment "F" – 1/12/15 Memo from Tim Gross, City Engineer, w/ Map

2. **Explanation of the Request for Street Vacation:**

The applicant explains that they are requesting the right-of-way be vacated and appended to their property because it is their belief that it is impractical to expand and extend NW 17th and NW 18th Street given the areas terrain. Further, they explain that it is their hope that vacating the right-of-way will help preserve the canyon where their children grew up playing and grandchildren currently play (See Planning Staff Report Attachment "A-1").

The canyon extends through much of Block 8, Beach Park Addition to Newport Oregon, with the larger portion being the undeveloped city-owned property immediately east of petitioner's property.

3. **Evaluation of the Request for Street Vacation:**

a. **Comments:** Surrounding property owners and affected city departments and public/private utilities/agencies were notified of the petition on January 6, 2015. As of January 16, 2015, the only comment received is from City Engineer Tim Gross. Mr. Gross is opposed to portions of the NW 17th and NW 18th Street rights-of-way being vacated. He notes that the City has water and sewer infrastructure in both of these street rights-of-way and that the full 60-feet of right-of-way width is needed to maintain the utilities. Further, Mr. Gross points out that private utilities, including natural gas, electric, and phone services are situated within the rights-of-way. Lastly, Mr. Gross indicates that it is possible that NW 17th Street may be extended to the east to intersect with NW Grove Street, which was partially constructed as part of the site work performed in preparation for the O'Reilly's Auto Parts store project. It is possible that NW Grove Street will be completed up to NW 17th Street at such time as the remaining vacant commercial property is developed. Mr. Gross notes that this would create a condition where NW 17th Street could be extended

through to NW Grove Street providing access to several undeveloped lots, including those owned by the City of Newport. The map attached to Mr. Gross's memo shows City sanitary sewer infrastructure in green and water infrastructure in blue (See Planning Staff Report Attachment "F"). The locations of the utilities are approximate.

b. **Applicable Criteria set forth in Oregon Revised Statutes (ORS) 271.120:**

1. Whether the consent of the owners of the requisite area [*as defined in ORS 271.080 (2)*] has been obtained;
2. Whether notice has been duly given [*for the public hearing before the City Council*] and,
3. Whether the public interest will be prejudiced by the vacation of such plat or street or parts thereof.

c. **Applicable Criteria set forth in Oregon Revised Statutes (ORS) 271.190:**

1. No vacation of all or part of a street, alley, common or public place shall take place under ORS 271.180 unless the consent of the persons owning the property immediately adjoining that part of the street or alley to be vacated is obtained thereto in writing and filed with the auditor or clerk of the city or town. No vacation shall be made of any street, alley, public place or part thereof, if within 5,000 feet of the harbor or pierhead line of the port, unless the port commission, or other bodies having jurisdiction over docks and wharves in the port district involved, approves the proposed vacation in writing.

d. **Staff Analysis:**

The Planning Commission reviews this request and makes a recommendation to the City Council. In order to recommend approval of the request, the Planning Commission must find that the applicant's proposal meets (or is capable of meeting) the following criteria:

- (1) Whether the consent of the owners of the requisite area [*as defined in ORS 271.080 (2)*] have been obtained;

On December 5, 2014, the petitioners submitted the names and addresses of abutting property owners along with their original, notarized signatures indicating consent for the proposed street vacation. These documents are available in the case file. ORS 271.080 (2) requires "the consent of the owners of the abutting property and not less than two-thirds in area of the real property affected thereby." Petitioners own all property abutting the proposed street vacation (i.e. Tax Lot 7901, Assessor's Map 11-11-05-BA). Written notarized consents were submitted from the following property owners:

Assessor's Map 11-11-05-BA

<u>TAX LOT</u>	<u>OWNER</u>
04400	Joseph Becker
04500	Richard and Cheryl Atkinson
04700	Diane Kirk
04900	Chris Daniels and Bridget Watts
05000	Christine Vangrimbergen
05101	Robert Wienert
05300	Christine Vangrimbergen
07200	Jerry Robbins
07400	Susan and Dan Pattison
07401	Susan and Dan Pattison
07500	Devin and Patricia Murphy
07600	Susan and Dan Pattison
07700	Susan and Dan Pattison
07800	Salvador and Lisa Fuentes
07901	Rex and Theresa Capri
07902	Rex and Theresa Capri
07903	Rex and Theresa Capri
08100	South Pacific Property, LLC
08600	TLC Federal Credit Union
09100	Harold and Sharon Jones
09101	MLW, LLC
09201	MLW, LLC
09300	Yanez Felipe
09400	Harold and Sharon Jones
09401	Harold and Sharon Jones
09500	Gregory and Rose Beyer
09600	Todd Sarazin
09701	Ken Petersen
09800	Jinanjali Wimalasena and Jason Eibner
09900	Joshua Lambert and Stacy Polkowski
10200	Wilma Luckini
10400	Rebecca Bostwick Terry
10600	Peggy Earle and Richard Fender

The notification area under ORS 271.080 extends 200 feet to either side of the right-of-way being vacated, and a distance of 400 feet from the terminal ends of the right of way being vacated. This creates a rectangular shaped notification area. A map is enclosed depicting the notification area and properties where consent has been obtained (see Planning Staff Report Attachment "A-2"). Petitioner prepared a table comparing the total acreage within the notification area to the acreage of those properties where the owners have consented to the street vacation petition (see Planning Staff Report Attachment "A-3"). Square footage and acreage figures listed in petitioner's table were taken from Lincoln County Assessment Records, which the Planning Commission can rely upon as substantial evidence. The table shows that just over 69% of the property owners within the affected area have granted their consent to the petition. This satisfies the "two-thirds" consent requirement of ORS 271.080 (2).

(2) Whether notice has been duly given [for the public hearing before the City Council];

ORS 271.110 stipulates that notice of a hearing by the decision making body of the City (i.e. the Newport City Council) shall be published in a newspaper once each week for two consecutive weeks prior to the hearing. A sign is also to be posted in at least two conspicuous places in the proposed street vacation area.

The Planning Commission is an advisory body to the City Council. Newport Municipal Code (NMC) Section 14.52.030 indicates that the City Council may only consider a street vacation petition after a public hearing is held, and recommendation provided by the Planning Commission. Notice requirements for a public hearing before the Newport Planning Commission are listed under NMC 14.52.060. Direct mail notice is required to be provided to all affected property owners at least 20-days prior to the hearing and notice must also be provided in a newspaper of general circulation at least 5-days prior to the hearing. The City has provided notice in accordance with these provisions and copies of the notice are enclosed (See Planning Staff Report Attachment "B"). Photocopies of the newspaper publications are included in the case file.

(3) Whether the public interest will be prejudiced by the vacation of such plat or street or parts thereof; and

Petitioner desires to vacate a 30-ft x 40-ft portion of NW 18th Street right-of-way adjacent to Lot 7, Block 8, Beach Park Addition to Newport Oregon, along with a 30-ft x 120-ft portion of NW 17th Street public right-of-way. Both rights-of-way are adjacent to undeveloped property that they own. In their narrative, Petitioner appears to argue that the public interest will not be prejudiced by these partial street vacations because the terrain in the area will not allow the streets to be developed to a 60-foot width. Petitioner also appears to assert that it is in the public interest that the canyon situated between the two rights-of-way should be preserved and that vacating the right-of-way to enlarge their undeveloped property furthers that objective (See Planning Staff Report Attachment "A-1").

City Engineer Tim Gross points out that the rights-of-way are needed at their current width in order for the City to adequately maintain existing water and sewer service to properties in the area, and for private utilities to maintain and adjust their existing services to area property owners (e.g. natural gas, electricity, and phone). Further, Mr. Gross points out that it is possible that NW 17th Street may be extended in the future to intersect with NW Grove Street, providing access to adjoining undeveloped properties. For these reasons, he opposes the petition (See Planning Staff Report Attachment "F"). Should NW 17th Street be extended to NW Grove Street in the future, it would create a looped street system that is desirable for the convenience of area residents and public safety providers.

Further, the Planning Commission should keep in mind that rights-of-way reserved for future uses, such as street expansions or new utilities, need to be wide enough that it affords service providers some flexibility in addressing localized constraints such as terrain and mature foliage without having to incur the expense of acquiring easements from neighboring property owners. Given that Mr. Gross is a licensed engineer, who is responsible for maintaining and enhancing the City's street and utility services, the Commission can accept his opinion regarding the amount of right-of-way needed as expert testimony.

Petitioner is correct that the steep terrain and drainage located between NW 17th Street and NW 18th Street are significant constraints to development. However, such terrain does not preclude future development, it just increases construction costs due to the additional site grading and engineering work that is required. Market conditions have supported past development within the drainage as is evidenced by commercial development east of petitioner's property and residential development west of petitioner's property (See Planning Staff Report Attachment "C").

The City owns Tax Lots 7900 and 8000 of Assessor's Map 11-11-05-BA, which encompass a large part of the "canyon" that the petitioner would like to protect. Petitioner appears to assert that it is in the public interest that the City maintain the property as a natural area; however, no such decision has been made by the City. In fact, the properties have been evaluated by the City as potential sites for future workforce housing. This would be consistent with the current residential zoning. Even if a policy decision is made at some point that the best use of the property is as open space, that doesn't mean that the properties wouldn't need vehicle or trail access, or that they couldn't be used to facilitate the extension of utilities. The City is under no obligation to develop the rights-of-way or property that it owns and could simply retain them in their present state for the foreseeable future. This is an effective method of preserving "open space." It is difficult to follow petitioner's argument that vacating a portion of the right-of-way will preserve the natural character of the area in a manner that is better than leaving it as right-of-way, because they or their successors are under no obligation to maintain the "canyon" in a natural state. In fact, it is arguable that having the right-of-way in public ownership provides greater protection since the public has the ability to engage its elected officials to voice concerns anytime development is planned on public land.

This street vacation petition is unusual in that it does not seek to vacate the entire road right-of-way, which is the typical approach when a right-of-way is not needed for public use. Instead, the petition seeks to reduce the SW 17th Street and SW 18th Street rights-of-way to 30-feet in width adjacent to petitioner's property. This approach is being pursued because

the rights-of-way are developed with public streets and vacating the entire right-of-way would prevent neighboring properties from having public access to their properties. The problem with this approach is that a right-of-way of 30-feet does not meet any of the City's adopted standards for a public street. The minimum right-of-way width for a public street is 50-feet as set out in the City of Newport Transportation System Plan (ref: Figure 5, of the 1997 Transportation System Plan), and Newport Subdivision Ordinance (ref: NMC 13.05.015). This provides sufficient area for a 36-foot wide roadway consisting of two 10-foot travel lanes with 8-foot wide parking to either side of the street. The balance of the right-of-way can, and often is, used for sidewalks and utilities. The Commission can rely upon the City's Transportation System Plan and Subdivision ordinance as a basis for finding that the public interest would be prejudiced by creating narrower rights-of-way at these locations. Petitioner has offered no evidence to support its case that 30-foot rights-of-way will be adequate for the City to maintain and enhance the street and public/private utilities that are present at these locations.

Considering the above, the Planning Commission has ample reasons to find that the public interest would be prejudiced by the proposed street vacation. The Commission should carefully consider the concerns raised in Mr. Gross's memo and outlined in this report and provide the petitioner an opportunity to respond. If the Commission finds that the response provided by the petitioner is adequate to establish that the public interest will not be prejudiced, than it should identify the key points that it wants to convey to the Council to support a recommendation that the rights-of-way be vacated as proposed. These will then be captured in the Commission's meeting minutes, which will be forwarded to the Council. Because there are utilities in place within the affected rights-of-way, any recommendation to vacate must include a reservation of easements so that the utilities can be maintained. Such a reservation should be for the entire area proposed to be vacated unless the petitioner locates all affected utilities and establishes they are outside of the area to be vacated or provides a legal description for easements that will provide sufficient area for maintenance purposes as determined by the City Engineer.

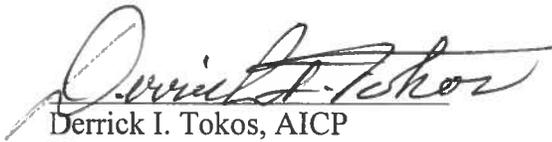
- d. *Whether approval has been obtained from the Port Commission of the Port of Newport [as required by ORS 271.190]*

Approval from the Port of Newport is required when the rights-of-way are within 5,000 feet of the harbor or pierhead line of the port. The subject rights-of-way are more than 5,000 feet from such features.

4. **Conclusion:** The staff report has been prepared based on the information available at the time this report was written. Staff analysis or recommendations may change if additional comments or information is provided during the course of the public hearing process.

If the Planning Commission finds that the application meets the minimum ORS criteria (or is capable of meeting the criteria) established for the street vacation, the Planning Commission may forward a favorable recommendation to the City Council. If the Commission finds that the criteria have not been met (or are not capable of being met), the Commission should identify changes necessary to meet the criteria or should deny all or part of the petition.

- D. STAFF RECOMMENDATION:** Staff believes that the public interest would be prejudiced by these street vacations for the reasons noted, and that the Commission should forward a recommendation to the City Council that the petition be denied on these grounds.



Derrick I. Tokos, AICP
Community Development Director
City of Newport

January 16, 2015

City of Newport Land Use Application

Attachment "A"
Application Form
(File 2-SV-14)

PLEASE PRINT OR TYPE - COMPLETE ALL BOXES - USE ADDITIONAL PAPER IF NEEDED

Applicant Name(s): REX AND THERESA CAPRI	Property Owner Name(s): Platted out public street in Newport
Applicant Mailing Address: 255 N.W. 17th St. NEWPORT, OR 97365	Property Owner Mailing Address: NW 17th NW 18th
Applicant Telephone No.: 541-265-2542 E-mail: trcapri@msn.com	Property Owner Telephone No.: E-mail:
Authorized Representative(s): REX AND THERESA CAPRI	
Authorized Representative Mailing Address: 255 N.W. 17th St., NEWPORT, OR 97365	
Authorized Representative Telephone No.: 541-265-2542	E-Mail: trcapri@msn.com

Project Information

Property Location: NW 17th St, NW 18th St., NEWPORT OR		
Tax Assessor's Map No.: 11-11-05-BA-07901-00	Tax Lot(s): South of lots 16, 17, 18 ; North of lot 7	
Zone Designation:	Legal Description:	
Comp Plan Designation:		
Brief Description of Land Use Request(s): privately owned real estate added to current real estate owned by applicants.		
Existing Structures: none		
Topography and Vegetation: sloping ground to canyon drainage; undeveloped land with trees, underbrush		
APPLICATION TYPE (please check all that apply)		
<input type="checkbox"/> Annexation <input type="checkbox"/> Appeal <input type="checkbox"/> Comp Plan/Map Amendment <input type="checkbox"/> Conditional Use Permit <input type="checkbox"/> PC <input type="checkbox"/> Staff <input type="checkbox"/> Design Review <input type="checkbox"/> Geologic Permit	<input type="checkbox"/> Interpretation <input type="checkbox"/> Minor Replat <input type="checkbox"/> Partition <input type="checkbox"/> Planned Development <input type="checkbox"/> Property Line Adjustment <input type="checkbox"/> Shoreland Impact <input type="checkbox"/> Subdivision <input type="checkbox"/> Temporary Use Permit	<input type="checkbox"/> UGB Amendment <input checked="" type="checkbox"/> Vacation <input type="checkbox"/> Variance/Adjustment <input type="checkbox"/> PC <input type="checkbox"/> Staff <input type="checkbox"/> Zone Ord/Map Amendment <input type="checkbox"/> Other _____
FOR OFFICE USE ONLY		
Date Received: 12-5-14	File No. Assigned: 2-SV-14	Date Accepted as Complete: _____
Received By: VM	Fee Amount: 766.00	Accepted By: _____
	Receipt No.: 1-02097	

(SEE REVERSE SIDE)

Community Development & Planning Department • 169 SW Coast Hwy, Newport, OR 97365 • Derrick I. Tokos, AICP, Director

Rex and Theresa Capri
255 NW 17th St
Newport, OR 97365
541-265-2542
September 11, 2014

We are applying to the City of Newport to vacate 30 feet of a 60 foot platted out road on the north side of NW 17th and the south side of NW 18th St that border some property we own. This would follow the current roadbed. It would reduce the plat of the road width to 30 feet as NW 16th already is. In the number 8 section we own lot 7 that borders NW 18th St, and lots 16, 17, and 18 that border NW 17th St. As you can see by the 2013 aerial picture (and as you know from the living in the neighborhood) this is a canyon. The existing road is also shown in the aerial photo and reflects the other side of the 30 feet we are requesting to vacate. It would be impractical to fill this canyon to make a 60 foot wide road.

To request a street vacation, the City of Newport requires we have consent in writing of not less than 2/3 of the property in area within 400 feet of the proposed vacation. The signature has to be notarized per state requirement. We know that it can be cumbersome to have a signature notarized. Chase bank at Fred Meyer said they have a notary all the hours they are open and do not charge a fee.

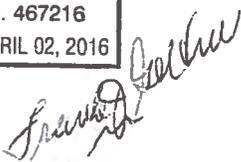
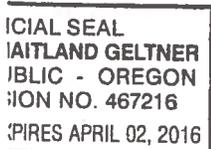
We have lived at this house since 1987 and both grew up in Newport. Our kids grew up playing in "the canyon" and now our grandkids love to play in and have adventures in "the forest". This 30 feet we are requesting to vacate will help preserve that area, as it is, again, very impractical to punch a 60 foot wide road through there.

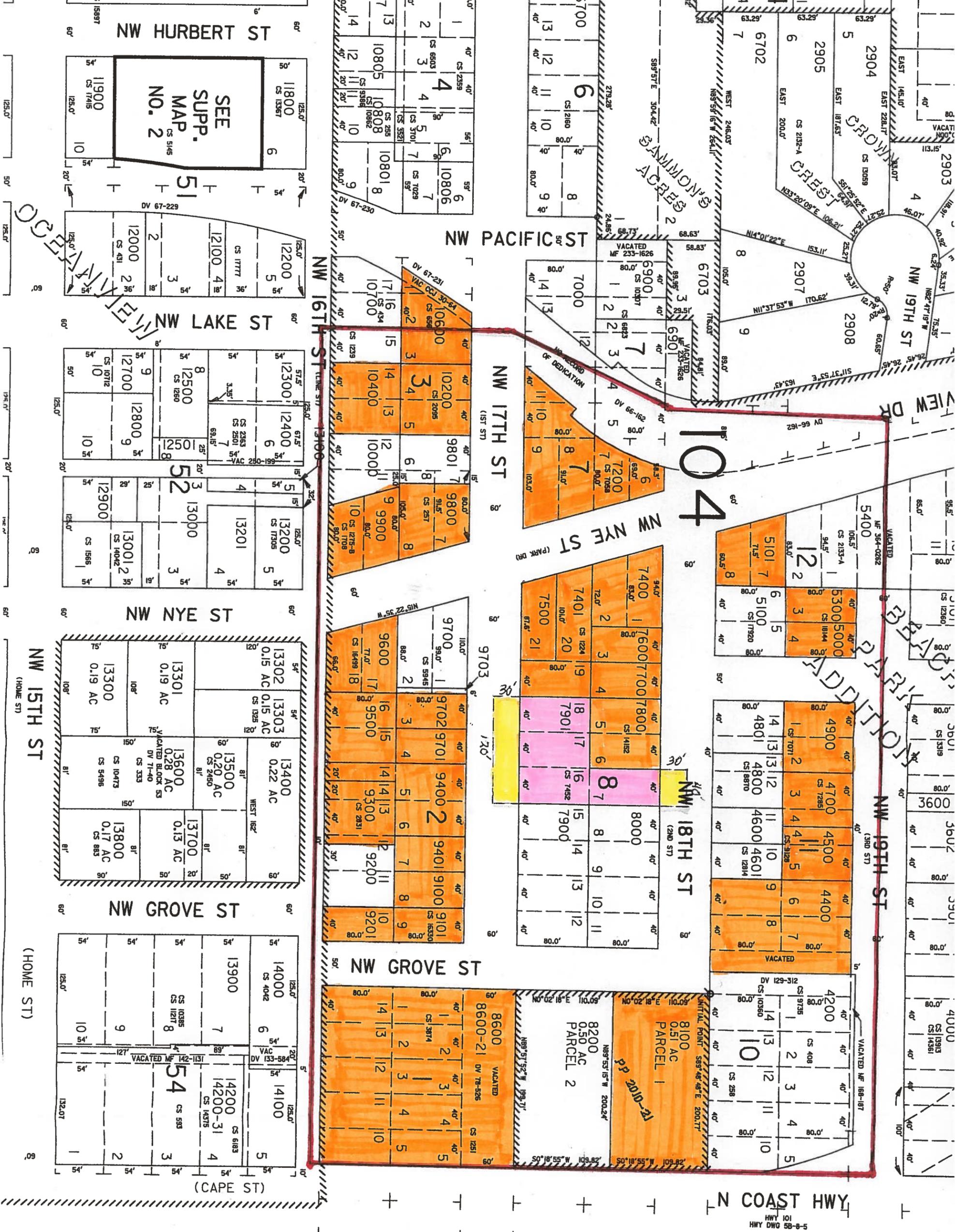
Thank you for your consideration.

Sincerely,



Rex and Theresa Capri





SEE MAP 11 05 AB

- 6000 10900
- 6100 11000
- 6200 11100
- 6300 11101
- 6400 11200
- 6500 11201

CONSENTUAL PROPERTIES

ABUTTING PROPERTIES

STREET VACATION
 PETITION NO. 2-SV-14
 11 11 05 BA
 NFWPDRPT

Attachment "A-2"
 Notification Area
 with Consenting
 Properties
 (File 2-SV-14)

Tax Map	Tax Lot	Acreage	Total Sqft in Affected Area	Sqft of Received Consent	Abutting	Comments
11-11-05-BA	4200	0.8	34848	0		
	4400	0.38	16552.8	16552.8		
	4500	0.11	4791.6	4791.6		
	4600	0.07	3049.2	0		
	4601	0.07	3049.2	0		
	4700	0.11	4791.6	4791.6		
	4800	0.11	4791.6	0		
	4801	0.11	4791.6	0		
	4900	0.15	6534	6534		
	5000	0.07	3049.2	3049.2		
	5100	0.15	6534	0		
	5101	0.13	5662.8	5662.8		
	5300	0.07	3049.2	3049.2		
	5400	0.24	10454.4	0		
	7200	0.26	11325.6	11325.6		
	7400	0.15	6534	6534		
	7401	0.17	7405	7405		
	7500	0.09	3920.4	3920.4		
	7600	0.07	3049.2	3049.2		
	7700	0.08	3484.8	3484.8		
	7800	0.15	6534	6534		
	7900	0.29	12632.4	12632.4		
	7901	0.29	12632.4	12632.4	Yes	
	8000	0.29	12632.4	12632.4		
	8100	0.51	22215.6	22215.6		
	8200	0.5	21780	0		
	8600	1.01	43995.6	43995.6		
	8600-21	0	0	0		
	9100	0.07	3049.2	3049.2		
	9101	0.07	3049.2	3049.2		
	9200	0.13	5662.8	0		
	9201	0.07	3049.2	3049.2		

	9300	0.13	5662.8	5662.8		
	9400	0.15	6534	6534		
	9401	0.07	3049.2	3049.2		
	9500	0.15	6534	6534		
	9600	0.14	6098.4	6098.4		
	9700	0.16	6969.6	0		
	9701	0.17	3049.2	3049.2		
	9702	0.07	3049.2	3049.2		
	9703	0.01	435.6	435.6		
	9800	0.14	6098.4	6098.4		
	9801	0.1	4356	0		
	9900	0.15	6534	6534		
	10000	0.13	5662.8	0		
	10200	0.15	6534	6534		
	10400	0.15	6534	6534		
	10600 (ptn)	0.07	3200	3200		80' x 40' portion of the Tax Lot
	10700 (ptn)	0.07	3200	3200		80' x 40' portion of the Tax Lot
		8.78	378402.2	263253		

CITY OF NEWPORT
NOTICE OF A PUBLIC HEARING ON A PARTIAL STREET VACATION¹

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of Newport, Oregon, will hold a public hearing on Monday, January 26, 2015, to review and make a recommendation to the Newport City Council on a partial street vacation as requested in:

File No. 2-SV-14:

Applicant: Rex and Theresa Capri.

Request/Subject Property: The request is for a proposed partial street vacation of the northern 30' wide portion of NW 17th Street abutting lots 16, 17 & 18, Block 8, BEACH PARK ADDITION (a portion of Tax Lot 7901 of Tax Map 11-11-05-BA) and the southern 30' wide portion of NW 18th Street abutting Lot 7, Block 8, BEACH PARK ADDITION (also a portion of Tax Lot 7901 of Tax Map 11-11-05-BA) (see the attached illustration of the proposed area to be vacated).

Date Request Received: December 5, 2014.

Applicable Criteria: Oregon Revised Statutes (ORS) 271.120 requires that: (1) The consent of the owners of the requisite area have been obtained; (2) Notice has been duly given; and (3) The public interest will not be prejudiced by the vacation of such plat or street or parts thereof.

Testimony: Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal (including to the Land Use Board of Appeals) based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by applicant, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department (address under "Reports/Materials") must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Pursuant to ORS 197.763 (6), any person prior to the conclusion of the initial public hearing may request a continuance of the public hearing or that the record be left open for at least seven days to present additional evidence, arguments, or testimony regarding the application.

Reports/Materials: The staff report may be reviewed or a copy purchased at the Newport Community Development (Planning) Department, City Hall, 169 S.W. Coast Hwy, Newport, Oregon, 97365, seven days prior to the hearing. The file materials and the applicable criteria are currently available for inspection at no cost or copies may be purchased for reasonable cost at this address.

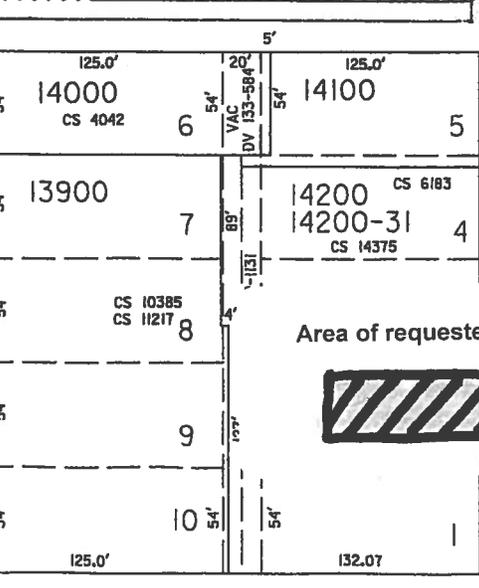
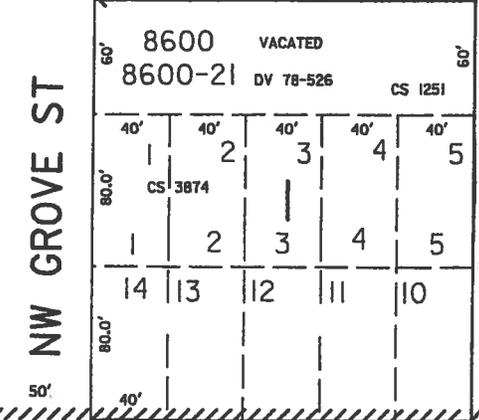
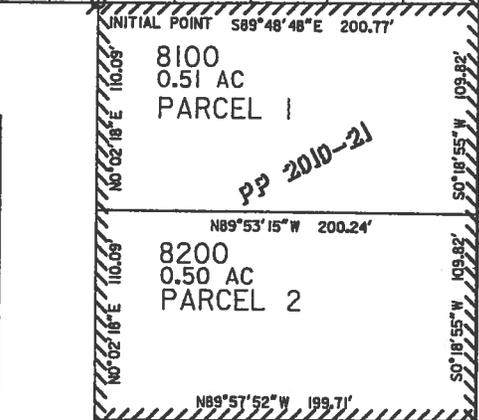
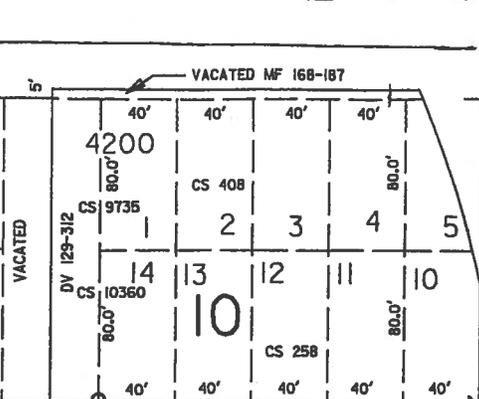
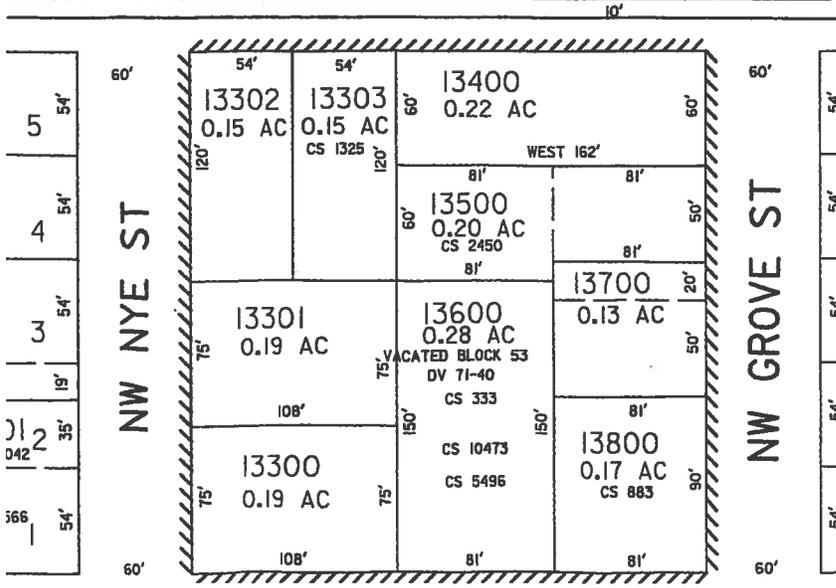
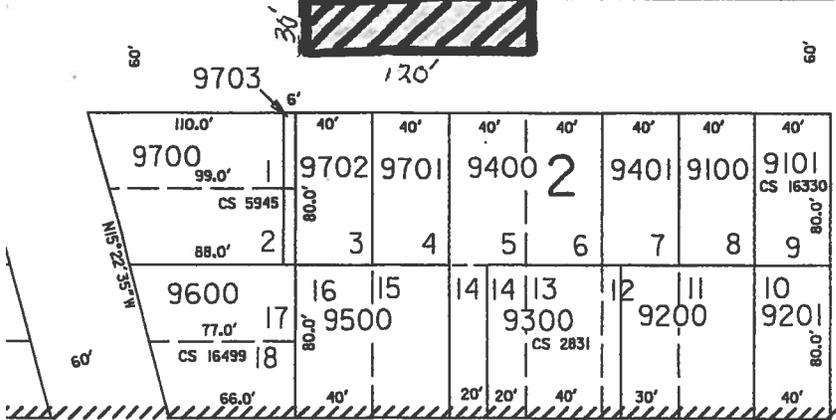
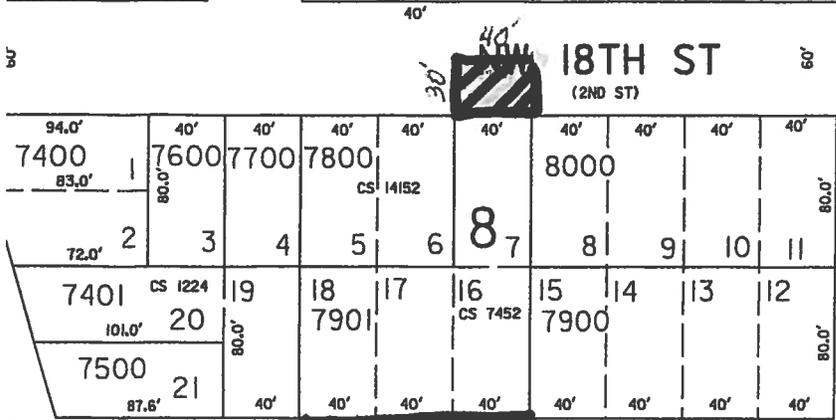
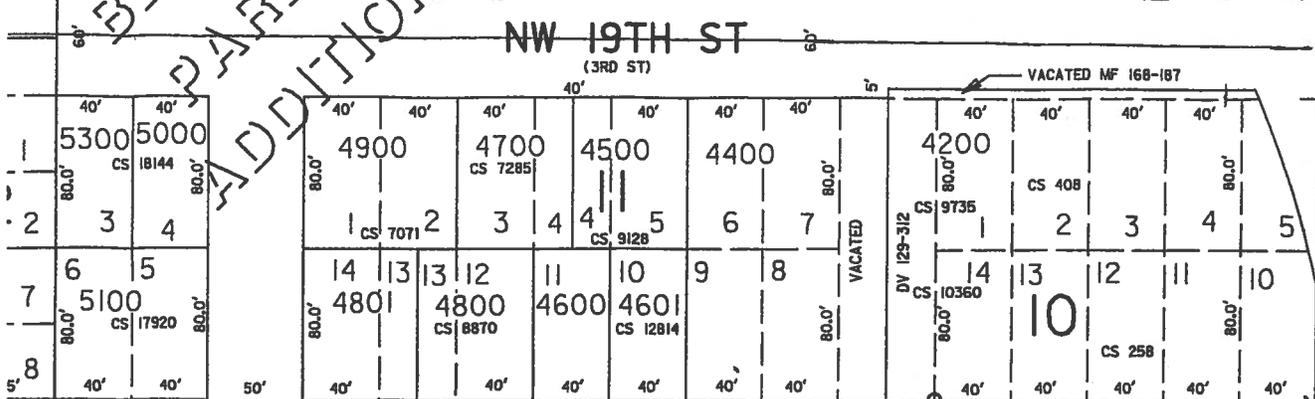
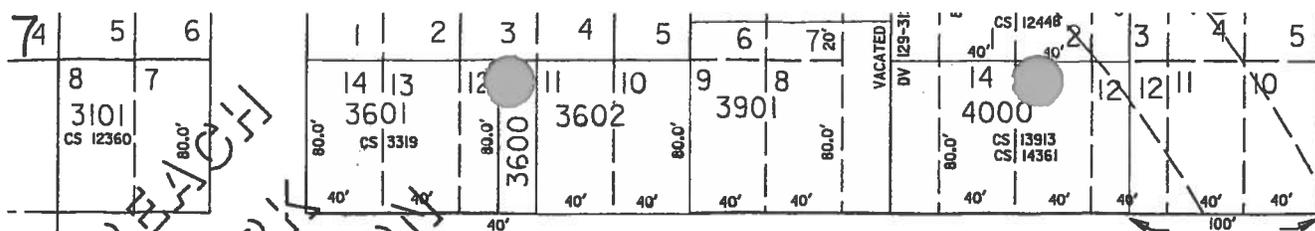
Contact: Derrick Tokos, Community Development Director (541) 574-0626 (address above in "Reports/Materials").

Time/Place of Hearing: Monday, January 26, 2015; 6:00 p.m. or soon thereafter; City Hall Council Chambers (address above in "Reports/Materials").

MAILED: January 6, 2015.

PUBLISHED: Friday, January 9, 2015; Friday, January 16, 2015; and Wednesday, January 21, 2015 / Newport News-Times.

¹ Notice of the public hearing is being sent to affected property owners (according to Lincoln County Assessor's records) within the notification distance required for the request, affected public/private utilities/agencies, and affected city departments.



N COAST HWY
HWY 101
HWY DNG 58-8-5

(COAST ST)

(CAPE ST)

Area of requested Street Vacation



REX & THERESA CAPRI
255 NW 17TH ST
NEWPORT OR 97365

FIVE STARS CO
1823 N COAST HWY
NEWPORT OR 97365

JOSEPH E & C A BECKER
207 NW 19TH ST
NEWPORT OR 97365

RICHARD C & CHERYL L ATKINSON
223 NW 19TH ST
NEWPORT OR 97365

FABIO PATANE &
RAVEN CHAKERIAN
3604 N WINCHELL ST
PORTLAND OR 97217

EDUARDO ACOSTA HERNANDEZ
& JUAN C HERNANDEZ &
REFUGIO ACOSTA GONZALEZ
220 NW 18TH ST
NEWPORT OR 97365

DIANE KIRK
233 NW 19TH ST
NEWPORT OR 97365

WALLY TAYLOR ESTATE
ATTN: SHARON G HAYES
13231 SUNRISE WOOD
SAN ANTONIO TX 78245

JOE A MCMURRY
252 NW 18TH ST
NEWPORT OR 97365

CHRIS A DANALS &
BRIDGET H WATTS
247 NW 19TH ST
NEWPORT OR 97365

CHRISTINE VANDGRIMBERGEN
PO BOX 164
NEWPORT OR 97365

SARAH ELIZABETH PARKER
1809 NW NYE ST
NEWPORT OR 97365

ROBERT W WIENERT
320 NW 18TH ST
NEWPORT OR 97365

LYNDA BOONE
2226 N COAST HWY #215
NEWPORT OR 97365

JERRY JOEL ROBBINS
320 NW 17TH ST
NEWPORT OR 97365

DAN W & SUSAN PATTISON
352 NW 18TH ST
NEWPORT OR 97365

DEVIN J & PATRICIA MURPHY
PO BOX 2314
NEWPORT OR 97365

SALVADOR A & ELISA FUENTES
253 NW 18TH ST
NEWPORT OR 97365

SOUTH PACIFIC PROPERTY LLC
PO BOX 3002
CORVALLIS OR 97339

RALPH O GOODWIN SR &
TONI T GOODWIN
PO BOX 455
JOHN DAY OR 97845

TLC FEDERAL CREDIT UNION
PO BOX 160
TILLAMOOK OR 97141

HAROLD & SHARON JONES
5453 LONDON ST SE
SALEM OR 97306

MLW LLC
ATTN: MICHAEL L WILSON
PO BOX 113
NEWPORT OR 97365

SHERI M WALDROP
10716 NE HASSALO
PORTLAND OR 97220

FELIPE YANEZ
215 NE SAN-BAY-O CIRCLE
NEWPORT OR 97365

GREGORY J & ROSE M BEYER
12403 MT ANGEL GERVAIS RD NE
MT ANGEL OR 97362

TODD SARAZIN
PO BOX 2116
NEWPORT OR 97365

HELEN WOOD
1620 NW NYE ST
NEWPORT OR 97365

KEN E PETERSEN
245 NW 17TH ST
NEWPORT OR 97365

JINANJALI H WIMALASENA &
JASON S EIBNER
309 NW 17TH ST
NEWPORT OR 97365

JOSHUA R SIMPSON &
ANNA PARRY
315 NW 17TH ST
NEWPORT OR 97365

JOSHUA K LAMBERT &
STACY A POLKOWSKE
312 NW 16TH ST
NEWPORT OR 97365

BARBARA K FAHEY &
JUDITH A PALMER
330 NW 16TH ST
NEWPORT OR 97365

WILMA E LUCKINI
TRUSTEE
1211 SE RIVER RD
TOLEDO OR 97391

TERRY REBECCA BOSTWICK
338 NW 16TH ST
NEWPORT OR 97365

PEGGY S EARLE &
RICHARD FENDER
1624 NW OCEANVIEW DR
NEWPORT OR 97365

JEFFREY C PRIDGEON &
JILL PRIDGEON-BRANDSBERG
515 W OLIVE ST
NEWPORT OR 97365

****NO NEED TO MAIL****
CITY OF NEWPORT

EXHIBIT "A"
MAILING LABELS
Affected Properties

Wanda Haney

From: Sara Wedel <sarawedel@newportnewstimes.com>
Sent: Wednesday, December 17, 2014 12:57 PM
To: Wanda Haney
Subject: RE: City of Newport Legal Notice - File 2-SV-14

Thank you, Wanda. The notice will publish as requested.

Sara

Sara Wedel
News Times
Office Manager
541-265-8571 ext. 215
www.newportnewstimes.com

PCI POLICY: For the security of our customers we do not take credit card payments by e-mail. Please call 541-265-6080 or fax 541-265-3862 for all credit card transactions.

From: Wanda Haney [mailto:W.Haney@NewportOregon.gov]
Sent: Wednesday, December 17, 2014 10:41 AM
To: 'Sara Wedel'
Subject: City of Newport Legal Notice - File 2-SV-14

Sara,
Attached is a legal notice of a Planning Commission public hearing for our File No. 2-SV-14 for publication on 3 days: **Friday, January 9, 2015; Friday, January 16, 2015; and Wednesday, January 21, 2015**, please. Please confirm receipt of the notice & if it will publish on those dates.

Thanks,

Wanda Haney
City of Newport
Community Development Department
169 SW Coast Hwy
Newport, OR 97365
541-574-0629
FAX: 541-574-0644
w.haney@newportoregon.gov

CITY OF NEWPORT
NOTICE OF A PUBLIC HEARING ON A PARTIAL STREET VACATION

The Newport Planning Commission will hold a public hearing at 6:00 p.m. or shortly thereafter on Monday, January 26, 2014, in the City Hall Council Chambers, to review and make a recommendation to the Newport City Council on a partial street vacation (File No. 2-SV-14) as requested by Rex and Theresa Capri. The request, which was received on December 5, 2014, is for a proposed partial street vacation of the northern 30' wide portion of NW 17th Street abutting lots 16, 17 & 18, Block 8, BEACH PARK ADDITION (a portion of Tax Lot 7901 of Tax Map 11-11-05-BA) and the southern 30' wide portion of NW 18th Street abutting Lot 7, Block 8, BEACH PARK ADDITION (also a portion of Tax Lot 7901 of Tax Map 11-11-05-BA). Oregon Revised Statute (ORS) 271.120 requires that: (1) The consent of the owners of the requisite area have been obtained; (2) Notice has been duly given; and (3) The public interest will not be prejudiced by the vacation of such plat or street or parts thereof. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal (including to the Land Use Board of Appeals) based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by applicant, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Pursuant to ORS 197.763 (6), any person prior to the conclusion of the initial public hearing may request a continuance of the public hearing or that the record be left open for at least seven days to present additional evidence, arguments, or testimony regarding the application. The staff report may be reviewed or a copy purchased at the Newport Community Development (Planning) Department (address above) seven days prior to the hearing. The file materials and the applicable criteria are currently available for inspection at no cost or copies may be purchased for reasonable cost at this address. Contact Derrick Tokos, Community Development Director (541) 574-0626 (address above).

(FOR PUBLICATION ONCE ON FRIDAY, JANUARY 9, 2015; ONCE ON FRIDAY, JANUARY 16, 2015; AND ONCE ON WEDNESDAY, JANUARY 21, 2015.)

Attachment "C"
 Zoning Map of Area
 (File 2-SV-14)



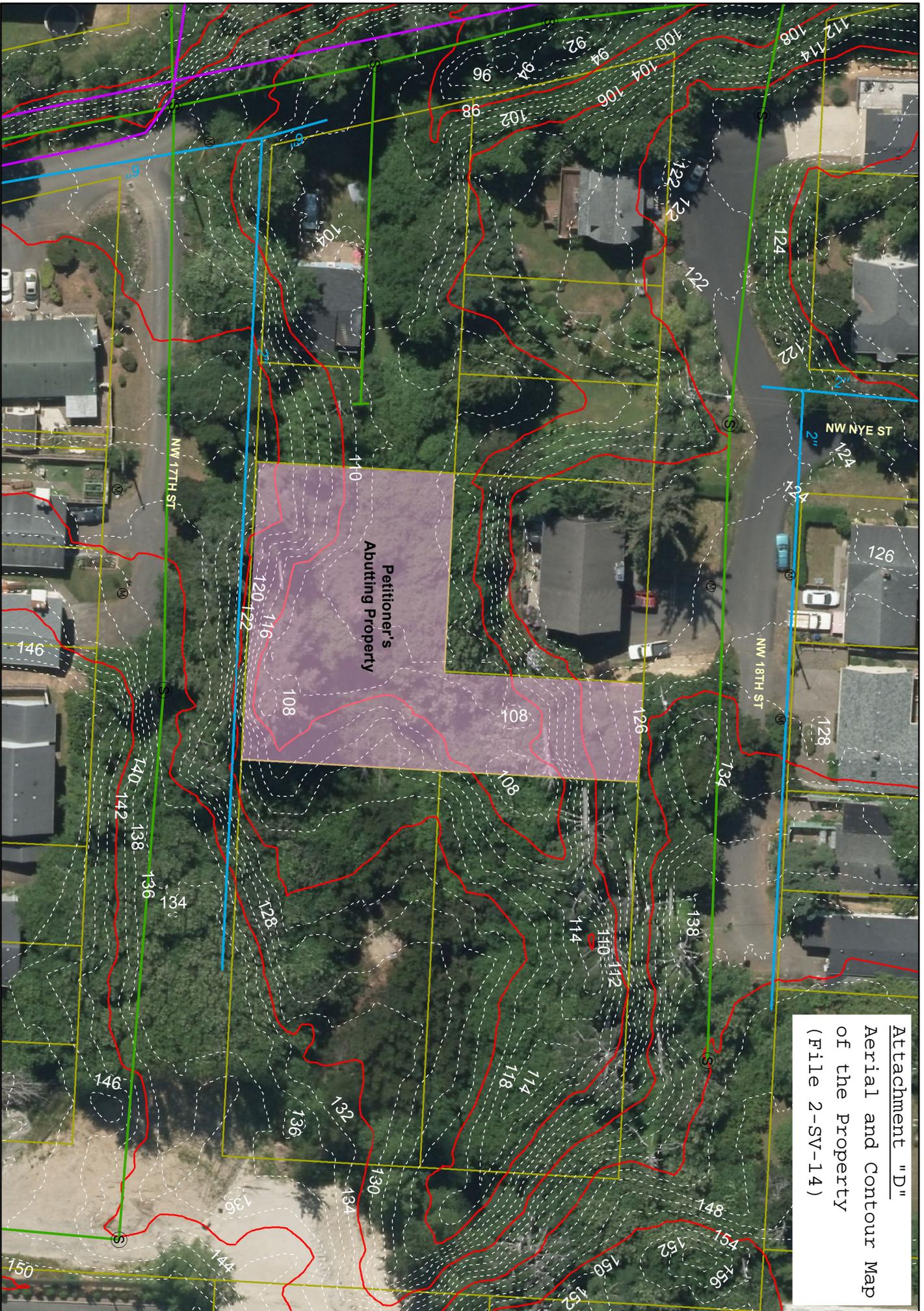
City of Newport Zoning Designations
 (Area Affected by Street Vacation Petition No. 2-SV-14)

NEWPORT
 OREGON
 City of Newport
 Community Development Department
 169 SW Coast Highway
 Newport, OR 97365
 Phone: 1.541.574.0629
 Fax: 1.541.574.0644

This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

Image Taken July 2013
 4-inch, 4-band Digital Orthophotos
 David Smith & Associates, Inc., Portland, OR

Attachment "D"
Aerial and Contour Map
of the Property
(File 2-SV-14)

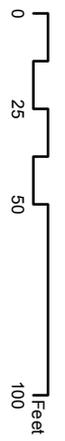


NEWPORT
City of Newport
Community Development Department
169 SW Coast Highway
Newport, OR 97365

Phone: 1.541.574.0629
Fax: 1.541.574.0644

Contour Map at 2-foot Intervals
(Area Affected by Street Vacation Petition No. 2-SV-14)

Image Taken July 2013
4-inch, 4-band Digital Orthophotos
David Smith & Associates, Inc. Portland, OR



This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport, Community Development Department.

VACATION

271.080 Vacation in incorporated cities; petition; consent of property owners. (1) Whenever any person interested in any real property in an incorporated city in this state desires to vacate all or part of any street, avenue, boulevard, alley, plat, public square or other public place, such person may file a petition therefor setting forth a description of the ground proposed to be vacated, the purpose for which the ground is proposed to be used and the reason for such vacation.

(2) There shall be appended to such petition, as a part thereof and as a basis for granting the same, the consent of the owners of all abutting property and of not less than two-thirds in area of the real property affected thereby. The real property affected thereby shall be deemed to be the land lying on either side of the street or portion thereof proposed to be vacated and extending laterally to the next street that serves as a parallel street, but in any case not to exceed 200 feet, and the land for a like lateral distance on either side of the street for 400 feet along its course beyond each terminus of the part proposed to be vacated. Where a street is proposed to be vacated to its termini, the land embraced in an extension of the street for a distance of 400 feet beyond each terminus shall also be counted. In the vacation of any plat or part thereof the consent of the owner or owners of two-thirds in area of the property embraced within such plat or part thereof proposed to be vacated shall be sufficient, except where such vacation embraces street area, when, as to such street area the above requirements shall also apply. The consent of the owners of the required amount of property shall be in writing.
[Amended by 1999 c.866 §2]

271.090 Filing of petition; notice. The petition shall be presented to the city recorder or other recording officer of the city. If found by the recorder to be sufficient, the recorder shall file it and inform at least one of the petitioners when the petition will come before the city governing body. A failure to give such information shall not be in any respect a lack of jurisdiction for the governing body to proceed on the petition.

271.100 Action by city governing body. The city governing body may deny the petition after notice to the petitioners of such proposed action, but if there appears to be no reason why the petition should not be allowed in whole or in part, the governing body shall fix a time for a formal hearing upon the petition.

271.110 Notice of hearing. (1) The city recorder or other recording officer of the city shall give notice of the petition and hearing by publishing a notice in the city official newspaper once each week for two consecutive weeks prior to the hearing. If no newspaper is published in such city, written notice of the petition and hearing shall be posted in three of the most public places in the city. The notices shall describe the ground covered by the petition, give the date it was filed, the name of at least one of the petitioners and the date when the petition, and any objection or remonstrance, which may be made in writing and filed with the recording officer of the city prior to the time of hearing, will be heard and considered.

(2) Within five days after the first day of publication of the notice, the city recording officer shall cause to be posted at or near each end of the proposed vacation a copy of the notice, which shall be headed, "Notice of Street Vacation," "Notice of Plat Vacation" or "Notice of Plat and Street Vacation," as the case may be. The notice shall be posted in at least two conspicuous places in the proposed vacation area. The posting and first day of publication of such notice shall be at least 14 days before the hearing.

(3) The city recording officer shall, before publishing such notice, obtain from the petitioners a sum sufficient to cover the cost of publication, posting and other anticipated expenses. The city recording officer shall hold the sum so obtained until the actual cost has been ascertained, when the

amount of the cost shall be paid into the city treasury and any surplus refunded to the depositor.
[Amended by 1991 c.629 §1; 2005 c.22 §196]

271.120 Hearing; determination. At the time fixed by the governing body for hearing the petition and any objections filed thereto or at any postponement or continuance of such matter, the governing body shall hear the petition and objections and shall determine whether the consent of the owners of the requisite area has been obtained, whether notice has been duly given and whether the public interest will be prejudiced by the vacation of such plat or street or parts thereof. If such matters are determined in favor of the petition the governing body shall by ordinance make such determination a matter of record and vacate such plat or street; otherwise it shall deny the petition. The governing body may, upon hearing, grant the petition in part and deny it in part, and make such reservations, or either, as appear to be for the public interest.

271.130 Vacation on city governing body's own motion; appeal. (1) The city governing body may initiate vacation proceedings authorized by ORS 271.080 and make such vacation without a petition or consent of property owners. Notice shall be given as provided by ORS 271.110, but such vacation shall not be made before the date set for hearing, nor if the owners of a majority of the area affected, computed on the basis provided in ORS 271.080, object in writing thereto, nor shall any street area be vacated without the consent of the owners of the abutting property if the vacation will substantially affect the market value of such property, unless the city governing body provides for paying damages. Provision for paying such damages may be made by a local assessment, or in such other manner as the city charter may provide.

(2) Two or more streets, alleys, avenues and boulevards, or parts thereof, may be joined in one proceeding, provided they intersect or are adjacent and parallel to each other.

(3) No ordinance for the vacation of all or part of a plat shall be passed by the governing body until the city recording officer has filed in the office of the city recording officer or indorsed on the petition for such vacation a certificate showing that all city liens and all taxes have been paid on the lands covered by the plat or portion thereof to be vacated.

(4) Any property owner affected by the order of vacation or the order awarding damages or benefits in such vacation proceedings may appeal to the circuit court of the county where such city is situated in the manner provided by the city charter. If the charter does not provide for such appeal, the appeal shall be taken within the time and in substantially the manner provided for taking an appeal from justice court in civil cases. [Amended by 1995 c.658 §101]

271.140 Title to vacated areas. The title to the street or other public area vacated shall attach to the lands bordering on such area in equal portions; except that where the area has been originally dedicated by different persons and the fee title to such area has not been otherwise disposed of, original boundary lines shall be adhered to and the street area which lies on each side of such boundary line shall attach to the abutting property on such side. If a public square is vacated the title thereto shall vest in the city. [Amended by 1981 c.153 §58]

271.150 Vacation records to be filed; costs. A certified copy of the ordinance vacating any street or plat area and any map, plat or other record in regard thereto which may be required or provided for by law, shall be filed for record with the county clerk. The petitioner for such vacation shall bear the recording cost and the cost of preparing and filing the certified copy of the ordinance and map. A certified copy of any such ordinance shall be filed with the county assessor and county surveyor.

271.160 Vacations for purposes of rededication. No street shall be vacated upon the petition of any person when it is proposed to replat or rededicate all or part of any street in lieu of the original

unless such petition is accompanied by a plat showing the proposed manner of replatting or rededicating. If the proposed manner of replatting or rededicating or any modification thereof which may subsequently be made meets with the approval of the city governing body, it shall require a suitable guarantee to be given for the carrying out of such replatting or rededication or may make any vacation conditional or to take effect only upon the consummation of such replatting or rededication.

271.170 Nature and operation of statutes. The provisions of ORS 271.080 to 271.160 are alternative to the provisions of the charter of any incorporated city and nothing contained in those statutes shall in anywise affect or impair the charter or other provisions of such cities for the preservation of public access to and from transportation terminals and navigable waters.

271.180 Vacations in municipalities included in port districts; petition; power of common council; vacating street along railroad easement. To the end that adequate facilities for terminal trackage, structures and the instrumentalities of commerce and transportation may be provided in cities and towns located within or forming a part of any port district organized as a municipal corporation in this state, the governing body of such cities and towns, upon the petition of any such port, or corporation empowered to own or operate a railroad, steamship or other transportation terminal, or railroad company entering or operating within such city or town, or owner of property abutting any such terminal, may:

(1) Authorize any port commission, dock commission, common carrier, railroad company or terminal company to occupy, by any structure, trackage or machinery facilitating or necessary to travel, transportation or distribution, any street or public property, or parts thereof, within such city or town, upon such reasonable terms and conditions as the city or town may impose.

(2) Vacate the whole or any part of any street, alley, common or public place, with such restrictions and upon such conditions as the city governing body may deem reasonable and for the public good.

(3) If any railroad company owns or has an exclusive easement upon a definite strip within or along any public street, alley, common or public place, and if the city governing body determines such action to be to the advantage of the public, vacate the street area between the strip so occupied by the railroad company and one property line opposite thereto, condition that the railroad company dedicates for street purposes such portion of such exclusive strip occupied by it as the city governing body may determine upon, and moves its tracks and facilities therefrom onto the street area so vacated. The right and title of the railroad company in the vacated area shall be of the same character as previously owned by it in the exclusive strip which it is required by the city governing body to surrender and dedicate to street purposes.

271.190 Consent of owners of adjoining property; other required approval. No vacation of all or part of a street, alley, common or public place shall take place under ORS 271.180 unless the consent of the persons owning the property immediately adjoining that part of the street or alley to be vacated is obtained thereto in writing and filed with the auditor or clerk of the city or town. No vacation shall be made of any street, alley, public place or part thereof, if within 5,000 feet of the harbor or pierhead line of the port, unless the port commission, or other bodies having jurisdiction over docks and wharves in the port district involved, approves the proposed vacation in writing.

271.200 Petition; notice. (1) Before any street, alley, common or public place or any part thereof is vacated, or other right granted by any city governing body under ORS 271.180 to 271.210 the applicant must petition the governing body of the city or town involved, setting forth the particular circumstances of the case, giving a definite description of the property sought to be vacated, or of the right, use or occupancy sought to be obtained, and the names of the persons to be particularly affected

thereby. The petition shall be filed with the auditor or clerk of the city or town involved 30 days previous to the taking of any action thereon by the city governing body.

(2) Notice of the pendency of the petition, containing a description of the area sought to be vacated or right, use or occupancy sought to be obtained, shall be published at least once each week for three successive weeks prior to expiration of such 30-day period in a newspaper of general circulation in the county wherein the city or town is located.

271.210 Hearing; grant of petition. Hearing upon the petition shall be had by the city governing body at its next regular meeting following the expiration of 30 days from the filing of the petition. At that time objections to the granting of the whole or any part of the petition shall be duly heard and considered by the governing body, which shall thereupon, or at any later time to which the hearing is postponed or adjourned, pass by a majority vote an ordinance setting forth the property to be vacated, or other rights, occupancy or use to be thereby granted. Upon the expiration of 30 days from the passage of the ordinance and the approval thereof by the mayor of the city or town, the ordinance shall be in full force and effect.

271.220 Filing of objections; waiver. All objections to the petition shall be filed with the clerk or auditor of the city or town within 30 days from the filing of the petition, and if not so filed shall be conclusively presumed to have been waived. The regularity, validity and correctness of the proceedings of the city governing body pursuant to ORS 271.180 to 271.210, shall be conclusive in all things on all parties, and cannot in any manner be contested in any proceeding whatsoever by any person not filing written objections within the time provided in this section.

271.230 Records of vacations; fees. (1) If any town or plat of any city or town is vacated by a county court or municipal authority of any city or town, the vacation order or ordinance shall be recorded in the deed records of the county. Whenever a vacation order or ordinance is so recorded, the county surveyor of such county shall, upon a copy of the plat that is certified by the county clerk, trace or shade with permanent ink in such manner as to denote that portion so vacated, and shall make the notation "Vacated" upon such copy of the plat, giving the book and page of the deed record in which the order or ordinance is recorded. Corrections or changes shall not be allowed on the original plat once it is recorded with the county clerk.

(2) For recording in the county deed records, the county clerk shall collect the same fee as for recording a deed. For the services of the county surveyor for marking the record upon the copy of the plat, the county clerk shall collect a fee as set by ordinance of the county governing body to be paid by the county clerk to the county surveyor. [Amended by 1971 c.621 §31; 1975 c.607 §31; 1977 c.488 §2; 1979 c.833 §30; 1999 c.710 §12; 2001 c.173 §5]

City of Newport

169 SW Coast Highway
Newport, OR 97365
P|541-574-3366 F|541-574-3301
<http://www.thecityofnewport.net/>



Memo

To: Derrick Tokos, Community Development Director

From: Timothy Gross, Director of Public Works/City Engineer

A handwritten signature in blue ink, appearing to be "TG", is written over the "From:" line.

Date: 1/12/2015

RE: REQUEST FOR STREET VACATION – REX AND THERESA CAPRI
NW 17TH ST AND NW 18TH STREET

This memo is in response to the land use request by Rex and Theresa Capri to vacate portions of NW 17th and NW 18th Streets east of Nye/Pine Streets. It is not in the best interests of the City of Newport to vacate portions of these rights of way (ROW). The City currently has both water and sewer infrastructure in both of these streets. The full ROW is needed to maintain these municipal utilities. Furthermore, there are also several private utilities including gas, electric, and phone in these ROW's.

It is also possible that NW 17th may be extended to the east to intersect with NW Grove Street. The subgrade of NW Grove has recently been extended to the north as part of the O'Reilly Auto Parts construction, and the as of yet undeveloped lot to the south may need to complete NW Grove Street up to their lot. If this is the case, several undeveloped lots then become accessible for development with the completion of NW 17th to NW Grove.

Encs. UTILITES – NW 17TH & 18TH STREETS MAP



City of Newport
 Engineering Department
 169 SW Coast Highway
 Newport, OR 97385

Phone: 1.541.574.3366
 Fax: 1.541.265.3301

**UTILITIES - NW17TH & 18TH STREETS
 CITY OF NEWPORT, OR**



This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Engineering Department.

PLANNING STAFF MEMORANDUM
FILE No. 5-CP-14

I. Applicant: City of Newport. (Initiated pursuant to authorization of the Newport City Council).

II. Request: Revisions to the Housing element of the Newport Comprehensive Plan to add policy and implementation strategies that the City can pursue to assist Oregon State University and others interested in developing multi-family housing in Newport.

III. Planning Commission Review and Recommendation: The Planning Commission will review the proposed amendments and provide a recommendation to the City Council. At a later date, the City Council will hold an additional public hearing prior to any decision on the amendments.

IV. Findings Required: The Newport Comprehensive Plan Section entitled “Administration of the Plan” (p. 287-288) requires findings regarding the following for the proposed amendments:

- A. **Data, Text, Inventories or Graphics:** (1) New or updated information.
- B. **Conclusions:** (1) 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; or (6) applicable 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.

These findings are addressed in the proposed ordinance, attached to this report.

V. Planning Staff Memorandum Attachments:

Attachment "A"	Draft of the proposed ordinance
Attachment "B"	Notice of public hearing
Attachment "C"	City Council Resolution No. 3700
Attachment "D"	Minutes from the September 8, 2014, November 10, 2014 and November 24, 2014 Planning Commission meetings
Attachment "E"	Report titled “Newport Student Housing Study – Expansion of the Hatfield Marine Science Center in Newport” by ECONorthwest, dated November 2014

VI. Notification: Notification for the proposed amendments included notification to the Department of Land Conservation & Development (DLCD) in accordance with the DLCD requirements on December 16, 2014. Notice of the Planning Commission hearing was published in the Newport News-Times on January 16, 2015 (Attachment "B").

VII. Comments: As of January 23, 2015, no written comments have been submitted on the proposed amendments.

VIII. Discussion of Request: Oregon State University is constructing a 100,000 square foot research education building as part of its initiative to expand the Hatfield Marine Science Center (HMSC) campus to accommodate 450 additional students, along with 40 to 60 new faculty members and staff. This first phase of the expansion is estimated to cost approximately \$50 million, and the University has secured about half of the needed funding. Construction is anticipated to begin in 2017 and will be completed in 2018.

Current vacancy rates for rental units in the City of Newport fluctuate between two and three percent. The City has a deficit of nearly 500 affordable housing units for households that earned less than \$25,000 and more than one-third of its households cannot afford a two-bedroom apartment at HUD's fair market rent level of \$759 (for the 2005-2009 reporting period).

Recognizing the need to get ahead of the planned expansion to ensure adequate housing will be available to meet the anticipated demand, the City of Newport secured \$7,500 from the Department of Land Conservation and Development (DLCD) and Lincoln County contributed \$7,500 to fund a planning effort to (a) evaluate the impacts additional students and faculty will have on the City's existing rental housing inventory; (b) review the City's buildable lands inventory and housing policies; (c) identify lands suitable for student housing; (d) research public/private partnerships and incentives available to address student housing needs; and (e) prepare policies and strategies that can be pursued in Newport to promote the realization of additional multi-family development, including student housing.

A stakeholder group was formed to guide the planning process. It included representatives from OSU, the Oregon Coast Community College, the Department of Land Conservation and Development (DLCD), staff from local governments in Lincoln County, and individuals with direct experience in real property development and rental housing management. The consulting firm ECONorthwest was hired to assist the stakeholder group, which met three times from late October through mid-November. The effort culminated in a report, by ECONorthwest, containing findings and recommendations that confirm there is adequate land in Newport upon which student housing can be constructed to meet the anticipated demand; identify strategies that OSU can take to ensure that student housing is developed to support the HMSC Expansion; and outline policies and strategies the City of Newport should pursue to support the development of student and multi-family housing. The report is titled "Newport Student Housing: Expansion of the Hatfield Marine Science Center, dated November 2014.

On December 1, 2014 the Newport City Council adopted Resolution No. 3700, a resolution accepting the analysis and recommendations of ECONorthwest report. Further, the resolution directed the Newport Planning Commission to evaluate the policy and implementation measures identified in the report and provide a recommendation for how they might be incorporated into the City of Newport's Comprehensive Plan.

The ECONorthwest report calls for the City to encourage development of multi-family housing, including student housing, throughout the City in areas that allow multi-family development. This is to be accomplished by evaluating opportunities to incentivize such development through use of a multiple unit tax exemption, or by leveraging Community Block Grant Funds. Additionally, the report identifies a need for the City to work with individuals that own property in the vicinity of, and including the Wilder development, and the Oregon Department of Transportation to ensure that an adequate amount of appropriately zoned land is available for multi-family development.

IX. Conclusion and Recommendation: The Planning Commission should review the proposed amendments and make a recommendation to the City Council. As this is a legislative process, the Commission may recommend changes to the amendments if the Commission chooses to do so. The City Council may also make changes to the proposal prior to adoption of a final decision.



Derrick I. Tokos AICP
Community Development Director
City of Newport

January 23, 2015

CITY OF NEWPORT

ORDINANCE NO. 2076

**AN ORDINANCE AMENDING THE HOUSING ELEMENT
OF THE CITY OF NEWPORT COMPREHENSIVE PLAN
TO INCORPORATE RECOMMENDATIONS IN THE
NEWPORT STUDENT HOUSING REPORT
(File No. 5-CP-14)**

Summary of Findings:

1. On December 1, 2014 the Newport City Council adopted Resolution No. 3700, a resolution accepting the analysis and recommendations of the Newport Student Housing Study prepared by ECONorthwest. That study, dated November 2014, evaluated how the Newport housing market will be impacted by Oregon State University's proposal to expand the Hatfield Marine Science Center to accommodate 450 additional students and 40 to 60 faculty members and staff over the next ten years.
2. The ECONorthwest study analyses the impact that additional students and faculty will have on the City's existing rental housing inventory; assesses the City's buildable lands inventory and housing policies in light of this potential development; identifies lands within the city that are suitable for student housing; outlines public/private partnership opportunities and incentive programs available to facilitate the construction of multi-family units for student and workforce housing; and recommends policy and implementation measures that the City of Newport can pursue to promote the realization of additional multi-family development.
3. A stakeholder group was formed to guide ECONorthwest's work. It included representatives from Oregon State University, the Oregon Coast Community College, the Department of Land Conservation and Development, representatives from local governments in Lincoln County, and individuals with direct experience in real property development and rental housing management.
4. In adopting Resolution No. 3700, the Newport City Council directed the Newport Planning Commission to evaluate the policy and implementation measures identified in the report and provide a recommendation for how they might be incorporated into the City of Newport's Comprehensive Plan.
5. The Newport Planning Commission actively participated in the development of the scope of work for ECONorthwest's report, was apprised of policy and implementation measures as they were developed, and reviewed recommendations contained in the final draft of the report prior to the document being presented to the City Council. This occurred at work sessions on September 8, 2014 and November 24, 2014 and a regular meeting on November 10, 2014.
6. On January 26, 2015, the Newport Planning Commission conducted a public hearing to consider the policy and implementation measures contained in the report and, after taking testimony and reviewing the information contained in the record, recommend that the City Council adopt the changes into the Housing element of the Newport Comprehensive Plan.

7. The policy and implementation measures contained in the ECONorthwest report provide a well thought out strategy that the City of Newport can pursue to assist Oregon State University and others interested in developing multi-family housing in Newport. This is an area where the existing Housing element in the Newport Comprehensive Plan provides little guidance. The ECONorthwest report calls for the City to encourage development of multi-family housing, including student housing, throughout the City in areas that allow multi-family development. This is to be accomplished by evaluating opportunities to incentivize such development through use of a multiple unit tax exemption, or by leveraging Community Block Grant Funds. Further, the City will work with individuals that own property in the vicinity of, and including the Wilder development, and the Oregon Department of Transportation to ensure that an adequate amount of appropriately zoned land is available for multi-family development.

8. These amendments to the Housing element of the Newport Comprehensive Plan are consistent with applicable Statewide Planning Goals in that the changes:

- a. Have been developed and vetted with affected stakeholders and the City of Newport Planning Commission and its Advisory Committee consistent with Statewide Planning Goal 1, Public Involvement; and
- b. Provide a policy basis to support future fact based land use decision making processes to enhance the availability of land available for multi-family development and to incentivize such development, consistent with Statewide Planning Goal 2, Land Use Planning; and
- c. Provide a policy framework that will allow the City of Newport to proactively work with affected stakeholders and developers to ensure needed multifamily units are developed concurrent with substantial new development like the planned expansion of the Hatfield Marine Science Center campus. This will help to ensure that there is an adequate number of needed housing units at price ranges and rent levels affordable to Newport residents consistent with Statewide Planning Goal 8. A policy framework that promotes the objective of ensuring that Newport possesses an adequate number of affordable multi-family units is also consistent with Statewide Planning Goal 9 because workers that have access to adequate housing ensures that there will be a workforce available to area employers at salaries they can afford; and
- d. Support the timely, orderly, and efficient arrangement of public facilities and services, and the safe and convenient extension of the City's transportation system by ensuring that changes to residential densities in vicinity of Wilder are properly coordinated amongst affected property owners and agencies, as encouraged by Statewide Planning Goals 11 and 12.

9. No other Statewide Planning Goals are applicable to the proposed changes to the Housing element of the Newport Comprehensive Plan.

10. Since the rationale for the new policy and implementation measures is spelled out in detail in the report titled "Newport Student Housing Study - Expansion of the Hatfield Marine Science Center in Newport," dated November 2014, it is appropriate that the document be included as an appendices to the Newport Comprehensive Plan.

11. The City Council held a public hearing on _____ regarding the question of the proposed amendments, and voted in favor of their adoption after considering the recommendation of the Planning Commission and evidence and argument in the record.

12. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The Housing element of the City of Newport Comprehensive Plan is hereby amended as set forth in Exhibit "A".

Section 2. Appendix "D" to the City of Newport Comprehensive Plan is amended to include the document titled "Newport Student Housing - Expansion of the Hatfield Marine Science Center in Newport," prepared by ECONorthwest, dated November 2014.

Section 3. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: _____

Signed by the Mayor on _____, 2015.

Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

(Note: Language being added is identified with a double underline.)

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 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.

NOTICE OF A PUBLIC HEARING

Attachment "B"
Planning Commission
Staff Report
(File No. 5-CP-14)

The City of Newport Planning Commission will hold a public hearing on Monday, January 26, 2015, at 6:00 p.m. or shortly thereafter in the City Hall Council Chambers to review and make a recommendation to the Newport City Council on a Comprehensive Plan text amendment (File No. 5-CP-14). A public hearing before the City Council will be held at a later date, and notice of that hearing will also be provided. The proposed legislative amendment is to the housing element of the Newport Comprehensive Plan to include new policies and implementing measures to encourage the development of multi-family housing, including student housing, as recommended in the Newport Student Housing Report, prepared by ECONorthwest, dated November 2014. The Newport Comprehensive Plan Section entitled "Administration of the Plan" (p. 287-288) requires findings regarding the following for such amendments: A. Data, Text, Inventories or Graphics Amendment: 1) New or updated information. B. Conclusions Amendment: 1) Change or addition to the data, text, inventories, or graphics which significantly affects a conclusion that is drawn for that information. C. Goal and Policy Amendments: 1) A significant change in one or more conclusions; 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. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from proponents, testimony from opponents, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Material related to the proposed amendment may be reviewed or a copy purchased at the Newport Community Development (Planning) Department (address above). Please note that this is a legislative public hearing process and changes to the proposed amendment may be recommended and made through the public hearing process and those changes may also be viewed or a copy purchased. Contact Derrick Tokos, AICP, Newport Community Development Director, (541) 574-0626, email address d.tokos@newportoregon.gov (mailing address above).

(For Publication Once on Friday, January 16, 2015)

... on an beaches, rocks, jetties, and at the entrance to bays in this section of the Oregon Coast. Opportunities to collect razor clams are still available along Oregon beaches north of Heceta Head. Mussels are open along the entire Oregon coast. Due to potential biotoxins, consuming whole scallops is not recommended. However, a scallop's adductor muscle does not accumulate biotoxins and may be safe for consumption. Scallops are not being

... in the bay or out to the ocean. Check out the monthly crab report for data by port. Some sport crabbers have difficulty correctly measuring the minimum size for Dungeness crab, which is 5 3/4 inches measured in a straight line across the back immediately in front of, but not including, the points.

MID COAST LAKES
The rainbow trout stocking program will begin in many mid coast lakes in early February. Be sure to check out the 2015 stocking schedule for the most up-to-date information. Fishing for the various warm

... County is high at this time of year, especially south of Coos Bay. At Simpson Reef, a heavily used haul out exists. From the lookout, viewers can see California sea lions, Steller sea lions, harbor seals and elephant seals. Do not approach seals and sea lions you may find on Oregon beaches. If you think an animal you find is in trouble, contact your local ODFW office to report the animal or contact the Marine Mammal Stranding Network at 800-452-7888.

SEA TURTLES
Although several species of sea turtles occur in the ocean

... a Tundra Bean Goose. This may be the first time this species, normally found in Asia and Europe, has been seen in the lower 48 states. In other avian news, Surf Scoters, regular winter visitors to Oregon, are returning in large numbers from their summer range in northern Canada and Alaska. Nicknamed "skunk-headed coots," Surf Scoters are large, velvety black ducks with white patches on their heads and faces and colorful beaks.

Great places to view seabirds and perhaps a bald eagle are: Yaquina Head Outstanding Natural Area (the deck be-

... side buildings, the breakwater makes a cove. Begin to scan the water for harbor seals. You will see a nose, or flipper or a head. Stop and watch them—they seem to like company. A few adults and two or three pups are often spotted there.

To the west of the cove toward the ocean is the first of three boulder breakwaters. If the rocks are visible (low to mid tide), you could see surf scoters, coots, buffleheads, surf scoters, great blue herons, grebes, and two types of cormorants. Between the first and second breakwaters there are usually buffleheads, grebes and loons. Sometimes

... ing over the grasses. Ju the first breakwater, l the flooded area with grasses for mallards. are there now, and the are chasing each other alone with the females.

Viewing MapFor a active adventure, bring cles or running shoes a plore the trails leading South Jetty road into Beach State Park. These connect with the South State Park campground day use area, and offer of paved and packed di faces, as well as sandy access. Raptors and wildlife abound.

PUBLIC NOTICES

LEGAL DEADLINES:
WEDNESDAY EDITION:
5 p.m. Thursday
FRIDAY EDITION:
5 p.m. Tuesday

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR THE COUNTY OF LINCOLN BANK OF AMERICA, N.A., AS SUCCESSOR TO MERRITT BAC HOME LOANS SERVICING, LP FKA COUNTYWIDE HOME LOANS SERVICING LP, PLAINTIFF V. ALEXANDER ESMALOV AND CODY W. REDFEARN, CITIBANK SOUTH DAKOTA, NA, SUCCESSOR OF OREGON, BORGHESE ELECTRONIC REGISTRATION SYSTEMS, INC., CITIMORTGAGE, INC., OCCUPANTS, DEFENDANTS. CASE NO. 143233 BUNIONS BY PUBLICATION. NOTICE TO DEFENDANTS READ THESE PAPERS CAREFULLY. You must "appear" in this case or the other side will win automatically. To "appear" you must file with the court a legal paper called a "motion" or "answer." The "motion" or "answer" must be given to the court clerk or administrator within 30 days of the date of this publication. 12/27/2014, along with the required filing fee. It must be in proper form and have proof of service on the Plaintiff's attorney or, if the Plaintiff does not have an attorney, proof of service on the Plaintiff. The subject of this is a judicial foreclosure of real property commonly known as 125 NW 5th Street, Toledo, OR 97391 for non-payment of mortgage debt. If you have questions, you should see an attorney immediately. If you need help in retaining an attorney, you may call the Oregon State Bar's Lawyer Referral Service at (503) 864-3765 or file in Oregon at (800) 452-7888. DATED: December 23, 2014. Dylis/Ketner/E. Giogovaid, OSB #0353386, Allegiant Law Group, 508 East Ave Ste 2800, Portland, WA 98104 (509) 803-9988. Fax (509) 405-2701. D-27, J-3, 09, 16 (83-16)

NOTICE OF SHERIFF'S SALE #14-1674
On January 27, 2015, at the hour of 10:00 a.m. at the Lincoln County Sheriff's Office, 225 W. Olive St., Rm 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-27, J-3, 09, 16 (83-16)

NOTICE OF SHERIFF'S SALE #14-1674
On January 27, 2015, at the hour of 10:00 a.m. at the Lincoln County Sheriff's Office, 225 W. Olive St., Rm 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-27, J-3, 09, 16 (83-16)

NOTICE OF SHERIFF'S SALE #14-1673
On January 27, 2015, at the hour of 10:00 a.m. at the Lincoln County Sheriff's Office, 225 W. Olive St., Rm 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-27, J-3, 09, 16 (83-16)

assigns, plaintiff vs. Wally T. Cutchin; Jill H. Cutchin; USAA Federal Savings Bank; and Occupants of 2301 NW 10th Street. This is a public auction to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-26, J-03, 09, 16 (85-16)

NOTICE OF SHERIFF'S SALE #14-1688
On January 20, 2015, at the hour of 10:00 a.m. at the Lincoln County Sheriff's Office, 225 W. Olive St., Rm 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-27, J-3, 09, 16 (85-16)

NOTICE OF SHERIFF'S SALE #14-1688
On February 4, 2015, at the hour of 10:00 a.m. at the Lincoln County Sheriff's Office, 225 W. Olive St., Rm 203, in the City of Newport, Oregon, the defendant's interest will be sold, subject to redemption, to the highest bidder for cash or cashier's check, in hand. For more details go to <http://www.oregonsheriff.com/sales-info.htm>. D-27, J-3, 09, 16 (85-16)

PROPERTY NOTICE 01/09/15
The Toledo Police Department, 250 W Highway 20, Toledo, OR 97391, has in its physical possession the unclaimed property described below. If you have any ownership interest in any of that unclaimed property, you should file a claim with the Toledo Police Department within thirty (30) days from the date of publication of this notice (December 23rd, 2014), or you will lose your interest in that property. 1. Backpacks/Sulcases, 2. Bicycles, 3. Cash, 4. Cell Phones/chargers, 5. Credit Cards, 6. Ego Glasses, 7. E-w e l r y, 8. Golf Clubs, 9. Hats, 11. Knives, 12. MP3 Players, 13. iPods, 13. Pager, 14. Power Tools, 15. Purses, 16. Soccer equipment, 16. Sports Equipment, 17. Stereo Equipment, 20. Wallets. Please direct all inquiries to the Property Technician at the Toledo Police Department 503-864-5555. J-9, 14, 16 (79-16)

NOTICE OF SALE OF PROPERTY UNDER LANDLORD'S POSSESSORY LIEN
Personal property left in the following units have been seized for non-payment of rent and will be sold at the Storage Depot, 125 SW Kettner Blvd., Newport, OR 97394 on January 29, 2015. The following units are for sale: 1017, 1018, 1019, 1020, 1021, 1022, 1023, 1024, 1025, 1026, 1027, 1028, 1029, 1030, 1031, 1032, 1033, 1034, 1035, 1036, 1037, 1038, 1039, 1040, 1041, 1042, 1043, 1044, 1045, 1046, 1047, 1048, 1049, 1050, 1051, 1052, 1053, 1054, 1055, 1056, 1057, 1058, 1059, 1060, 1061, 1062, 1063, 1064, 1065, 1066, 1067, 1068, 1069, 1070, 1071, 1072, 1073, 1074, 1075, 1076, 1077, 1078, 1079, 1080, 1081, 1082, 1083, 1084, 1085, 1086, 1087, 1088, 1089, 1090, 1091, 1092, 1093, 1094, 1095, 1096, 1097, 1098, 1099, 1100, 1101, 1102, 1103, 1104, 1105, 1106, 1107, 1108, 1109, 1110, 1111, 1112, 1113, 1114, 1115, 1116, 1117, 1118, 1119, 1120, 1121, 1122, 1123, 1124, 1125, 1126, 1127, 1128, 1129, 1130, 1131, 1132, 1133, 1134, 1135, 1136, 1137, 1138, 1139, 1140, 1141, 1142, 1143, 1144, 1145, 1146, 1147, 1148, 1149, 1150, 1151, 1152, 1153, 1154, 1155, 1156, 1157, 1158, 1159, 1160, 1161, 1162, 1163, 1164, 1165, 1166, 1167, 1168, 1169, 1170, 1171, 1172, 1173, 1174, 1175, 1176, 1177, 1178, 1179, 1180, 1181, 1182, 1183, 1184, 1185, 1186, 1187, 1188, 1189, 1190, 1191, 1192, 1193, 1194, 1195, 1196, 1197, 1198, 1199, 1200, 1201, 1202, 1203, 1204, 1205, 1206, 1207, 1208, 1209, 1210, 1211, 1212, 1213, 1214, 1215, 1216, 1217, 1218, 1219, 1220, 1221, 1222, 1223, 1224, 1225, 1226, 1227, 1228, 1229, 1230, 1231, 1232, 1233, 1234, 1235, 1236, 1237, 1238, 1239, 1240, 1241, 1242, 1243, 1244, 1245, 1246, 1247, 1248, 1249, 1250, 1251, 1252, 1253, 1254, 1255, 1256, 1257, 1258, 1259, 1260, 1261, 1262, 1263, 1264, 1265, 1266, 1267, 1268, 1269, 1270, 1271, 1272, 1273, 1274, 1275, 1276, 1277, 1278, 1279, 1280, 1281, 1282, 1283, 1284, 1285, 1286, 1287, 1288, 1289, 1290, 1291, 1292, 1293, 1294, 1295, 1296, 1297, 1298, 1299, 1300, 1301, 1302, 1303, 1304, 1305, 1306, 1307, 1308, 1309, 1310, 1311, 1312, 1313, 1314, 1315, 1316, 1317, 1318, 1319, 1320, 1321, 1322, 1323, 1324, 1325, 1326, 1327, 1328, 1329, 1330, 1331, 1332, 1333, 1334, 1335, 1336, 1337, 1338, 1339, 1340, 1341, 1342, 1343, 1344, 1345, 1346, 1347, 1348, 1349, 1350, 1351, 1352, 1353, 1354, 1355, 1356, 1357, 1358, 1359, 1360, 1361, 1362, 1363, 1364, 1365, 1366, 1367, 1368, 1369, 1370, 1371, 1372, 1373, 1374, 1375, 1376, 1377, 1378, 1379, 1380, 1381, 1382, 1383, 1384, 1385, 1386, 1387, 1388, 1389, 1390, 1391, 1392, 1393, 1394, 1395, 1396, 1397, 1398, 1399, 1400, 1401, 1402, 1403, 1404, 1405, 1406, 1407, 1408, 1409, 1410, 1411, 1412, 1413, 1414, 1415, 1416, 1417, 1418, 1419, 1420, 1421, 1422, 1423, 1424, 1425, 1426, 1427, 1428, 1429, 1430, 1431, 1432, 1433, 1434, 1435, 1436, 1437, 1438, 1439, 1440, 1441, 1442, 1443, 1444, 1445, 1446, 1447, 1448, 1449, 1450, 1451, 1452, 1453, 1454, 1455, 1456, 1457, 1458, 1459, 1460, 1461, 1462, 1463, 1464, 1465, 1466, 1467, 1468, 1469, 1470, 1471, 1472, 1473, 1474, 1475, 1476, 1477, 1478, 1479, 1480, 1481, 1482, 1483, 1484, 1485, 1486, 1487, 1488, 1489, 1490, 1491, 1492, 1493, 1494, 1495, 1496, 1497, 1498, 1499, 1500, 1501, 1502, 1503, 1504, 1505, 1506, 1507, 1508, 1509, 1510, 1511, 1512, 1513, 1514, 1515, 1516, 1517, 1518, 1519, 1520, 1521, 1522, 1523, 1524, 1525, 1526, 1527, 1528, 1529, 1530, 1531, 1532, 1533, 1534, 1535, 1536, 1537, 1538, 1539, 1540, 1541, 1542, 1543, 1544, 1545, 1546, 1547, 1548, 1549, 1550, 1551, 1552, 1553, 1554, 1555, 1556, 1557, 1558, 1559, 1560, 1561, 1562, 1563, 1564, 1565, 1566, 1567, 1568, 1569, 1570, 1571, 1572, 1573, 1574, 1575, 1576, 1577, 1578, 1579, 1580, 1581, 1582, 1583, 1584, 1585, 1586, 1587, 1588, 1589, 1590, 1591, 1592, 1593, 1594, 1595, 1596, 1597, 1598, 1599, 1600, 1601, 1602, 1603, 1604, 1605, 1606, 1607, 1608, 1609, 1610, 1611, 1612, 1613, 1614, 1615, 1616, 1617, 1618, 1619, 1620, 1621, 1622, 1623, 1624, 1625, 1626, 1627, 1628, 1629, 1630, 1631, 1632, 1633, 1634, 1635, 1636, 1637, 1638, 1639, 1640, 1641, 1642, 1643, 1644, 1645, 1646, 1647, 1648, 1649, 1650, 1651, 1652, 1653, 1654, 1655, 1656, 1657, 1658, 1659, 1660, 1661, 1662, 1663, 1664, 1665, 1666, 1667, 1668, 1669, 1670, 1671, 1672, 1673, 1674, 1675, 1676, 1677, 1678, 1679, 1680, 1681, 1682, 1683, 1684, 1685, 1686, 1687, 1688, 1689, 1690, 1691, 1692, 1693, 1694, 1695, 1696, 1697, 1698, 1699, 1700, 1701, 1702, 1703, 1704, 1705, 1706, 1707, 1708, 1709, 1710, 1711, 1712, 1713, 1714, 1715, 1716, 1717, 1718, 1719, 1720, 1721, 1722, 1723, 1724, 1725, 1726, 1727, 1728, 1729, 1730, 1731, 1732, 1733, 1734, 1735, 1736, 1737, 1738, 1739, 1740, 1741, 1742, 1743, 1744, 1745, 1746, 1747, 1748, 1749, 1750, 1751, 1752, 1753, 1754, 1755, 1756, 1757, 1758, 1759, 1760, 1761, 1762, 1763, 1764, 1765, 1766, 1767, 1768, 1769, 1770, 1771, 1772, 1773, 1774, 1775, 1776, 1777, 1778, 1779, 1780, 1781, 1782, 1783, 1784, 1785, 1786, 1787, 1788, 1789, 1790, 1791, 1792, 1793, 1794, 1795, 1796, 1797, 1798, 1799, 1800, 1801, 1802, 1803, 1804, 1805, 1806, 1807, 1808, 1809, 1810, 1811, 1812, 1813, 1814, 1815, 1816, 1817, 1818, 1819, 1820, 1821, 1822, 1823, 1824, 1825, 1826, 1827, 1828, 1829, 1830, 1831, 1832, 1833, 1834, 1835, 1836, 1837, 1838, 1839, 1840, 1841, 1842, 1843, 1844, 1845, 1846, 1847, 1848, 1849, 1850, 1851, 1852, 1853, 1854, 1855, 1856, 1857, 1858, 1859, 1860, 1861, 1862, 1863, 1864, 1865, 1866, 1867, 1868, 1869, 1870, 1871, 1872, 1873, 1874, 1875, 1876, 1877, 1878, 1879, 1880, 1881, 1882, 1883, 1884, 1885, 1886, 1887, 1888, 1889, 1890, 1891, 1892, 1893, 1894, 1895, 1896, 1897, 1898, 1899, 1900, 1901, 1902, 1903, 1904, 1905, 1906, 1907, 1908, 1909, 1910, 1911, 1912, 1913, 1914, 1915, 1916, 1917, 1918, 1919, 1920, 1921, 1922, 1923, 1924, 1925, 1926, 1927, 1928, 1929, 1930, 1931, 1932, 1933, 1934, 1935, 1936, 1937, 1938, 1939, 1940, 1941, 1942, 1943, 1944, 1945, 1946, 1947, 1948, 1949, 1950, 1951, 1952, 1953, 1954, 1955, 1956, 1957, 1958, 1959, 1960, 1961, 1962, 1963, 1964, 1965, 1966, 1967, 1968, 1969, 1970, 1971, 1972, 1973, 1974, 1975, 1976, 1977, 1978, 1979, 1980, 1981, 1982, 1983, 1984, 1985, 1986, 1987, 1988, 1989, 1990, 1991, 1992, 1993, 1994, 1995, 1996, 1997, 1998, 1999, 2000, 2001, 2002, 2003, 2004, 2005, 2006, 2007, 2008, 2009, 2010, 2011, 2012, 2013, 2014, 2015, 2016, 2017, 2018, 2019, 2020, 2021, 2022, 2023, 2024, 2025, 2026, 2027, 2028, 2029, 2030, 2031, 2032, 2033, 2034, 2035, 2036, 2037, 2038, 2039, 2040, 2041, 2042, 2043, 2044, 2045, 2046, 2047, 2048, 2049, 2050, 2051, 2052, 2053, 2054, 2055, 2056, 2057, 2058, 2059, 2060, 2061, 2062, 2063, 2064, 2065, 2066, 2067, 2068, 2069, 2070, 2071, 2072, 2073, 2074, 2075, 2076, 2077, 2078, 2079, 2080, 2081, 2082, 2083, 2084, 2085, 2086, 2087, 2088, 2089, 2090, 2091, 2092, 2093, 2094, 2095, 2096, 2097, 2098, 2099, 2100, 2101, 2102, 2103, 2104, 2105, 2106, 2107, 2108, 2109, 2110, 2111, 2112, 2113, 2114, 2115, 2116, 2117, 2118, 2119, 2120, 2121, 2122, 2123, 2124, 2125, 2126, 2127, 2128, 2129, 2130, 2131, 2132, 2133, 2134, 2135, 2136, 2137, 2138, 2139, 2140, 2141, 2142, 2143, 2144, 2145, 2146, 2147, 2148, 2149, 2150, 2151, 2152, 2153, 2154, 2155, 2156, 2157, 2158, 2159, 2160, 2161, 2162, 2163, 2164, 2165, 2166, 2167, 2168, 2169, 2170, 2171, 2172, 2173, 2174, 2175, 2176, 2177, 2178, 2179, 2180, 2181, 2182, 2183, 2184, 2185, 2186, 2187, 2188, 2189, 2190, 2191, 2192, 2193, 2194, 2195, 2196, 2197, 2198, 2199, 2200, 2201, 2202, 2203, 2204, 2205, 2206, 2207, 2208, 2209, 2210, 2211, 2212, 2213, 2214, 2215, 2216, 2217, 2218, 2219, 2220, 2221, 2222, 2223, 2224, 2225, 2226, 2227, 2228, 2229, 2230, 2231, 2232, 2233, 2234, 2235, 2236, 2237, 2238, 2239, 2240, 2241, 2242, 2243, 2244, 2245, 2246, 2247, 2248, 2249, 2250, 2251, 2252, 2253, 2254, 2255, 2256, 2257, 2258, 2259, 2260, 2261, 2262, 2263, 2264, 2265, 2266, 2267, 2268, 2269, 2270, 2271, 2272, 2273, 2274, 2275, 2276, 2277, 2278, 2279, 2280, 2281, 2282, 2283, 2284, 2285, 2286, 2287, 2288, 2289, 2290, 2291, 2292, 2293, 2294, 2295, 2296, 2297, 2298, 2299, 2300, 2301, 2302, 2303, 2304, 2305, 2306, 2307, 2308, 2309, 2310, 2311, 2312, 2313, 2314, 2315, 2316, 2317, 2318, 2319, 2320, 2321, 2322, 2323, 2324, 2325, 2326, 2327, 2328, 2329, 2330, 2331, 2332, 2333, 2334, 2335, 2336, 2337, 2338, 2339, 2340, 2341, 2342, 2343, 2344, 2345, 2346, 2347, 2348, 2349, 2350, 2351, 2352, 2353, 2354, 2355, 2356, 2357, 2358, 2359, 2360, 2361, 2362, 2363, 2364, 2365, 2366, 2367, 2368, 2369, 2370, 2371, 2372, 2373, 2374, 2375, 2376, 2377, 2378, 2379, 2380, 2381, 2382, 2383, 2384, 2385, 2386, 2387, 2388, 2389, 2390, 2391, 2392, 2393, 2394, 2395, 2396, 2397, 2398, 2399, 2400, 2401, 2402, 2403, 2404, 2405, 2406, 2407, 2408, 2409, 2410, 2411, 2412, 2413, 2414, 2415, 2416, 2417, 2418, 2419, 2420, 2421, 2422, 2423, 2424, 2425, 2426, 2427, 2428, 2429, 2430, 2431, 2432, 2433, 2434, 2435, 2436, 2437, 2438, 2439, 2440, 2441, 2442, 2443, 2444, 2445, 2446, 2447, 2448, 2449, 2450, 2451, 2452, 2453, 2454, 2455, 2456, 2457, 2458, 2459, 2460, 2461, 2462, 2463, 2464, 2465, 2466, 2467, 2468, 2469, 2470, 2471, 2472, 2473, 2474, 2475, 2476, 2477, 2478, 2479, 2480, 2481, 2482, 2483, 2484, 2485, 2486, 2487, 2488, 2489, 2490, 2491, 2492, 2493, 2494, 2495, 2496, 2497, 2498, 2499, 2500, 2501, 2502, 2503, 2504, 2505, 2506, 2507, 2508, 2509, 2510, 2511, 2512, 2513, 2514, 2515, 2516, 2517, 2518, 2519, 2520, 2521, 2522, 2523, 2524, 2525, 2526, 2527, 252

RESOLUTION NO. 3700

A RESOLUTION ACCEPTING THE ANALYSIS
AND RECOMMENDATIONS OF THE
NEWPORT STUDENT HOUSING REPORT

FINDINGS:

1. The City of Newport strongly supports the proposed development of a Marine Student Campus Program at the Hatfield Marine Science Center (HMSC) and is committed to collaborating with Oregon State University (OSU) to identify and proactively address the impacts such a development will likely have on the community.
2. Expansion of the HMSC will increase the number of students from 50 to 500, and will add an additional 40 to 60 faculty members and staff. This places a significant demand on Newport's already tight housing market.
3. Recognizing the need to proactively plan for how this housing demand will be met, the City of Newport and Lincoln County, in consultation with OSU, engaged a group of affected stakeholders to evaluate the impacts additional students and faculty will have on the City's existing rental housing inventory; review the City's buildable lands inventory and housing policies; identify lands suitable for student housing; research public/private partnerships and incentives available to address student housing needs; and prepare policies and strategies that can be pursued in Newport to promote the realization of additional multi-family development, including student housing.
4. The stakeholder group included representatives from OSU, the Oregon Coast Community College, the Department of Land Conservation and Development (DLCD), staff from local governments in Lincoln County, and individuals with direct experience in real property development and rental housing management.
5. The consulting firm ECONorthwest assisted the stakeholder group in conducting the analysis, and prepared a final report with its findings and recommendations titled "Newport Student Housing: Expansion of the Hatfield Marine Science Center, dated November 2014.
6. ECONorthwest's report confirms that there is adequate land in Newport upon which student housing can be constructed to meet the anticipated demand; identifies strategies that OSU can take to ensure that student housing is developed to support the HMSC Expansion; and outlines policies and strategies the City of Newport should pursue to support the development of student and multi-family housing.
7. As Oregon State University moves forward with its plans to expand student enrollment at the Hatfield Marine Science Center, it will be imperative that they be directly and proactively involved in the development of student housing in Newport.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The Newport City Council hereby accepts the recommendations outlined in the report titled "Newport Student Housing: Expansion of the Hatfield Marine Science Center," prepared by ECONorthwest and dated November 2014.

Section 2. The Newport City Council directs the Newport Planning Commission to evaluate the policy and implementation measures identified in the report and provide a recommendation for how they might be incorporated into the City of Newport's Comprehensive Plan.

Section 3. The effective date of this resolution is December 1, 2014.

Adopted by a 6-0 vote of the Newport City Council on December 1, 2014.

Signed on December 3, 2014.


Sandra N. Roumagoux, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
September 8, 2014

Planning Commissioners Present: Rod Croteau, Bill Branigan, Lee Hardy, Bob Berman, Mike Franklin, and Jim Patrick.

Citizens Advisory Committee Members Absent: Suzanne Dalton and Dustin Capri (*both excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

Guest: Wendy Engler (Nye Beach Design Review Ad Hoc Work Group member).

Chair Patrick called the Planning Commission work session to order at 6:02 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Update on progress of the Nye Beach Design Review Ad Hoc Work Group. Tokos noted that included in the packet was some information about where the ad hoc committee is at. He noted that the two Commissioners who sit on that committee are present; and Wendy Engler, a member of the Ad Hoc Work Group, was also present. Tokos said the group is progressing. There are different points of view and perspectives; as we knew when the group was put together. Tokos said the boundary piece has been more or less addressed; and they have discussed height, mass, and architectural guidelines. SERA Architects were brought in to help the group understand how architectural guidelines can be used to influence the design in Nye Beach. SERA gave a presentation and heard from the group. SERA put their recommendation in a memo, which the group will dig into at their meeting on September 18th. Tokos believes that then there will be two to three meetings to formulate the group's recommendation to the Planning Commission. He hopes to mock up something by putting into baskets what can be done near term and what issues come out that we can't handle now but warrant further discussion. Tokos said the work that SERA did has been helpful. It gave the members an understanding of design standards. Tokos said that one thing he can do is bring back a more coherent set of standards so people understand what is being asked of them; not the wholesale changes some people want to see, which will end up in a basket for later on. Tokos said there was discussion to further restrict the size of buildings to force a more cottage-style development as opposed to buildings with larger mass with architectural treatments used historically. Historically you see big and small buildings. What's there today is not what was there in 1920. Part of this is getting our heads around what we see as the character of Nye Beach; it's not what it was in the 20s. It's the aspects of the architecture that are there; including more modern developments such as Archway Place. Croteau asked if SERA will stay with the process. Tokos said this was all they were to do. It was a really targeted piece. If there's another round with another basket, there may be the discussion at the Planning Commission level whether far more detailed analysis is necessary. Then there can be the discussion with the City Council of how to fund it. Franklin noted that historically there have been very large structures in Nye Beach like the Sylvia Beach Hotel and the Nicolai if we do go forward in keeping with the character. He thought that the point system SERA brought up is brilliant if we can capture that where a development has to meet a certain point scale.

Hardy asked if anyone has thought of taking a survey of all property owners. Franklin felt that the side that is for the current guidelines hasn't had a voice yet. That's not the voice we are hearing. Tokos said folks on the other side are the ones that showed up at the public hearing and told the City Council some work needs to be done. Hardy asked if that really represents the people down there and wondered if there had been thought of an outreach. Tokos said that's a good point. It's not been done yet. There's not a current set of questions to be posed. Hardy said with HOAs they try to get everybody to express an opinion even if it's confidential. Franklin said maybe a letter being sent out asking for input from every property owner is a good idea. Tokos said we would have to give some thought of how to do it. Typically you get more feedback when there's structure to what you are asking rather than having it open-ended. He said maybe at a point of time moving forward with the actual changes we can say: "Here is what we did. Here are the near-term recommendations and some long-term needs that we haven't made changes for. What do you think of the near-term recommendations and out of the long-term, what is the most important to you?" Patrick agreed that we have to give them something to look at in order to get their opinions. He said Nye Beach has two separate things running at the same time; commercial and residential needs. Engler thought that because it's mixed-use, some will overlap. Patrick said there are some weird rules that were made, which drives some things in commercial. It is Nye Beach trying for whatever it's trying for. Those that live in the neighborhoods around the commercial are totally on a different page than everyone else. He said that is why he's having a hard time picking out what we can do there. Croteau felt that we need to keep the urban design people involved all the way through. It's an outside opinion, and both sides will respect what they have to say about options. He thought these people did a good job. He suggested maybe keeping them involved.

Franklin also liked SERA's recommendation about a step down with commercial, light commercial, and residential; which is kind of how it's set up but set some boundary that guides that environment in the future. It's not historical Nye Beach where as far as size and mass, they were all over the place. Engler said the most traditional dwelling may have been a tent. Hardy said that she remembers the pup tents and the little Blue Bonnet Cottages. She said it has come a long way so be careful of what you refer to as the character of Nye Beach. It has changed dramatically and has had a wide swing. Branigan asked what percentage of houses there are owner-occupied. Patrick said it's a big district. Branigan said it might not be a vacation rental but just rental units. If you are dealing with commercial versus homeowners, people who own and occupy their homes will have a totally different opinion of what to do. Croteau said we have to listen to them and try for a consensus. Branigan said if it's not owner-occupied, they will just want to maintain what it is. Berman said that in order to get any kind of consensus, you need to have something to start with to discuss. You could talk about the general look and feel, but you have to have something on paper. Hardy added, objective criteria. Berman said have alternatives and have it written down. Croteau agreed, something to respond to; not an open-ended survey. Engler said that one thing that Mike Shoberg did originally was have a visual preference survey. It's a good way to get people thinking about design and do you want this or this. She said that maybe Eric Ridenour could do that. Tokos thought that visuals are critical for design issues. He noted that the work group has been working off visuals all the way.

Tokos said as far as next steps, the work group is meeting again on September 18th to go through SERA's memo. At that meeting, the exercise will be to decide what they think we can deal with near-term versus what goes into the longer-term basket. The work group will put together some recommendation in the next couple of meetings to deal with the near-term issues and try to prioritize the long-term into relative priorities; or maybe they will just tell the Commission that the group couldn't come to a consensus on some issues. Tokos will bring that recommendation back to the Planning Commission in a work session. Maybe we can pick up the conversation about at what point a survey would be appropriate, if it's even necessary for the near-term, or maybe just for the long-term as we prepare for the next round. Berman asked what the end product is. Tokos said it will be some changes to our guidelines and code in Nye Beach and the boundary of the district. There will be a zoning map amendment and a package of changes to the Nye Beach design review code. Patrick said the purpose is to get a better set of standards that the Commission can make decisions on. It's a little vague right now. He noted that the Moon Shadow development failed on its own merits. For Archway Place the Commission did a variance for filling in a stairway, but everything else met our standards. With better standards, the developer can make a decision with pretty good certainty of making the project fly. Tokos said some of this is not controversial; it's just cleaning up the code so it's easier to apply. Developers and property owners will know what standards apply and what they need to do for their development. It will put some guidance so when the Planning Commission is faced with something controversial, you'll know how you should be going about deciding it. It will put some meat behind it and be less fuzzy. Tokos said there are bigger issues too. The building mass piece is one of the biggest ones; and he doesn't know if there is a consensus. Franklin said that he agrees that the building owner should be the ones that have a voice in that. Tokos said if we make changes that further restrict the use of their property, we have a legal obligation to notify them. Engler noted that they were contacted for the December hearing. Tokos said if we push forward with changes further restricting the uses or the building size, we will send out notices saying "here is what we are proposing."

Patrick said that he feels the Nye Beach guidelines have made the area viable. Prior to that, in order to build you had to combine lots. If a structure burned down, it was gone. As a side benefit, it made Newport meet the density standards for the state. We are still meeting that because of what they are doing in Wilder. He doesn't want to lose our ability to do that. He thought the guidelines did a good thing down there.

Tokos said the process is going slower than we thought it would. The work group is being deliberate, and everything is being sorted through. Berman asked if in the whole effort is there any relationship between the level of effort and what goes into the "can do right now" list. Is the part we can't get to right now because of content? Tokos said it's both. He said there is some general consensus. There's a level of effort beyond what we can do right now. Others might be more content; and there's just not a consensus. Tokos said it will be how he packages it to the work group so they can deal with it in an organized way and provide feedback up to the Planning Commission. Engler thought that after the meeting on the 18th, the group will probably know a lot more and should be able to have a few more ideas of where they want to go from there. Tokos said he is hoping for three meetings for the group to wrap it up and move it on to the Planning Commission.

B. New Business.

1. Grant request for funds to develop strategies for promoting the construction of student housing. Tokos said he is getting requests for quotes out, which are being reviewed by Lincoln County and OSU. This effort is moving forward. It will be targeted. He noted that many of the Commissioners had been involved in the housing work the City did in 2011. He said that 500 students at OSU wasn't on our radar at that time, and it isn't clear what that would mean to our rather limited housing supply (at least rentals). Tokos said that one reason this is being pushed really hard from the County is that they want to get in front of this as OSU faces the Legislature for funding. As they approach the Legislature and are asked how they are dealing with housing, what they would like to be able to say is "here is how." "Here are the targeted areas." In more technical means, we would be developing some map amendments to build inventory and new policies in our Comprehensive Plan. At some point we would

take it through the legislative process. It's not going to happen by November. We are starting from scratch. We can get to the point where we have a draft that could be circulated with the Legislature and formed into a plan later in January.

Patrick asked if this is a research grant to develop strategies. Tokos said the City will hire a consultant like ECO to research what strategies have been used, partnerships being done, and incentives implemented to drive private investment in multiple-family development. He gave an example of Eugene, which waived property taxes for six years for multi-family development. These are things being done to create this kind of housing. Patrick said this is supposed to be student-driven; but the vacancy rate in Newport is zip. Franklin asked if this housing would be dedicated just to students. Tokos thought both student and incentivized multi-family in general. Hardy asked if Tokos knew of any colleges that contracted to pay rents where they guarantee rents and will collect it from the students so you don't have the risk factor perception. Engler asked if these students are going to be graduate students. Croteau said that we need to get the demographics. What's it going to be; mixed, single, married, small families? He suggested talking to the planning department in Pullman. They experienced student increase of 1,000 a year. They did develop pretty good student housing at the edge of the campus. It was private developers in conjunction with the university; there was a partnership. Tokos said that is what this study will explore; a dynamic. Croteau said the planning was good. They had a consolidated parking area, a community center, public transportation, bike racks. They took a holistic look. Somebody looked at it. Some was on university land. Tokos said that can be seen at most of the larger universities. Croteau said they have looked at some mechanism to do this. Patrick said that OSU wants to get what student housing they have now out of the tsunami zone. If it's just for daytime use is not as big a deal.

Franklin wondered where there is any land in Newport for this. Berman said that the City has a buildable lands inventory and asked if the County does. Tokos said probably not as up-to-date as ours. He said but realistically the housing is going to be in the city. Franklin said it makes sense to have it on the South Beach side. East said the Wilder piece is one area. Tokos said that he is pretty sure they will identify that as one of the sites. East asked what ever happened to that 200-unit apartment complex that Slaydon was going to do on NE 35th Street. Tokos said that he hasn't heard from them in a while, but that is another area. Branigan said that he assumes OSU isn't building a dormitory. He thought a lot of the students would be undergraduates. Croteau didn't think it was a big enough program to support undergraduates. Branigan said that his niece is among fifty of them that are coming to study at Hatfield. Tokos said that's another question, how long will they be here; a semester at a time or two years. Croteau said you won't get freshmen. Engler said they can't all be in one place. Tokos said, assuming it's university-controlled housing; a dormitory. Hardy said, or they contract with the private sector for income guarantee. Franklin said the Embarcadero would be a good place to house them. Patrick said there would probably be 150-200 professors as well, and those people don't move around. Branigan said some would commute from Corvallis. Tokos said it will take time for them all to get here. Croteau said the more it's centralized, the more there is a need for services in that location. East said that Wilder is the closest thing to that. Landwaves wanted to do apartments, but it just wasn't cost-effective. But, if they were getting some additional student funding, it would make it more so. They are building those micro-small houses at 800-900 square feet a pop. The question was asked about Wilder's commercial area. Tokos said Landwaves is trying to get a coffee shop in where the dog park is at. Engler said if you are thinking outside the box, there could be some really cool development in the city center. It would be like with old warehouses in Seattle. She noted that from the top of the Mazatlan building there are terrific views.

Tokos said there will be an advisory committee pulled together. It would be good to have Planning Commission representation on there. He would like to get at least one. Patrick said that he wouldn't mind being on it. Croteau said that he wouldn't mind as soon as he is finished with the Business License committee. Franklin expressed interest. Tokos put Franklin and Croteau on this committee and hoped that Hardy would consider it from the rental property side.

2. Amendments to Title X of the Newport Municipal Code to allow electronic message signs on Public-zoned property. Tokos noted that this had been kicked down to the Planning Commission from the City Council. Patrick said it started from the downtown wanting to put a message board at the corner there at the intersection by the light, and it was decided that would be a bad place to have a sign with those optics. Now the PAC would like to have something. If so, we would have to make it so these signs can be on Public-zoned property. If the Chamber of Commerce wanted to, they are in a Public zone. Tokos said that is why the Chamber doesn't have one. They updated their sign, but electronic message signs weren't permissible there. Croteau asked what was behind this. Tokos said he didn't think there was a driving desire for it. This context didn't come from the public; it came from Walgreens just asking for it in Heavy Commercial. The Planning Commission said if we tackle this issue, we will open it up to a range of properties, but not others; and specifically not in Nye Beach or the Bay Front, which that part came from the City Council. The general consensus was that it may be a good thing, but the philosophical piece was how to allow these signs. Tokos had taken videos from different jurisdictions showing what it looks like at night so the Planning Commission had a chance to see; especially when considering the timing. The Commission put in 5-minute change time, no flashing or blinking, and off when the business is closed. There were a number of different standards. These signs were also used as an incentive to reduce the height of monument signs, and only one free-standing sign is allowed. So there were some tradeoffs.

Croteau said that he's not thrilled about commercial signs, but he sees public good from informational signs at the PAC and the Chamber. They can't change plywood signs all the time. Advertising what they are offering at the Pac and a summary of the

Chamber events is in the public interest to the citizens and the tourists coming through. He sees it useful to the public for that. Tokos said the City Council did too; and that is why they directed this down. They also recognized that you can use tradeoffs. Tokos said we had 40 different temporary signs for the quilt show. Which raises the question, can we also reduce sign clutter by doing this. With temporary signs, staff needs to be making sure they are not being placed where they obstruct pedestrian traffic or are causing problems for vehicles; which with 40 is a pretty stiff burden.

Franklin asked if the sign at the PAC would be where it is existing. Tokos said probably within the same sign area. He said just visualize a similar border with an electronic board. Franklin wasn't sure he liked it in Nye Beach with the bright light. He said that if you are replacing the sign, make it something more inviting. He suggested something on the front of the PAC like at movie theaters; boxes where they have a poster inside and a reader board below giving the time and dates, and it's out of the elements. He said there's still the question of who is going to maintain it. Tokos said that would have to be sorted out; but he's unsure that has to be resolved for the sign code. This is more time, place, and manner. That is what we are charged with.

Berman said with a sign like Walgreens' in front of the PAC, how do you pare that back and make it Nye Beach specific. What about height and length on other public property like the high school. Can you make those kinds of distinctions? Tokos said that is time, place, and manner. As long as we stay out of content because that would be a violation of free speech. Tokos said it is tricky. You would have to tie it to something you are trying to accomplish in the Nye Beach design review. East said that Walgreens' sign outside of the framework is not really that big. Maybe use a different color for down in Nye Beach. He thinks it's a benefit too.

Engler asked if anyone has seen an alternative to the standard electronic-looking signs; something that you get the changing events but doesn't look so much like a regular electronic sign. Branigan said there are those electronic billboards that use LED lights. Tokos said there is not a whole lot from the industry that shows variation in these electronic message signs. Patrick said a lot of them are like Walgreens' or the LED billboards. There are some other ones that are really old-school black and white signs with chunky-style graphics still floating around. He said that his problem is how much Nye Beach is going to buy into having a lighted sign at the end of Nye Beach without asking first. He can see the Port and the Chamber having them as long as they are not high. The PAC is the one that asked about it; but he wants to ask the residents first. Franklin thought if the sign were against the building, people would pull into the parking lot to investigate and look. Croteau said the corner location is good because of the cross streets. If it were on the building, it would have to be large enough to see.

Tokos said if the Commission is comfortable with the standards put in place for commercial zones already adopted with the specific parameters, it's relatively straightforward to work into an allowance on Public-zoned land and set a hearing and send notices out to Nye Beach specifically. He said specifically for the PAC, you would set parameters for it. Invite the community to come in and testify. Make it clear that no decisions will be made at that meeting. Patrick said that would at least give a starting point. He thought we also need to cover the other bases; one is the PAC, but also the Chamber and the Bay Front. He thought the Port could use a sign listing who's selling what down there as opposed to sandwich boards. They could rent space out on it. Patrick said the other location is the entry signs that Newport has. Croteau said it sounds like we have to revisit it in a broader context. Tokos said a recommendation the Commission may want to send up to the Council that they may want to address contractually rather than in the code is if you have an electronic sign on 101 or 20 frontage, you have to agree to no temporary signs for this event. He would suggest doing it that way as opposed to putting something in the code to control electronic signs for public outreach. It gets convoluted putting it in the code. That is, if this is an option the Commission wants to do. Patrick said maybe with one caveat in the situation of directional signs directing people to where the quilt show is; where the recreational center is. Tokos said it seems like most acting troops put up temporary signs on the highway to advertise their plays. Those would go away. Tokos said there has been some discussion about having an electronic message sign at City Hall. That would be more appropriate than city center. Patrick asked if we also want to make it a conditional use and have a hearing on it before they can put the public ones in. Tokos said it's harder to do a conditional use permit for a sign; you have to have standards. It can't be a discretionary decision. Patrick tried to list the entities he could think of on Public-zoned land and talked about the locations. Tokos said that the school district has to do work on their sign at the high school, so it will be good to have something set up in the code. Croteau thought the Commission should bite the bullet and take a look at all Public-zoned properties. He said we should do it now, or we will be revisiting this time and time again.

Tokos said he can take the existing standards and just expand what has already been allowed in order to extend them to Public zones. Have a public hearing. It will be a change to the Municipal Code, which specifies rules for management of public signs. For the PAC there is a public process on what the design is as opposed to Walgreens. It's not that the City is free to do what it wants to, there is public engagement. That will be for the PAC renovations as well, not only the sign. Patrick asked what would the Port do, and what about the Fairgrounds. Tokos said he would think if it's the Fairgrounds, they would try to have US 20 frontage through a partnership.

Croteau said there also needs to be something about how the entry signs are dealt with. Patrick thought that the one on Highway 20 might be in the highway right-of-way. He talked about the locations of the others. Tokos said that he can take a look at that

and bring that back as part of the package so the Commission has the context. It doesn't affect the rule so much; unless there is a prohibition in the highway right-of-way, in which case we would have to write it in.

Tokos said we will go ahead and bring this forward with a notice of hearing for public outreach and noting that there will be no decision that evening but asking the public to please come and share their thoughts.

C. Director Comments. Because there was no regular session, Tokos had some updates he wanted to share during work session. He noted that the City Council approved the street vacation in South Beach. We are going forward with the plat for Sunset Dunes that was raised up at the Commission's last meeting. Negotiations are complete; and the final plat is being prepared for recording. It is moving right along.

Tokos had sent out the notice of a Planning Commission training on September 25th in Eugene. He hadn't heard from anyone, so he assumed there was no interest. There were no takers.

Franklin asked if Tokos had heard anything about the FEMA 100-year floodplain from our feedback on the LIDAR. Tokos said he's had no formal feedback. They are working on Nye Beach, they will make some changes on 35th Street by Neolha Point, and the state is working on stuff in the Big Creek area. It probably will not come back before they release the plans for public comment. What the Commissioners saw before was for feedback from entities. The preliminary draft for public comment is where the Commissioners comments will be captured.

Regarding a new Urban Renewal District, Tokos said the City just wrapped up conversations with the hospital, the County, and the Port; and will have a conversation with the school district in a couple of weeks. Tokos expects to bring back in October what those conversations were. He said it's been very positive at this point.

Tokos said that we received a TGM grant we submitted for integrating a local improvement districts code with the land use code, making LIDs more meaningful as a way to fund transportation improvements. The City has collected remonstrance agreements where people agreed to participate if ever a district is formed. The City hasn't formed a district of any size for many years. It's pretty much been a lack of knowledge of how they function; the responsibilities and the tracking. TGM agreed to assist the City in updating the codes and providing informational materials for public outreach. They will be taking a couple of areas for case studies for LIDs and work through it so the City could take it and move along. Tokos said it's encouraging. We had \$15 thousand budgeted, and \$65 thousand is provided from the State. He will be meeting with TGM at the start of the next calendar year and will work on specifics.

Tokos said that the beachfront protective structures will probably come back to the Commission in October.

Tokos noted that the Commission does have a public hearing on a conditional use permit scheduled for the second September meeting. There will probably be some work session items as well.

D. Adjournment. Having no further discussion, the work session meeting adjourned at 7:05 p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant

Minutes
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, November 10, 2014

Commissioners Present: Jim Patrick, Mike Franklin, Lee Hardy, Rod Croteau, Bill Branigan, and Bob Berman.

Commissioners Absent: Gary East.

City Staff Present: Community Development Director Derrick Tokos and Executive Assistant Wanda Haney.

A. **Roll Call.** Chair Patrick called the meeting to order in the Council Chambers of Newport City Hall at 6:00 p.m. On roll call, Hardy, Berman, Croteau, Patrick, Franklin, and Branigan were present. East was absent.

B. **Approval of Minutes.**

1. Approval of the Planning Commission regular meeting minutes of October 13, 2014.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hardy, to approve the Planning Commission minutes as presented. The motion carried unanimously in a voice vote.

C. **Citizen/Public Comment.** Croteau noted that John Rehfuss recently passed away. Rehfuss was a long-time member on the Planning Commission and a former City Councilor. Croteau said he would be missed. Audience member, Mark McConnell, noted that there would be a Saturday service at the Presbyterian Church.

D. **Consent Calendar.**

1. **Final Order for File No. 5-CUP-14.** Approval of a final order for a conditional use permit as submitted by Wyles Sanders (Rebecca Lytwyn, Oregon Coast Bank, authorized representative) (Oregon Coast Bank, property owner) for a daycare facility located at 125 NE Lincoln St Unit B to continue operation in an R-3 zoning district. The Planning Commission held a public hearing on this matter on October 13, 2014.

Since he felt that the action had been fully vetted, MOTION was made by Commissioner Croteau, seconded by Commissioner Branigan, to approve the final order for File No. 5-CUP-14 as presented. The motion carried unanimously in a voice vote.

E. **Action Items.** No items requiring action.

F. **Public Hearings.**

Patrick opened the public hearing portion of the meeting at 6:04 p.m. by giving the statement of rights and relevance applying to the hearing on tonight's agenda. He asked the Commissioners for declarations of conflicts of interest. Nothing was declared. Patrick called for objections to any of the Commissioners or the Commission as a whole hearing this matter; and none were heard.

1. **File No. 3-Z-14.** Consideration of legislative text amendments to Title X (Signs) of the Newport Municipal Code (NMC) to create standards for the placement of electronic message signs on public properties. Existing provisions for signs have been clarified and consolidated, and a new subsection created that is specific to public-zoned lands. This is a general hearing with no adoption. The Commission will forward a recommendation to the City Council on this matter.

Patrick opened the hearing for File No. 3-Z-14 by reading the summary from the agenda. He called for the staff report. Tokos noted that included in the Commissioners' packet was a markup of Chapter 10.10 of Title 10, the City's sign code. He trusted that the Commissioners had a chance to take a look at that. He said that for each section or subsection where changes are being proposed, he included staff explanation. He said that this issue came about as OCCA, whose representatives were present, became interested in upgrading the existing signs at the PAC so that they are electronic and can self-change, and they are not having to change out the boards. Their intent is to use the existing structure and just swap out the fascia area and put in an electronic sign that complies with the provisions outlined here. Tokos

explained that the City Council elected to initiate this legislative process. Previously the Planning Commission has met in work session and talked about this. Effectively from that discussion, Tokos put together this markup. The City's sign code never had an expressed section for signing on public-zoned properties. There were general standards for these signs in commercial and industrial zones; and they were not allowed in marine zones, residential districts, and in the Nye Beach Design Review District. Tokos put together a public category and consolidated these provisions from the different categories. Also, there was conflicting language; and this is an opportunity to clean that up. This is going with the language that was in the specific commercial area as opposed to the generalized. There were some typographical errors that were cleaned up as well. Effectively what this does is allows the same type of electronic message sign allowed on public as currently allowed on commercial and industrial. The Planning Commission put the existing sign code in place in 2012 at the request from the developers of Walgreens. This amendment would allow these signs on the PAC property, which is public-zoned even though it's in the Nye Beach Overlay. It would also allow them in other public areas in Nye Beach if someone wanted; although, that's unlikely because the City has control over a lot of those public properties. Tokos said we still don't have anything quite resolved with ODOT at this juncture, so it's not viable to try to extend these signs onto State rights-of-way where the City's entry signs are located. We can continue to work on that conversation with the State; but that will take some time. The provisions for management of State rights-of-way have been tailored for traffic safety kinds of things. The rules currently don't allow for a message sign that the City maintains; and he's not sure the State would go there, either.

Patrick noted that section 10.10.045 says signs are prohibited if they include any single light bulb that creates more light than a 60 watt incandescent bulb. He said you can't get those bulbs any more. He thought this should be changed just to lumen standards or something. He also said there should be some thought about LED signs, particularly those totally electronic, and how much light those are putting out at one time. He said you can amp those up to a point where they will blind you. He said some along I-5 are super bright; but they're way back so it's not a problem. If they were next to the road, it would be another story. He thought for that standard, we should change "60 watt" to so many lumens for a single bulb. Tokos said he thought that was covered in here somewhere; but Patrick said he didn't see anything. Patrick said then you could use whatever kind of bulb you want. Tokos said no, Patrick was right. What Tokos was thinking of was the adjustment to ambient light conditions. That means it has to change; it can't be as bright during the day as it is at night. There are no numbers attached to it.

Branigan noted that on page 17 it talks about the height being no more than 20 feet except in the marine zone and Nye Beach. Then three pages later it talks about the height being 30 feet. Patrick said the normal height is 30 feet; but electronic signs are 20 feet. Tokos said that was what the Planning Commission put in place as sort of a carrot.

Croteau said that page 21 has to do with illumination of signs during business hours; or off when closed. He noted that even though the PAC ticket office is closed, there may be times from the public information point of view that you want the sign on. He said that also would be the case with the Chamber and maybe the Fairgrounds as well. Tokos said that's a good point. These are not quite the same as a business. Public-zoned lands don't even have a business. Branigan said when you imagine the PAC, you would assume the hours of operation are essentially when they will have some sort of activity; and they would want that sign illuminated. Tokos said he has to talk to legal counsel about that because we have to be careful how we differentiate between different activities and what standards apply; why a business has to have their sign off when something on public land doesn't. Patrick thought this was kind of a dumb requirement anyway. He said if they have a regular sign lit by light bulbs, then it's always on. It's only electronic that has to be off when that business is closed; any other sign is on all of the time. Tokos said a gas station will shut down electronic messaging when they're closed; and it just goes dark. It saves them money. Franklin said a hotel would keep it on all night. Tokos said, but they would be open. Berman asked what business that phrase is referring to; is it the business whose property it's on or the business advertising on the sign. Tokos said the business on the property where the sign is located. Berman asked what if it's on a vacant lot. Tokos said that's a good point. We haven't ran into that circumstance. Maybe it's not even permitted; there's no business there to go with it. We haven't had a request for that yet. Patrick asked what about billboards. Tokos said they are prohibited because if they go electronic that would be more than 50% of the value of the billboard, which would require they be torn down. Billboards are phasing down. Berman said the PAC maybe is visible from some nearby residences, so even if we allowed it to be on all day or evening; we wouldn't want it on all night. He said there should be some way to recognize that there could be some adverse impacts on residences. Tokos thought the business thing should change. He can tailor it so they're not illuminated during hours the facility is closed and get rid of the reference to business. Then we're treating it exactly the same as we are commercial and industrial right now. Croteau said he can see that in the context of the PAC, but not the Chamber of Commerce. Even though they're closed, they're making announcements; or the same for the Fairgrounds. Tokos said if you want to do that, then how does that play with commercial and industrial. Do you want to lift that restriction from commercial and industrial then? He said part of it is the light pollution thing, too. Croteau said he would like to see some sort of restriction; but we need some sort of flexibility for the type of operation that is advertising. He doesn't like all-night illumination either. Maybe a way to work it is

have certain hours that electronic signs have to be off; certain hours on Highway 20, late at night at the PAC. Tokos said it might not even be an advantage to the Chamber to have it on early in the morning. Who's on the highway at that point? Berman asked if Walgreens is open 24 hours; and that was confirmed. He said, so that sign is on all night long; and Tokos said yes as long as they're open. Franklin said his fear is that, if this goes and we allow it to be 24 hours, then you have one in Nye Beach down on the turn-around by the VAC and they go 24 hours under this same code. Croteau said maybe we should liberally interpret business hours or have it coincide with those in operation or a reasonable time period. If the ticket office is open for example; you're open. Or if it's open for rehearsal; it's open. Franklin wondered if there's a time the office is actually staffed.

Proponents: Mark McConnell, 4915 NW Woody Way, Newport. McConnell said that their contemplation is to have the sign on during the daytime when there is a performance that evening for sure and then until the box office closes; which is typically after the show's curtains. On Saturday and Sunday when there are still tickets available, they would want people to know what is happening that day. The box office is open 24 hours a day for online ticketing; but they don't want to leave the sign on all night long. There is no reason to have it on in the neighborhood after 10:00 p.m.; if it's an 8:00 p.m. curtain, then maybe 9:00 p.m. He said it's easy to set a time limit on it. As far as the brightness, these signs have a lot of control over that. They can adjust to the daylight. McConnell thought it was a great idea to have some kind of lumen setting or some kind of brightness control; some sort of limit that it can't be brighter. He noted that he had given the Commissioners several pieces of literature. One was the 2013-14 OCCA annual report, which gives a really good feel for how important the PAC is to the community and justifies your language that says you need to show that it has community importance and value in making the change. He said some of the key things in that report is that there are over 170 performances a year. There were probably five or six different events within the last two weeks. Frequently they have HD performances, there was a piano teacher's recital, there was the symphony, etc. There are three to five events each week that they have a need to advertise and market. He noted that the other two color pieces of literature give an idea of the extent to which they have been working on their capital campaign. They actually started in 2009-2010 with a lot of neighborhood and PAC-user community sessions, charrettes, and developed a list of things they wanted to do to the PAC to bring it up to the modern day and age. The PAC is 26 years old. Signage was one of the big issues. When it was first built, there was no external signage at all. The Chamber had the sign that blew over and got replaced not too long ago down by the Armory. He went down and measured that and copied it. They put it down on Olive Street with 4' x 8' signboard in it. There had been no plan for signage whatsoever. That sign lasted there until the monument sign was built during the 90s during the Nye Beach Urban Renewal project as part of those Urban Renewal dollars. They've had that sign since then. McConnell referred to the photo of the current signage (the one with the typewritten notation), which is the monument sign that was created. He said this has two slots for 4' x 8' sheets of plywood with signage applied either by hand painting or vinyl. There is only room for two events; so there's quite a bit of shuffling that happens; who gets to be up on the sign next and what order will they be in. He said to turn the page over, and this is looking at the electronic version of the exact same slots. These are large screens basically that you can program with a computer. You feed in electronic information and send the message out from the building. Those can change every five minutes per the ordinance. They can advertise lots of different things coming up. That is the concept. He noted that some of this material is just to show that they've done quite a bit of fundraising already. They have recently received a large grant. They are certain by the end of the year that they will have money in hand to do this.

McConnell said an example of what happens for people who come to the community is that a lady walked in just the other day and said that they would be here for two nights and would love to come see something and asked what was going on here. McConnell said it's really difficult to tell right now in the building. They also anticipate having a TV-type screen in the main window of the building saying "now playing" and what's coming up. That also would be very useful to people. He said it's really hard to get the right information right now coming up to the building. He said that's their goal.

Branigan asked if they wouldn't want to have those electronic signs on, particularly in the summer when the tourists are in town, during the day besides when there's an event. McConnell thought whenever the box office is open. The office is occupied from 8:00 a.m. on. The box office opens at 9:00 a.m. and is open until 5:00 p.m. or so. If there's a performance that evening, the sign would stay on; and the box office is manned one hour before curtain. So, yes they would want to have them on seven days a week during the daytime so people could plan for the next time.

Katherine Rickbone, Executive Secretary for OCCA. Rickbone said that in addition to what McConnell has been saying, just today they had an issue of more things happening at your PAC than there is space to advertise what there is. It really hampers their ability to function and to properly market things. You just have the two slots, yet there is so much more going on. She said something else they have noticed in addition to McConnell's comments about someone coming in and asking what's going on, is they have people at box office time that if they happen to see what is going on out in front, come in saying they saw the sign and would like to come. They hear that on a fairly frequent

basis; that people paid attention and looked at that signage out there. Yet they have the ability to advertise only two things when at times there may be five events in one weekend. She said the other thing too that is nice about this is being a 4-way stop out there, people will and do need to stop. They have the opportunity to look at something. They're not in motion, so she doesn't think it's a hazard there. They are already stopped.

There were no other proponents present wishing to testify.

Opponents or Interested Parties: There were no opponents or interested parties present wishing to testify.

Tokos said that one option the Commission has if they are so inclined is to continue the hearing to the 24th with direction to staff to bring forward an ordinance that encapsulates the changes discussed mainly on the lumens issue and some sort of fair accommodation regarding the shut off. Then on the 24th, the Commission could take testimony on those or any other items should anyone wish to provide testimony and then make a decision on the ordinance at that time. Patrick noted that all the Commission is doing for now is making a recommendation to the City Council.

Branigan had a question about electronic signage on vehicles. He said we didn't really address that. Tokos said he didn't know if we could do anything about moving vehicles; that starts to get under DMV rules at that point. We can address it if it's parked and effectively serving as a monument sign. Branigan said it could be parked on a vacant lot or on that particular business' lot. Patrick said it's kind of the same problem you have with murals. If you regulate what's on the side of a car, it's the same as regulating what is on the side of a building; we can't do that according to content. Branigan said he wasn't thinking so much of a car as somebody having a flat-bed trailer. Patrick said what people do when you can't put a billboard up is go buy a cheap van and paint on the side of that and park it; and there's nothing you can do about that unless you have some sort of parking ordinance that says you can't park something on your property.

Berman noted that in two spots there's a little chart in there about setbacks and allocating square footage to signs, but then there's also text or examples of things pulled off that chart. Is it the chart that's in the ordinance? Why are there examples? Tokos said the examples are in there just to explain how the chart is to be applied. It essentially has a scaled height based on the setback from the property line. Patrick said it is kind of backwards. He understood it because he remembers working on it; but it's not exactly the way he would like to see it. He said it's based on the language. What it means is when a sign gets farther away, you only count 35% of it. Berman said he understands what it means but asked if it isn't redundant to have both the example and the chart. Patrick said the chart's to help explain it. Croteau thought that the examples are worth it in that the chart itself is trying to help people figure out the slope and how big a sign can be.

Tokos said to Branigan's point, the electronic messaging sign right now is limited to freestanding signs, which under the definition means it has to be permanently attached to the ground. So if it was a vehicle that was parked, it would be tripped up under the prohibited sign provisions.

Patrick thought that if Tokos makes the language that the entity is either occupied or not in operation, that would allow the Chamber to make the argument that they're open 24 hours a day on the internet. Tokos said that would allow any business to do that. Patrick noted that they also have the 24-hour kiosk outside. Franklin asked if in Nye Beach we are at least allowed to reign it in to certain hours of operation that's allowed in Nye Beach. Tokos said he may be able to come back with examples of language where we are able to double it up either when the business is open or a fixed timeframe, whichever is more permissive, and just do it that way. That way the hotels don't get hit because they're open 24 hours, yet it's an accommodation for the Chamber of Commerce but doesn't allow it at 2:00 in the morning. Patrick asked Tokos to bring back some options for the Commission to look at.

MOTION was made by Commissioner Croteau, seconded by Berman, to continue the hearing for File No. 3-Z-14 to the next meeting, in order to allow Tokos to look into this and provide some options to the language for the ordinance as discussed. The motion carried unanimously in a voice vote.

G. New Business.

1. Update on progress of Housing Study. Tokos noted that he included in the packet the status of where we are on this right now. This is the work we are doing in concert with the County and OSU. He said the Commissioners have the November 3rd information, which was basically the second of three meetings that are being held. This work is an effort to help OSU position itself to get the balance of its funding that it needs in order to do a 100,000 square foot research classroom addition at the HMSC campus proper, which is part of their 10-year plan to increase student enrollment at Hatfield from 50 to 500. The study is looking at the impact of adding 500 students to Newport given

our current housing condition; what would be some appropriate sites where student housing could be constructed; what are some of the financing tools that can be utilized to help make this happen; and what is the City's potential role as a partner with OSU, the development community, etc. in helping to ensure student housing actually happens in a way that is proactive not reactive because we have 200 students now displacing our workforce that otherwise needs the housing to work in Newport in our tourist trade, or fish processing, or any other number of employment opportunities. There is about one more meeting on this; and that will be on November 19th, where we will discuss policy options that will go in there along with the balance of what you are seeing right now; which are things like the financing tools and the buildable lands. Right now Wilder looks like the most likely location for student housing. He thinks there will be a clear recommendation in the report that the City of Newport wants to see OSU address this up front and not leave this to the community to solve. OSU has indicated that they can take a number of different approaches. They may elect to do anything from constructing the housing themselves and managing it, to allowing it to be a private venture with limited university involvement. There are a number of different options. He thought the one that's probably most attractive would be an option that includes some active management. It doesn't matter if it's actually built by OSU, but to make sure there's some active management by OSU to ensure space is available here and back in Corvallis for those students that are trying to navigate between courses in a given academic year.

Tokos said this is not strictly a student housing conversation. The tools you see in here, such as potentially revisiting our SDC methodology to see if it needs to be structured in a manner to make it more attractive for multi-family development; if that's an obstacle. He doesn't know that it is per se; but that's one area potentially that the City could be an active participant. Another tool would be the property tax abatement program, which we're allowed to put into place by State law. It's whether or not the City wants to pursue that in some form in consultation with the County and the other taxing entities. He said this report's not going to solve some of these questions. It will lead to policy recommendations on what should be looked at further as opposed to what should probably be dropped and not looked at further. For example, he would be surprised if there's an appetite to look at really digging into CDBG or leveraging HUD resources; whereas the property tax exemption if crafted properly might be something because that's a little bit more limited role.

Tokos said that is where the conversation is at right now. This will end up in a final report before the end of the month. The policy recommendations will come back before the Planning Commission as amendments to the Housing element of the City's Comprehensive Plan. He wanted to make sure the Commission was aware of how this is progressing. He noted that Hardy is on the stakeholder group. He asked if there was anything she wanted to add. Hardy thought the group has been presented with a variety of assumptions based on housing trends, housing needs, and tenant behavior that may or may not be entirely accurate or broad-based. She said the college representatives are more attuned to student behavior rather than public behavior. If those assumptions drive the policy, they need to be carefully handled. She understands that Wilder is looked at being the more likely location for such development either in a private/public partnership or solely private; but that was based on the fact that they assumed most students don't have cars. She said she hasn't seen any demographics yet. They were talking about in the first meeting surveying their students to get some feedback on that. She's not sure those policies could be soundly based without more demographic information. If you're talking about developing student housing from the City's standpoint, she believes there's a risk assuming that the City would participate in that but not necessarily participate in workforce or affordable housing. She said, so if the City's going to be making policy recommendations, she thought it should be broader-based. Otherwise, you may get some push back. Tokos said that he expects any one of those, looking at the SDC methodology for example, would not be specific to student housing; it would be multi-family in general. He said the same for the property tax exemption option. He said that Hatfield has a survey they have been doing with their graduate students; which he believes they will get to ECONorthwest prior to the final meeting on the 19th.

Croteau said he thought there was another issue in this project. It will extend over a long period of time, and it is going to impact workforce housing. He thought we need some sort of consistency, if not an overview or oversight; some continuity. Beyond the ad hoc working group, what do we have that's going to centrally focus, assemble, and carry forward? What happens after the ad hoc group dissolves? What about two years from now when things are rolling off the tracks? Tokos said the thought here is this study will lead to some recommendations in term of policy options that need to be explored. We will take that through and amend the Comp Plan, and it becomes kind of a work program for the Planning Commission and the City Council. Croteau asked if Tokos expects it to get that formalized. Tokos said that he thought it will get that formalized for anything the City's directly involved in. There's a lot of this that the City's not. Whether or not OSU makes it a priority to acquire land now as opposed to five years from now; how they approach construction; he doesn't know that we will be directly involved in that. Right now what we're doing is helping them have a road map for how they can make it work so they can explain that to the Legislature as they try to get their funding together. But beyond that, he doesn't know if we have a direct role. Croteau asked, we don't have housing authority so to speak, then to overview this process. Tokos said no, the City has the ability to help make sure there is sufficient land available and that it's located in the right areas. We can be helpful in that regard

with Wilder because they're going to have to change some of their planned development rules to accommodate this. So, that would come before the Planning Commission and the Council. We can look at how we impact the cost of the development, either through SDCs, or tax abatements, or things of that nature; or we could get directly involved in the financing and the construction of multi-family through HUD programs. He just doesn't know if there's an appetite for that. That would beg the question, who's going to provide that oversight. If we're going to create a housing agency is it going to be housed at the City or at the County; how is it going to be staffed; how is it going to be funded; all of that. Tokos said he doesn't know if there is an appetite to go that far. Hardy said that may take further future-reaching vision that isn't limited to this relatively isolated situation. Tokos said that's a good point; and he thought it might need more pain in the community, unfortunately. He said the jurisdictions you see go that way get to that point because they have business owners coming in saying, "we have to do something proactive because we can't hire anybody anymore" because they can't afford to work at the salary they can pay them because they have to live 30-40 miles away. Croteau said that's an issue we would all like to avoid if we can. Hardy said the other thing that was very clearly made a point of is that OSU has no plans to expand parking at this point. She didn't know if that means they've taken it off the table or they're going to have to go to the Legislature and say this is what the data collection shows we are going to need for parking if we're going to do this. She said so then they're relying on public transportation and cycling over the bridge in 100-mile-an-hour winds. Tokos said this has been helpful in some respects by forcing OSU to plan for and get a handle on how they will pull this off. They have a grant that's half of the funding for that new \$50 million expansion. So, they have the fire behind them right now.

Franklin said up in Wilder you have the R-2, and then is it in the orange area on the map, the high density, where they will put multi-family. Tokos said they have been looking at a couple of different spots. The most-attractive is in the R-2. It could be jostled around a little bit. There is another area, the BGB site, that is south of Wilder and is not even in the City yet. It's a parcel right below the community college that is inside the UGB. It is forested. The issue with that parcel is that it would involve extending Harborton quite a ways to get to it, so it would be more expensive. It is a larger site; but it's still more attractive up in the northwest corner of Wilder in the R-2 zoning. Patrick said we could make a case for changing that zoning designation to R-4. Tokos said there are no issues there; we'd just have to work through the planned development process. He noted that Bonnie Serkin with Landwaves is part of this planning process. So, they are in the loop. He said one thing OSU really needs to do is get motivated to purchase land. If they're serious about this, they need to do that sooner than later because there's only a limited number of sites in South Beach that really are suitable. We have so much of it that is in the tsunami inundation zone; and you can't put student housing in that area.

Berman said it strikes him that it's important not to focus a majority of the effort in student housing; there are specific plans for that. There is the ongoing need for low-income and workforce housing. It has been a problem, is a problem, and will continue to be a problem. Rather than focusing on this one opportunity, the solution should be comprehensive. Tokos said that is why that property tax abatement program might be something we might really want to dig into. We don't have the luxury of being in the valley and being able to add flat developable land. We just don't have it. So, land prices are high. With that property tax abatement there is a lot of flexibility in how jurisdictions can tailor it. Maybe that's worth a hard look to see if that is one way to make it pencil out. You can put strings attached to that. It's not just a give-away. We can say, "if you want the 10-year property tax waiver, then a certain number of your units have to be offered in a certain range." He said Hardy made a good point, we need to get more feedback from those in the construction industry about what is the issue here. Beth with ECONorthwest is already talking with some commercial brokers over in Corvallis, and they're saying it's land in Newport; it's just expensive because there's just not a lot of developable land that doesn't have major constraints. You have to deal with those, and that drives up the cost of construction. Hardy said you have to consider how a student that's going to be here three to four months will be able to compete in the private housing market. That's where OSU's involvement is critical because they can facilitate the moving back and forth and maintaining occupancy if it happens to be a private owner. Anybody in their right mind will screen in preference for a longer-term tenant. Turnover is what costs you. Croteau said some component of this almost has to be dormitory housing. A graduate student is here for a few months, they go back to take a course, then they're back here again. You can't manage that in a normal rental market. Patrick said it didn't sound like even the graduate students were here the whole year; maybe six months at a time. Croteau said we have to get a good idea of the demographic. Tokos said they're starting to frame it; they don't have it fully fleshed out, though. He said it's a substantial number of undergraduates, though; it was several hundred. Hardy thought 75% were undergraduates. Croteau said that's a chunk of temporary people. Tokos said these are juniors and seniors; but, again, how much of that's full year as opposed to coming out here for a quarter and then go back to Corvallis. He doesn't think they've really fleshed that out. They're still not sure how their hiring program will work and how quickly they can ramp up and at least start to offer the range of courses they're going to need to offer. Patrick asked Tokos to keep the Commission up to date.

H. Unfinished Business.

1. Review changes to the Floodplain maps. Tokos said the Commissioners have one map. He got this from the FEMA folks. They gave us a sneak peak at the maps before they made them public to see if we had any major issues. We raised three issues with them; this being one of them. Other jurisdictions raised issues as well. FEMA kicked back an email, and this is the only one they made changes to, which is Nye Beach; and they scaled it back. He thinks this is actually more realistic than what they had depicted. Now pretty soon they will put those out as a preliminary draft that goes public. It will be a public preliminary draft with a formal comment period as opposed to the informal comment period that we just had. That will be another opportunity for us to raise issues on the other sites. The other sites needing clarity include the Neolha Point area in South Beach, which has flooded in the past largely from that tributary immediately to the south flowing off the ridge there he thinks more so than the Bay. They haven't accounted for that; and by scaling it back, they took a good chunk of Neolha Point out the floodplain. Then those property owners will not carry flood insurance; and the problem is it's going to flood again. The other one has to do with Big Creek; and they took a bunch of homes out there. He thinks that's just flaws with the original hydrologic studies, which they're still working off of 1970's hydrologic studies. They have new topo; but their whole understanding of how Big Creek flows and floods is all based on 1970's data. So, it doesn't quite sync up. He said we will have a chance to further probe those or any other issues that may come up when they get the preliminary maps out. But, they did fix the Nye Beach. Croteau asked if they will have a public hearing on this one. Tokos said we will have to take this through a formal adoption process. They'll have a preliminary release for comments; we make those comments; and then they'll have a final set that we have to adopt through a formal process. It's an incremental process. Patrick said, we won't be able to change the maps, will we. We'll basically have to adopt their maps as is. Do we have the ability to actually change the maps? Tokos said he will have to look into that. Could we adopt a set of maps that are 99% of what they want with some revisions; he doesn't know if they would accept it. He said we don't have a lot of flexibility there. There may be an appeal option where we can appeal their determination somehow or pursue some sort of map revisions after adoption. He thought there may be some avenues to protest.

2. Status of Nye Beach Design Review revisions. Tokos wanted to update the Commission on how this is moving along. Basically at this point, SERA Architects will do a refresher of the design guidelines; it's a more thorough set of work than what they did initially, which was just a quick look to address a set of questions that the work group had. Now, based on their initial assessment, there are a number of things that we discussed as a group that are needed, which are a refreshment of the guidelines. They will get started on that; and we should have a draft that we can take back to the group by mid-December. Tokos noted that there's no consensus in terms of some of the things folks want to see; in particular, mass and height. His hope is that SERA's work will better define that so that when somebody says they don't like big buildings, we know what they're talking about. Right now too much of the conversation is too hard to get your arms around. This will start to frame that a little bit better and should produce a new set of guidelines that can be adopted with general consensus. But, there may be other things to address that the Commission and Council will have to revisit because the work group's not going to get to consensus on it. Croteau asked if we're getting additional input from the public. Tokos said not at this point. Croteau said, so what they have is just informal. Patrick said eventually we'll have a hearing on it. Tokos said it will come back to the Commission. Patrick said, and then you get the public input. Tokos said with the design guidelines, there's not going to be the opportunity for us to make wholesale changes there. So, whatever we get from SERA, maybe with one round of revisions with the group, is what we're working with. It will be editable; so if the Commission doesn't like something, he can go in and change it. A lot of that's going to be cleaned-up verbiage and better graphics than what's in there right now.

I. Director's Comments. Tokos didn't have anything above and beyond what's already been discussed.

1. Berman asked if Tokos had an update on the new north side Urban Renewal District. Tokos noted that he did a presentation at the Chamber of Commerce luncheon on Friday on the formation of a new URD. We have met with all of the taxing entities at this point of time and have asked them to provide feedback on that, which we haven't received yet. He will probably have to ask for that again through a formal process. He said it looks like the City Council would like to get going with this around the first of the year. He noted that the Commission hasn't had a joint meeting with the City Council for a while; and they were thinking this might be a good topic to meet on to kind of map out the public process on this. He was wondering whether the Commission would want a formal summary of the feedback from the taxing entities in advance of that meeting. He was thinking that might be helpful. He said maybe he can set that up for the work session on November 24th. He said then the Commission can get a summary on that. Maybe he will also have some additional thought on a joint meeting with the Council.

Berman said there were three options and asked if that had been narrowed down to one. Tokos said no; the Commission will have the opportunity to make that recommendation to the City Council if you want to narrow it down. He said basically the taxing entities have said thank you and had some questions about projects. A couple of them have said they need to really digest this and get back to us to say, "this amount's okay, but above and beyond

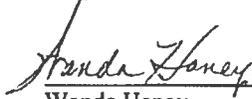
that is going to really pinch us near term;" that kind of feedback. They have to sit down and think it through. We haven't received that kind of feedback yet from the County, the Health District, and the Community College.

Tokos noted that the City Council as the Urban Renewal Agency is going to be meeting on November 17th to make a final decision on whether or not to acquire a property in South Beach next to the intersection of 35th and 101 (the Schones' property with the old Flashback's building). There's a whole bunch of South Beach construction projects rolling out next year; Abalone extension, 35th, Brant, 27th. All of that work is consistent with the Coho/Brant plan that the Commission saw and participated in where we did that refinement plan to identify specifically how the work should happen down there. He said the plat is just about recorded; OMSI's signing now, and Dick Murry and Investors XII have signed off. So the plat is making its way to get recorded. It's not slowing anything up because we're not going to break ground for construction until next spring. So, it's still working timing-wise. He said that's the other Urban Renewal District.

2. Tokos said the City Council is having a hearing on the 17th on the business licenses as well. He doesn't think they are going to take action on the 17th. He thinks they will kick it over to after the first of the year because they want their new City Attorney to take a look at it before anything is acted upon. Croteau asked if anything happened between the working group's recommendation and now. Tokos said there were some slight changes that came out of Spear Hoyt, our contract attorney. The Council wanted them to take a look at it; so there were some minor changes, but nothing major. There were some tweaks here and there; mostly for clarification.

J. **Adjournment.** Having no further business to discuss, the meeting adjourned at 7:05 p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant

Draft MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
November 24, 2014

Planning Commissioners Present: Rod Croteau, Lee Hardy, Bob Berman, Mike Franklin, Gary East, and Jim Patrick.

Planning Commissioners Absent: Bill Branigan (*excused*).

Citizens Advisory Committee Members Present: Dustin Capri.

Citizens Advisory Committee Members Absent: Suzanne Dalton (*excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos and Executive Assistant Wanda Haney.

Chair Patrick called the Planning Commission work session to order at 6:00 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Summary of the discussion with the taxing entities and the next steps in forming a new north side Urban Renewal District. Tokos noted that the Commission had asked him to bring this back to get a sense of where we are. In the packet, there is a summary of that essentially after the Feasibility Study was prepared and vetted through the Planning Commission and the City Council. He said this kind of went on hold through the summer, and then started again in earnest in August. Tokos and City Manager Nebel have met individually with each of the County Commissioners, the Chamber of Commerce, OCCC, LCSD, Samaritan Pacific Systems and the hospital board, and the Port of Newport. They also shared this with Linn-Benton-Lincoln ESD; who is held harmless because their funding is based on enrollment like LCSD and their tax is pretty small, so they didn't feel it was necessary to come over to get a presentation.

The Port didn't have a whole lot to offer; they have a very small tax so their impact wouldn't be that bad. The Port was pretty supportive because they have benefitted significantly in the past from URDs. They recognize they are part of the scheme and are okay. The County is generally supportive; but they need to work the numbers. They have to figure out how much pain they can comfortably absorb and convey that to the City Council. They haven't done that yet. Having a joint Planning Commission and City Council work session scheduled in January will be a catalyst for them doing it. The Community College is sensitive, too. Unlike the School District, the College is not held harmless because their funding is not enrollment-based; so this will impact them. Tokos and Nebel will meet with their full board at their next meeting; probably in January. The only feedback from the School District was that they would like the boundary expanded to pick up the high school and the prep academy; largely so there's at least an opportunity to address Eads Street, which is a problematic situation for them now. Potentially, depending on what happens with the fairgrounds, this could put some additional properties in play. Berman asked what LCSD is thinking of fixing. Tokos said they don't have a clear idea; they just didn't want the option to be precluded. They are going through facility challenges now with enrollment going up. They will have to open Yaquina View again, which they closed down. They are looking at converting the intermediate school into a full middle school. They would move the prep academy over to the intermediate school to have additional space at the high school. They are juggling facilities around. They have largely expended the bond measure with all of the improvements they made district-wide. They just wanted to put that out there. Tokos said it might be useful to include that in the boundary. It's nontaxable; it hits us on the acreage side. It doesn't really impact anything on the collection of increments since its public. The hospital also is generally supportive. They are cautious about a couplet on 9th Street because they don't know how that will impact their overall plans for redevelopment at the hospital. They are looking to expand pretty soon. They had a desire to do substantial expansion of the hospital, which would require voter approval of a bond. They have held off putting a bond out for a number of years. They are trying to get a handle on how this might impact their expansion plans. They recognize that forming a district can be a significant benefit to them with improvements to such things as the water distribution system. That could be made a project so we have a more robust system to serve an expanded hospital. Berman asked what the extension and transportation items on the taxing districts referred to. Tokos said that would be like the OSU Extension Service, the Animal Services, and the Solid Waste; and those are all County agencies with no separate Boards. Tokos and Nebel met individually with the Board of Commissioners. Those additional ones automatically go if the County signs off on it. Tokos said we have pretty much covered all of our bases at this point.

Tokos said we are looking at setting up a joint work session between the City Council and the Planning Commission. He asked everyone what they thought about January 12th meeting, which is a regularly-scheduled Monday meeting. Everyone felt that was fine. Patrick said that his concern is would we do it during work session or bleed over. Tokos said he planned to hold it during work session at 6:00 p.m. as that work session. Patrick asked if we would get through it in an hour. Tokos said we would assume

yes; but if not, we will adjust the schedule. We could always start the regular session at 7:30 p.m. as we get closer and find that we need additional time. Tokos said the Finance Department is working on numbers for how these three options would impact the City's tax revenue on a near-term basis. Hopefully we will have that for that meeting. It would be nice if the County and the others could get us that, too. He can advise them once we set a date. Patrick asked if we push our acreage number if we add in the high school. Tokos said we were not at the cap. He thinks we're still okay; but he will double check that. The reservoirs are in, so that gives us more of a cushion. Those properties aren't that big. We can do that.

Tokos said this is good timing to get going on this. The tax rolls were just updated at the end of October. If we're forming a district, we want to do it using that set of data; so it would be timely. Berman asked, to establish the frozen base before the next time. Tokos said yes, otherwise we have to update all financial information. Patrick said as long as we get it done by next October. Tokos said also by the time we hit April and May, we want to be well along because that is when budget starts to eat up City staff time.

Tokos said that the City did a town hall meeting up in Agate Beach recently; and he talked about it to the Chamber of Commerce. Those went over pretty well. Patrick said that at the Agate Beach meeting, they looked mostly favorable. Tokos said they would love to see something up there. Policymakers have to weigh out how beneficial that is. There are challenges in Agate Beach given some of the instability issues. Paving streets may not last very long up there. Solutions up there have to get fairly creative. Croteau said without doing something about storm water drainage, it wouldn't be worth paving. Patrick said they talked about that. He said we should have a geologist come to talk about water loading system. Hardy thought we could look around for a better qualified person to do that. Tokos said he would have City Engineer Gross talk about that. Hardy said that the geologist oversimplified the problem. Gross pointed out that there are storm drains up there already. Whether they're all the places they should be is the question. She lives up there and knows what the ground water situation is like. Tokos said that storm drainage only goes so far. We have the underlying geologic issues up there. When you concentrate water in an area, you have to be careful how you do it. You can exasperate things if you don't do it right. Patrick said there also was talk about giving credits to someone taking care of storm water on site. He said that if you got the wrong part, you could create your own "slip-n-slide".

Berman asked if it's at all possible to coordinate Urban Renewal with LIDs. Tokos said that is what we are doing in South Beach for Phase III in 2017-2020. We have funds reserved for lower priority streets, smaller local streets, where Urban Renewal can buy down the cost of an LID by about half. If they want to have the street paved, it costs about half. That can certainly be done.

Berman said that he has to say that the PowerPoint was absolutely excellent. It was right to the point, very clear, and very understandable. It's very well done.

2. Discussion of scope of work for City of Newport/ODOT TGM project that will leverage LIDs as a transportation-funding tool. Tokos said basically on this item, we submitted a grant application to Transportation Growth Management (TGM), which is a program formed from two State agencies, DLCDD and ODOT. In the past they recognized that land use planning and transportation were inherently connected and have relationships with each other. They pooled some funds for grants to address issues related to land use coordination and transportation planning. A lot of funds come out of this pool to update Transportation System Plans (TSPs). Newport did a big update of our TSP in 2012; and funding came in part from TGM. Every time we do an update to our TSP, they always have financing tools for how to pay for these improvements we need to make to the system over time. The City has been fairly creative. Urban Renewal leveraging is a way to help pay for transportation improvements. With local gas tax for example, we can surface more streets. We have been surfacing many of the gravel streets in the City where we didn't have funds to do that previously. The room tax has been used before. Our LID (Local Improvement Districts) program has fallen on the wayside. In the past the City used to create these districts, but stopped doing it. It's mainly just the general perspective that it's too complicated for smaller jurisdictions to do it. There's the tracking, the financial side of it, and how it's paid for. Do we collect all of the funds up front? Do we have to put together our own reserve to pay for it and then assess the people to get paid back over a period of time? That whole mechanism of what projects are priorities; why some are priorities relative to others. And, there's the whole public engagement. Over the years the City has collected remonstrance agreements. When people have done simple partitions, we haven't hit them for full street improvements. It would kill the project plus in many cases you're talking about a small segment of street when you actually need the full segment constructed. Instead, we have these agreements; which says that they are committed to participate in an LID at such time that it actually makes sense to do these improvements. We haven't acted upon those, however. So we said to TGM that we're not all that different than other small jurisdictions. This was strategic on our part because TGM likes to fund projects that are not only applicable to Newport but can be applicable to any other small jurisdiction. They recognized that they can't just be funding these TSP updates where jurisdictions accrue all these great projects and then not provide meaningful assistance with some of these different funding mechanisms; and they agreed to fund it. We are in the process of working on the scope of work. The packet included the draft Scope of Work document that David Helton of TGM put together based on information Tokos provided in the grant application and some other background documents. The Scope of Work goes through what we are trying to accomplish.

Tokos went to the "Project Study Area" of the document where it has the "Plan Components," which are elements for an LID Implementation Plan to include. The first of these is guidance on how to establish LIDs and administer them given the modest

staff. We don't want a Portland model; just a smaller jurisdiction model. We can't allocate two people from our Finance Department to be dealing with this on an on-going basis. Another element to include is identification of factors that will increase the likelihood of a successful outcome. LIDs take a lot of work; and they can involve a lot of political capital at time that can be invested in an LID project. Better guidance that policymakers can have on when they should proceed with it or not would be helpful because if enough people remonstrate against a district, it doesn't happen. We don't want to be regularly trying to form LIDs and keep failing. The third bullet is criteria for selection and prioritization of projects to fund using LIDs based on assessment of legality under Oregon law, the City's overall need and funding from existing and potential sources, public acceptance, and other considerations that arise during development of the Plan. How should the City go about prioritizing projects as being really good candidates for LIDs? The next point is identification of LID financing tools and strategies; use of them as a financing tool for subdivisions, existing and new developments. How are other jurisdictions using it? What are some other strategies given the statutory framework we have to work under? Guidance on future use of remonstrance agreements and strategies for leveraging them. Evaluation of our template; is it adequate, or should we be modifying it.

Berman asked if these agreements have fixed dollar amounts. Tokos said, typically no; they are improvement-related. They are basically agreeing to participate in an LID should one be formed to do say sidewalk improvements or sidewalk and street improvements, or a traffic signal improvement. Berman asked, it's only if an LID is set up, I'll participate; otherwise it's "don't come after me to pave 20 feet of street." Tokos said that's correct. If we create an LID for that type of improvement that you're committed to, you're stuck; they can't vote against it. Patrick said a lot of time you have to get everybody to agree or a certain percentage to agree to do a project. But, if you signed the remonstrance agreement, it's an automatic yes vote. Croteau asked the breadth of infrastructure project that can be carried in an LID. Tokos said every type the City maintains; street, sidewalk, water, and sewer. Patrick said probably even undergrounding of electrical. Tokos said, lighting, probably yes.

Tokos said there will be some amendments to the Municipal Code and some to the Comprehensive Plan. He noted that he already has some notes of reshuffling the priorities because Helton put them in the wrong order. Tokos said that amendments to our Comprehensive Plan would be polices for the types of transportation system improvements that should be targeted for LID funding and how they should be prioritized. This gives the Planning Commission and City Council some policy guidance for having to deal with these. A key element would be some informational materials for outreach that can be reused. Then, to break down a couple of case studies with specific areas in the City that are well-positioned to have LIDs fund transportation improvements. So they go ahead and walk it through and say with this case scenario, this is how it would play out. Tokos said there is one area in South Beach; the Coho/Brant 2017-2020 final phase where we have matched funds from Urban Renewal to pave streets like Coho, 29th, and 28th. Another area would be the signalization of 73rd as that's getting closer. We have a whole bunch of remonstrance agreements up there in that area. He said there might be some others as we go back through remonstrance agreements. Tokos said just because we have somebody on the hook, doesn't mean they are going to be happy about it. Even though they know they are committed to participate, they could show up and say don't do it; this is too financially painful for me.

Patrick asked how we plan on financing. Tokos said that is part of this. Do we just straight up do an assessment? That is pretty tough. If we say, "We're going to pave this segment of street, and that's going to cost \$100 thousand; and we're going to assess it at \$10 thousand a pop to the properties that abut, and you have to pay it in 60 days." That's not very nice. On the flip side, we don't have funds set aside where we can say we'll just pull \$100 thousand from somewhere and do it, and then do some sort of graduated assessment against the properties over a period of time or more collected upon sale of property that could take 30 years. Berman asked if we could bond. Tokos said we have to pay bonds off. That gets at assessments. We could potentially bond it and then turn around and assess against each property. Patrick said we use to have Bancroft bonds. That's how the City ended up with Candle Tree and then sold lots off. Also, Lakewood Hills twice he thinks. Tokos said we picked up Shore Pine Hills as well.

Berman said, going back to the remonstrance agreements, what if he does a subdivision with 30 lots in it and signs an agreement and leaves the streets unpaved, sells the lots, and then he's gone. Tokos said he would use Berman's example just for example purposes only because our code wouldn't allow that; a subdivision would actually have to pave. Using that example, say they were gravel streets and there were remonstrance agreements; that does transfer to successors and assigns. It pulls up in the title report when you buy it. Rod asked if these are typically multi-year projects. Tokos said it depends. The last of the LIDs we did were very modest little sewer connections; and those weren't multi-year. You had four or five property owners. He thought one was on Vista. That was very minor cost, pretty focused, and done relatively quickly. If you do a larger street project and you're getting into storm water work, you're doing that for a couple of years easily.

Moving on to the Project Approach section, Tokos explained that this talks a little about how we would anticipate that they would go about it. He sees that Helton didn't quite get the language right for what Tokos wants to have in here for project approaches. These are steps that they can take to get to the desired outcomes. But, we're open to alternative ways of dealing with this. There aren't a whole lot of consultants out there. The two types of consultants that might want to work on this type of project would be firms that deal with SDC charges and those methodologies, or firms like ECONorthwest who are on the general financial planning side would also fit in this. The State will put this out for RFP. They have a list of firms they will accept RFPs from.

Then we'll be involved in the selection process. Berman asked who actually manages the project; the City? Tokos said on this one we will; and it says that towards the back of the document. Berman asked if Tokos' time becomes part of the match. Tokos said it can be; but it's not likely in this case because we did budget about \$15 thousand cash as a cash match. We do that in part because the accounting gets to be very burdensome when we have to document every 15-minute increment that we're involved in a project; that eats up a lot of time.

Capri said that the scope is a little vague on what the deliverables are going to do. Tokos said it's such a unique one. He said Helton tried to be very specific, and it ended up being almost ten pages and got cumbersome. Because of the unique nature of this project, this one fits their alternative RFP approach, which is to be a little bit vague and let proposers define it a bit and come up with the details to get us to where we want to go. Capri said just from reading this it seemed that it could go a thousand different directions and still meet those; and that's probably the goal, to get different ideas. Tokos said, right, to get different ideas and see which way makes the most sense. Capri said there wasn't a timeframe either. Tokos said that was in the earlier document; it's not in the scope. He said there will be. This gets plugged into another document. TGM is behind the eight ball on this. They have some flexibility on when this fires up. Tokos said we have not lost the grant. They were the ones that were supposed to put the original scope together and they were way behind.

Tokos asked if there were any other comments on this. Croteau said it seems really good. Patrick said he would like to see this if we can actually get something that is usable. Capri really likes the case studies and thought that's a really important part. Tokos said he thought he is going to like the information material because this is a hard subject to convey to the public. Also, if we can get some good policy guidance to help elected officials because the first few are going to be bumpy. This hasn't been dealt with in a while. After that, we'll probably get there. We'll be able to deal with it if one person gets up and says they don't like this because we're not dealing with one property owner kind of thing. Plus if they have some policies to relate to so they know and feel comfortable with "yes, we want to have this conversation for these reasons." Berman said of course the first question anyone is going to ask is "what's this going to cost me?" He said that's going to be very complex to figure out in advance, especially if you're working in conjunction with Urban Renewal or any of the other mechanisms; when you figure out how much is left over that people are going to have to pay for. Capri said, and what do they get, too. He said that's probably going to be in the informational materials; and Tokos agreed. Capri said he's okay spending for something if he knows he's getting something back. Tokos said, right, especially too if you can work the assessment in a way that's more transparent to the property owners. Work it in as an assessment over time as opposed to up front because the up front is tough. Patrick agreed it almost has to be spread out over time. Tokos said but if we do it over time, how can we do that without compromising the City financially. How can we structure it in a manner so our Finance Department doesn't get overwhelmed? We have other bonds we deal with on a regular basis, too; water, sewer, Urban Renewal. You can only have so much of that out there and account for it. Patrick said it would be nice if we could tie it to tax assessments. Tokos said that would be nice to feed it into there, and it just becomes a supplemental property tax assessment.

Croteau thought that this has great potential. Although it's going to cost people money, it's an opportunity for the City to partner with other sources of funding, too. Berman said there's a lot of people who complain about the streets not getting fixed or ask how come storm water's not there. Here we're saying, "Okay, here are the mechanics." We're going to do it; and here's what it's going to take. All of a sudden people shut up and say yes or no instead of just complaining all the time. Hardy said that the people on her street got together and paid to have the street paved. The City did "X" and the neighborhood did "Y" and got a paved street. She said it wasn't a LID; it was all voluntary. It was a short two-block section, but they split it amongst as many as could participate. The tradeoff was decreased dust and improved property values.

Tokos asked if this looked generally okay; and the answer was yes. Capri asked if Tokos would review the RFPs when they come in; and Tokos confirmed that. Capri asked Tokos if he would update the Commission on this.

3. Discussion of the summary of the Student Housing Study. Tokos said the Planning Commission proper had an opportunity to see this coming out of the last work group meeting. This is now moving to the City Council on December 1st. Now that there's a recommendation section, he thought it would be worthwhile for the Commission to take a look at it. He had handed out the latest version of the Next Steps. He said that if the Commission is so inclined, you can provide a recommendation to the City Council on your thoughts on these next step items. On December 1st, the Council will likely accept the report and then also direct the Planning Commission to start working on some of these recommendations that involve changes to the Comprehensive Plan. Just as a refresher, Tokos noted that there has been an ad hoc work group that has been assisting and met three times. The catalyst for this is the OSU expansion. Right now they are in the process of trying to get the balance of their funding for that 100,000 square foot expansion at HMSC. They largely have the private side of it covered, and the other half has to come from the State. They will be lobbying the Legislature to try to get that; and they want to make sure they have all of their bases covered. They are likely to get questioned a lot about the impact of dumping that large number of students on Newport. That is what this has really been targeted to address. Tokos went over the list of the members of the ad hoc group.

Tokos went over the key points in here. He said on the next steps the emphasis is on OSU being proactive in its involvement in getting student housing established in Newport. That's the key recommendation. The analysis in the study shows that we don't

have the capacity to just absorb 450 additional students without displacing most of our workforce that need that housing. Otherwise they get pushed further out, and our businesses have difficulty in being able to hire employees at the wages they can afford to pay. It has that kind of domino effect. The number of available sites in close proximity (and most, if not all, of those are in the Wilder area) are limited. OSU needs to be proactive in actually securing the site. They need to prioritize that. That's another key recommendation. They may not be in a position to actually construct anything for a few years; but they should secure the site. Otherwise they may be in a position that the only suitable sites they can utilize have a greater number of constraints; maybe they have to extend a collector roadway a certain distance or something whereas right now there's a site that has full services. They may need to have a phasing strategy; they're not in terms of their course offerings in a position to say they are going to have all of the students here. They need to think through that. Croteau asked if that isn't bullet 3, which he believed should read "OSU may need..." He thought that we need to just substitute "should." He said all of the rest of the bullets are more forceful and more direct. Berman said "OSU needs to develop." Croteau said needs to or should; it needs the force of the rest of the bullets.

Tokos said that the next bullet is that we need to coordinate with each other in getting this to happen. He said OSU, OCCC, the County, and the City are all partners. Croteau said that the last paragraph there could be more forceful as well. He thinks they're really going to need a steering committee to see this thing through to the end; just to be comprehensive and keep people on task, and keep it integrated. He said that "one way to ensure" is kind of wimpy. He would say that we "recommend continued collaboration..." Hardy said the consultant was too concerned about it being too pushy. Croteau said now is the time to be pushy not wimpy. He thinks this is an important component of the continued working together; an organization that will see it through. Capri said OCCC is involved too, and that's a big part of it. Tokos asked Croteau how he phrased that. Croteau said, "We recommend that continued collaboration by way of a standing active steering committee;" or something of that nature. There are a lot of organizations that have to be integrated to make this thing happen comprehensively and smoothly.

On the next bullet, Berman said that if you start rolling in all of the cities in the county, he thinks that is a little too broad. There are cities that could be impacted or should participate in some way. He asked if we really want to have somebody come from Eddyville to every meeting of the steering committee and will have absolutely nothing to do with this. Tokos said his sense of why this bullet was put in here was because there is recognition that this isn't a Newport only issue. The domino effect there being the less capable our community is to provide workforce housing then pushes that workforce into neighboring communities that they themselves may not even be in a position to have affordable workforce housing. Hardy said she thought that we are making a mistake thinking that workforce is going to be displaced by student housing. Because of the temporary and transient nature of student housing, they won't be able to compete against tenant prospects. Tokos said they would absolutely compete. Capri said they are willing to pay more. Tokos agreed and said that their housing situation is such that they will more likely group together; so you'll have multiple students in a house so they can afford more. Hardy said not in her business they won't; they don't do multiple adult households. Capri said, but on college campuses. Hardy said you could do that in college housing; but you can't force that on the private sector. Croteau said there are sufficient numbers of landlords who would accept this. Tokos said the other piece here is while the genesis of this study is student housing related to the expansion at OSU, the study does try to strategically work in the fact that we already have a well-documented shortage of multifamily units generally. So, the healthier we can make that the better able this community can absorb additional growth. Capri asked if the City of Toledo was involved at all just because in theory they're the ones that would have the biggest impact because of proximity. Tokos said or Waldport he would think; and they were there. The only community that wasn't represented was Toledo; we had Depoe Bay, Yachats, Waldport, and Lincoln City. He doesn't know if Toledo right now has anybody that can be acting in the planning capacity.

Hardy thought one thing you at least want to mention is not to expect Newport to take care of mass transit needs or transportation needs; given the fact that they would like to think that all of their students will hike and bicycle back and forth to class. She said it was interesting that that very tiny demographics analysis they had at the last meeting; the ones that responded all had pets and lived all over the place. In other words if you're asking where you're living and why; that seemed to be the paramount reason why they weren't living close in. So if you have a substantial number of students with pets, multifamily housing might not be appropriate. Capri said with regard to the public transportation, in theory Newport's transportation could benefit from it. In Eugene, Oregon State University pays some amount of money per student so every student can ride the bus. He said maybe that's something that could be worked out with OSU. Hardy suggested to encourage them to at least think about enhancing their parking down there. She thinks you're going to have a healthy percentage of students who do drive and don't want to live on campus. Tokos said if they develop in Wilder, for example, they actually have a pretty good situation where they have housing within walking and biking distance; and we will have infrastructure in place to allow that to happen without folks having to go out on 101. However, that being said, there are no services in South Beach yet. This doesn't really address that aspect of it. They still need food and shopping; they still want to go to restaurants. Tokos told Berman that bullet was just about the need to coordinate with other jurisdictions.

Tokos said that the next bullet is that the City and the County should work together along with other cities in the County to decide whether to offer a multiple-unit tax exemption, which is one of the potential tools on one of the recommendations. Tokos talked to Don Huster about it a little bit. Tokos said this could be a very viable tool. It's not just a back end of a project type thing.

Depending on how this is structured, when you get financing from a lender to do a project, they are looking at your income stream over a certain period of time; and if you have that type of property tax exemption that is going to help. The other aspect that Tokos likes a lot as opposed to monkeying around with SDCs, which is fine too, is that this spreads the wealth a little bit better. That's not just Newport; that's all of the taxing entities. At the end of the day we all benefit from that development. We haven't tried it. We haven't seen any meaningful multifamily development in a long time. We can't influence property value a whole lot; we don't have any leverage there. There is a finite amount of land available. So where can we influence it? We can influence it with up-front costs like SDCs; that's Newport-centric in our ability to be able to pay for capital improvements to support growth. That has its pros and cons. This one does to, but we haven't really explored it yet. He thinks it's worth a good hard look to see if we can structure it. We have flexibility under the statute; we don't have to structure it one particular way. Berman asked if Newport could decide to offer property tax exemptions, and that would affect all of the taxing authorities; or do we have to get permission from every single one of them just like we were talking with Urban Renewal. Tokos said you can do this with one taxing entity. It could be Newport only. Generally how it's been done, it would be all the jurisdictions. You can look at it as a catalyst for development on undeveloped property where you're not getting a lot of property taxes off that anyway because it's vacant. If this is the driver to get a development happen, and you give up property taxes for ten years, you may not have seen any development on that property in ten years without doing that. He said the flip side gets a little trickier when you start talking about using this as a tool to incentivize redevelopment of some of our older apartment complexes. Capri asked how you determine eligible properties; does it have to be associated with OSU? Tokos said this would be multifamily generally. Plus you can put hooks on it; and they typically do. If you're a developer and you want this property tax exemption, then a certain number of your units have to be offered at 80% MFI during the life of your exemption. So some percent of those units will be at a price point where more folks in our community can afford to rent them.

Tokos said the next couple of points include CDBG (Community Development Block Grant), which is another way with Lincoln County in partnership. Typically these are administered through a county; so we would want to engage the County on that. There is more active involvement in housing there. Taking a look at SDCs. Berman asked what Section 108 funds are. Tokos explained that that is related to CDBG. Basically you can borrow against up to five years' worth of CDBG authorizations to get a larger pool of funds to do a meaningful project up front that you wouldn't be able to given your caps on CDBG.

Tokos said then the next point gets at, if we're looking at Wilder, we need to recognize that a number of these sites that would be suitable there are in lower density R-2, and there would be requirements to amend the planned development. We would be agreeing to help facilitate that.

The next bullet is that the City should encourage and facilitate development of retail and service amenities in South Beach. Tokos said this came up regularly. It's kind of an impediment to student housing down there. They can only offer so much in a student housing environment.

Tokos said then at the end you have basically a policy that Newport will encourage development of multifamily 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 work force and low-income households as well as supporting student growth at HMSC. The City will identify and implement appropriate tools to support multifamily and student housing development. Then there are three implementation measures including the two we just talked about; multiple-unit tax exemption and the CDBG funds because we don't do either of those right now, and then that the City will work with Wilder on the changes to the Plan.

Franklin asked if this is going to be a year-round need for student housing. Tokos said it's a mix. Some are here for the full calendar year. A significant number of the students are only going to be here for a quarter and then go back to Corvallis for the balance of the academic year. Hardy said the college could actually facilitate the back and forth. They don't lose their right to housing in Corvallis for being over here. Capri said if they are full-time, they will likely have a twelve-month lease even if they are gone, they are paying for the summer. Berman said that's the whole thing about OSU administering it. Tokos said OSU recognizes that they will have to have an active role.

B. Adjournment. Having no further discussion, the work session meeting adjourned at 7:00 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Newport Student Housing

Expansion of the Hatfield Marine Science Center in Newport

November 2014

Prepared for:

The City of Newport

Final Report

ECONorthwest
ECONOMICS • FINANCE • PLANNING

Contact Information

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.

For more information about this report or ECONorthwest, visit our website at www.econw.com. You can also contact us at:

Beth Goodman
ECONorthwest
222 SW Columbia Street
Portland, OR 97201
503-222-6060
goodman@econw.com

For more information about this project, please contact:

Derrick I. Tokos, AICP
Community Development Director
City of Newport
169 SW Coast Highway
Newport, OR 97365
541-574-0626
d.tokos@newportoregon.gov

Acknowledgements

ECONorthwest and the City of Corvallis thank the many people who helped to develop the Newport Student Housing Study.

Student Housing Study Advisory Committee

Birgitte Ryslinge, President, Oregon Coast Community College
Bonnie Serkin, Chief Operating Officer, Landwaves, Inc.
Dan Cutter, Oregon State University and Waldport City Councilor
David Craig, Director of Business Development, University Housing and Dining Services, Oregon State University
Derrick Tokos, Community Development Director, City of Newport
Larry Lewis, City Planner, for the cities of Depot Bay, Waldport, and Yachats
Lee Hardy, Owner, Yaquina Bay Property Management
Onno Husing, Planning Director, Lincoln County
Patrick Wingard, North Coast Regional Representative, Oregon Department of Land Conservation and Development
Richard Townsend, Planning and Community Development Director, Lincoln City
Robert Cowen, Director and Professor, Hatfield Marine Science Center, Oregon State University
Spencer Nebel, City Manager, City of Newport

This project was funded by Lincoln County, City of Newport, and the Department of Land Conservation and Development.

This page intentionally left blank

Table of Contents

Executive Summary	i
Introduction	1
1.1 Definitions	2
1.2 Oregon State University’s expansion plans	4
1.3 City of Newport and OSU Roles in Student Housing Development.....	5
1.4 Organization of this Report.....	9
2 Potential Impact of Growth at the Hatfield Marine Science Center on Newport’s Housing Market	10
2.1 Impact on housing demand.....	10
2.2 Update to Buildable Lands Analysis.....	19
3 Potential Sites for New Student Housing	23
4 Tools for Housing Development	29
4.1 Public-oriented tools	31
4.2 Developer Tools.....	41
5 Next Steps	47

This page intentionally left blank

Executive Summary

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

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,¹ 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.² 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.

¹ 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.

² <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.³ 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

³ 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.⁴ 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 Newport⁵
 - 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.⁶
 - 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.⁷
- 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:

⁴ HMSC currently has 60 to 80 students per year, with about 50 students at HMSC at any given time.

⁵ 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.

⁶ 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.

⁷ 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

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 2014.⁸
- **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

⁸ 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.⁹

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.¹⁰ 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.

⁹ 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.

¹⁰ 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,¹¹ 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.¹²

¹¹ 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.

¹² 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.¹³ OCCC's programs

¹³ 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

Plan Designation	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Buildable Acres
Low Density Residential					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
Subtotal	673	1,100	30	72	998
High Density Residential					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
Subtotal	394	936	6	165	765
Total	1,067	2,036	36	237	1,764

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.

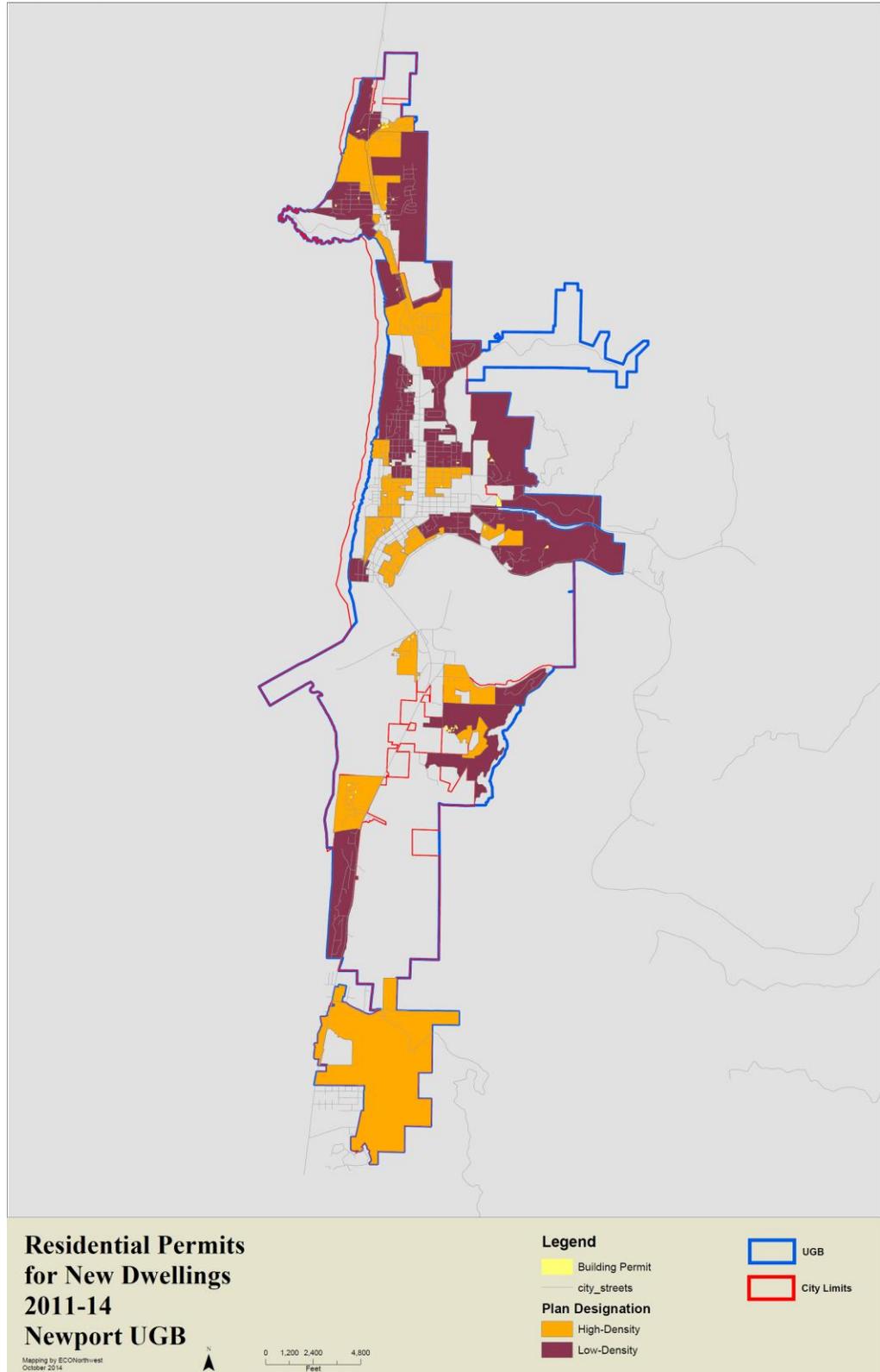
Table 2. Permits issued for new residential construction, 2011-14

Plan Designation	New	
	Dwellings	Acres
HDR	20	4.2
LDR	38	5.5
Total	58	9.7

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

Plan Designation	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Buildable Acres
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
TOTAL	1,009	2,026	40	237	1,749

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

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.¹⁴ 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.

¹⁴ 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.

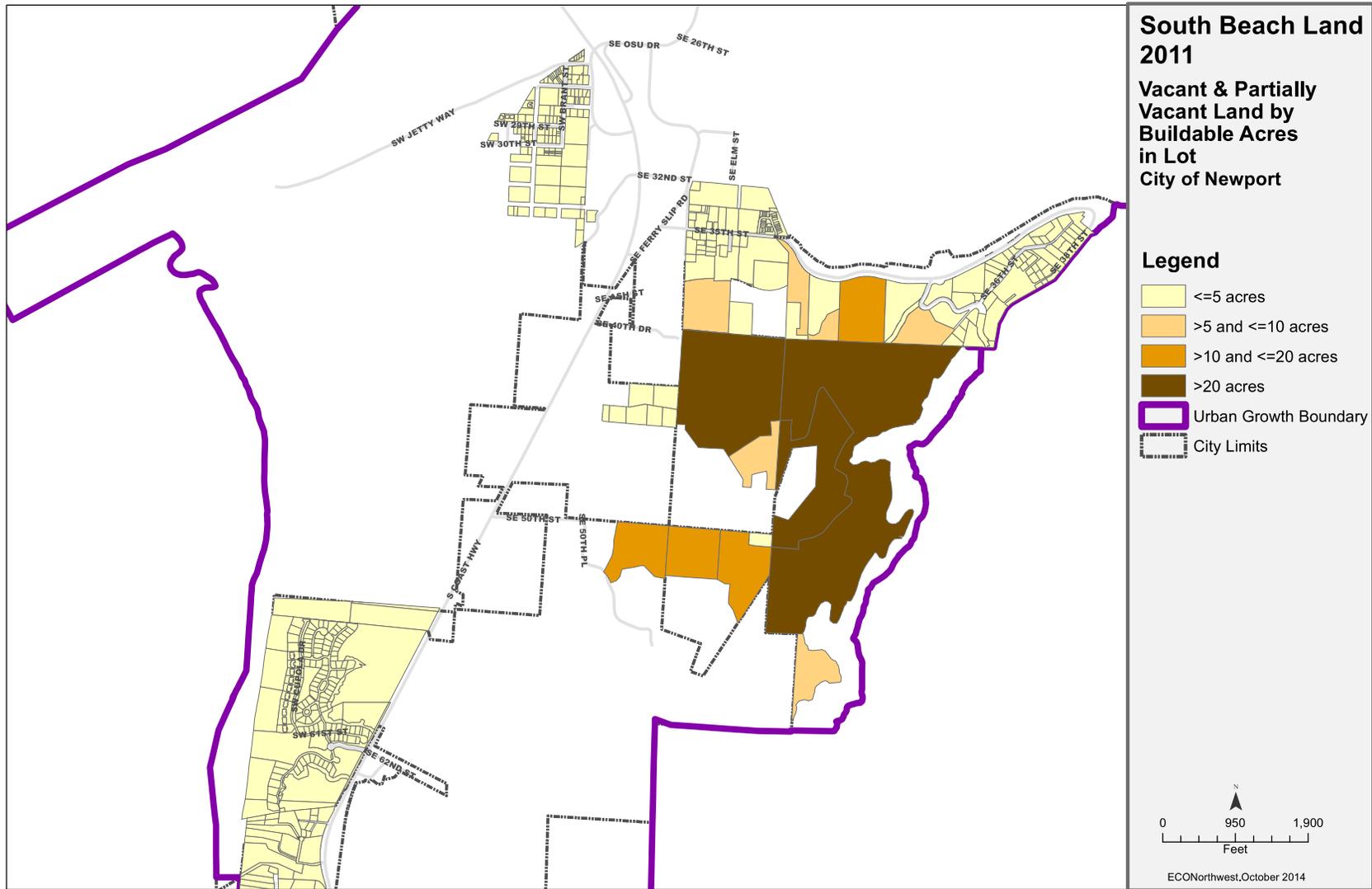
In general, these amenities develop as demand for them grows. Unless the student housing development includes some of these amenities or there is other active coordination for concurrent development of these amenities with student housing development, these types of retail development occur after residential development. Some of these amenities, especially a grocery store, will require development beyond student housing and will develop with other growth in South Beach.¹⁵

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.

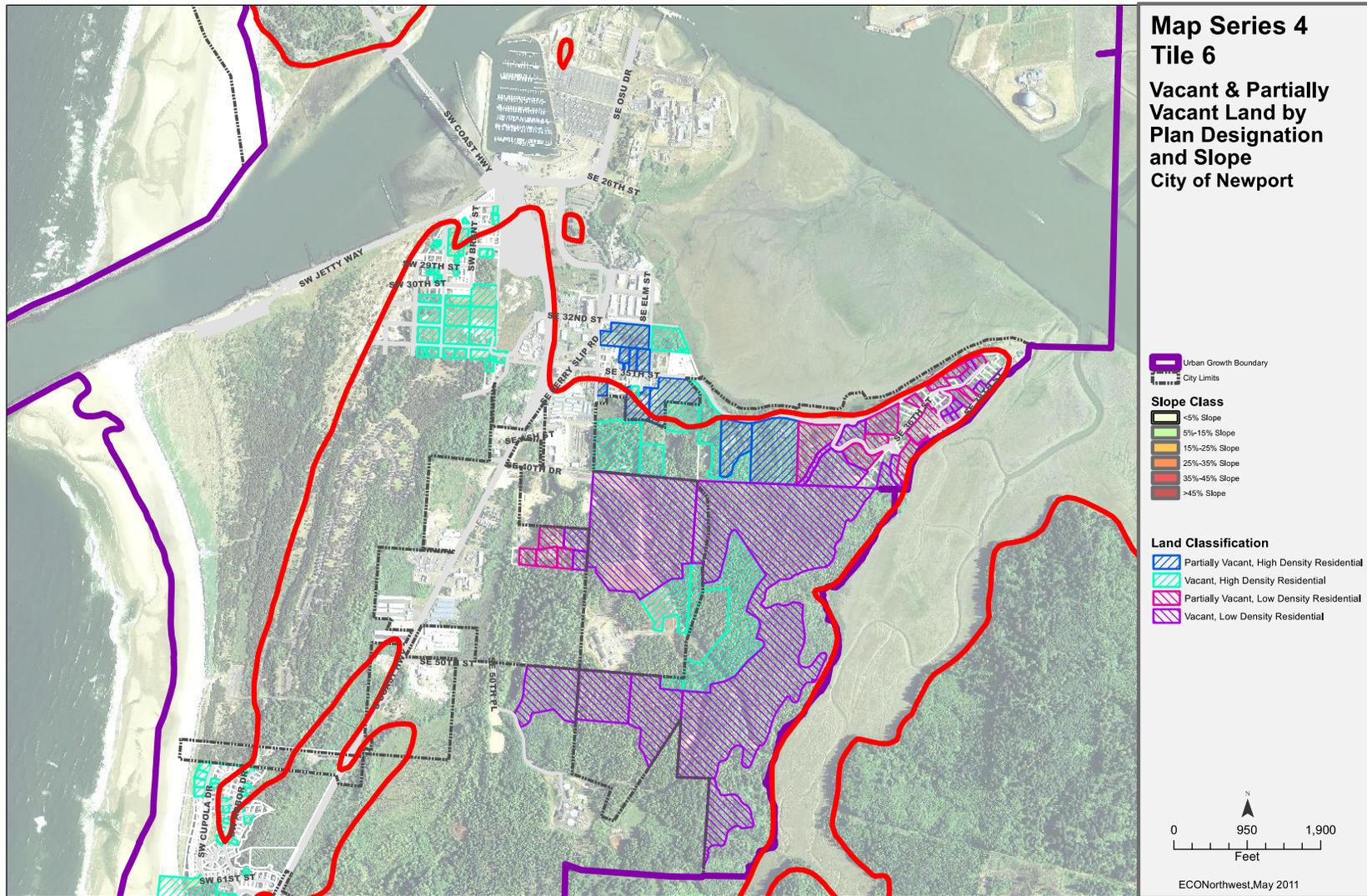
Map 3 and Map 4 show the buildable lands map of the South Beach area.

¹⁵ 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:

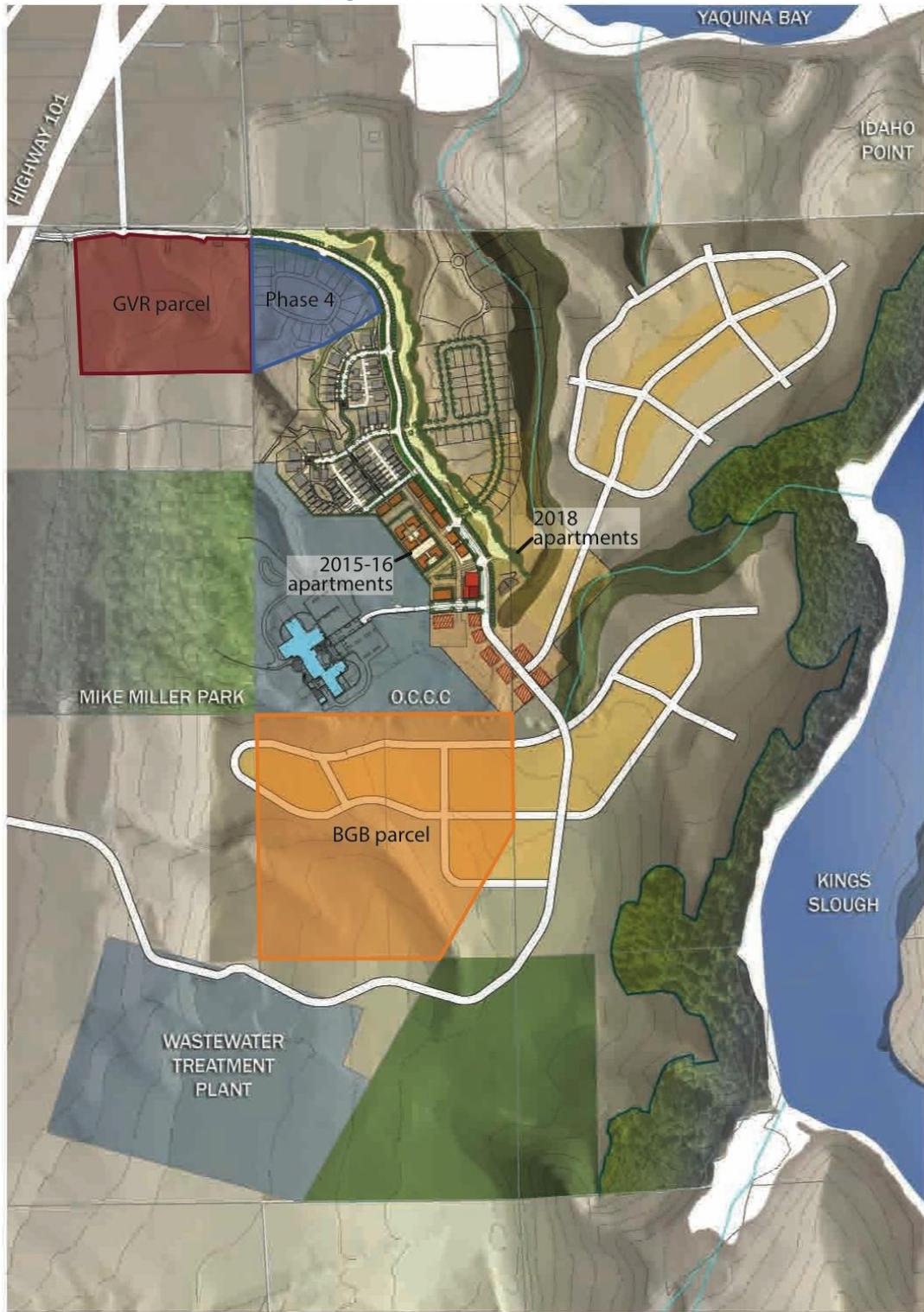
- **Phase 4 of the Wilder development.** The landowner identified the area at the entrance to the community on the south side of Harborton Street as being suitable for several small student housing buildings, possibly student studios coupled with large, shared common area spaces. The parcel comprises 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**   JULY 2009

OVERALL MASTER PLAN CONCEPT WITH PROPOSED LAND SWAP AREAS

4 Tools for Housing Development

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

How It Works	<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>Portland SDC Exemption Program. 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: http://www.portlandoregon.gov/phb/61105</p> <p>Canby Job Creation SDC Credits. 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: http://www.clackamas.us/business/documents/canbysdc.pdf</p>
Fund Sources	SDC fund / general fund. In some cases, there may be no financial impact.
Benefits	<ul style="list-style-type: none"> • Reduced up-front costs for developers can enable a quicker development timeframe and increase the availability of property to be taxed. • 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.
Drawbacks	<ul style="list-style-type: none"> • Reduces the availability of SDC funds over the short term.
Type of Housing	Student housing or low-income subsidized / workforce housing.

Sole Source Systems Development Charges

How It Works	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide.
Fund Sources	SDC funds
Benefits	<ul style="list-style-type: none"> • Enables SDC eligible improvements within the area that generates those funds to keep them for these improvements. • Improvements within smaller areas, which can enhance the catalytic and redevelopment value of the area. • Can be blended with other resources such as LIDs and TIF.
Drawbacks	<ul style="list-style-type: none"> • Reduces resources for SDC-funded projects in a broader geography.
Type of Housing	Student housing or low-income subsidized/workforce housing.

Fees or Other Dedicated Revenue

How It Works	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.
Fund Sources	Residents, businesses, and developers.
Benefits	<ul style="list-style-type: none"> • Allows for new revenue streams into the City. • 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.
Drawbacks	<ul style="list-style-type: none"> • Political challenges of introducing new fees or increasing existing fees that are directed toward specific funding objectives, unless those objectives are widely supported.
Type of Housing	Student housing or low-income subsidized / workforce housing.

Public Land Disposition

How It Works	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.
Fund Sources	Tax Increment, CDBG/HUD 108, EB-5.
Benefits	<ul style="list-style-type: none"> • Increases development feasibility by reducing development costs. • Gives the public sector leverage to achieve its goals via a development agreement process with the developer.
Drawbacks	<ul style="list-style-type: none"> • 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. • Requires careful underwriting and program administration to reduce public sector risk and ensure program compliance.
Type of Housing	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)

How It Works	<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"> • Redevelopment projects, such as mixed-use or infill housing developments. • Economic development strategies, such as capital improvement loans for small or start-up businesses which can be linked to family-wage jobs. • Streetscape improvements, including new lighting, trees, and sidewalks. • Land assembly for public as well as private re-use. • Transportation enhancements, including intersection improvements. • Historic preservation projects. • Parks and open spaces.
Fund Sources	Local taxing jurisdictions' permanent rate property tax revenues.
Benefits	<ul style="list-style-type: none"> • 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. • TIF can be used to help pay for infrastructure improvements (including parking garages), and provide loans/grants for adaptive re-use and new development. • Among the most flexible incentives. For example a single project-based TIF district is possible.
Drawbacks	<ul style="list-style-type: none"> • Defers property tax accumulation by the City and County until the urban renewal district expires or pays off bonds. • 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. • 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. • 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. • 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%.
Type of Housing	<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)

How It Works	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.
Fund Sources	LID bonds are backed by revenue committed by property owners (which can be public as well as private).
Benefits	<ul style="list-style-type: none"> • Organizes property owners around a common goal. • Allows property owners to make payments over time to bring about improvements quickly that benefit them individually. • Improvements within smaller areas can enhance catalytic and redevelopment value of the area. • LIDs can be bundled with other resources, such as TIF.
Drawbacks	<ul style="list-style-type: none"> • Setting up fair LID payments for various property owners, who are located different distances from the improvement, is challenging. • Some lenders insist that LIDs be paid off when properties are transferred. • Small geographic areas may not have sufficient LID revenues to support bonds for the desired improvement.
Type of Housing	Can be used to develop infrastructure needed for student housing or low-income subsidized / workforce housing.

Transportation Loans and Grants

How It Works	<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"> • ConnectOregon. 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: http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx • Statewide Transportation Enhancements Program. 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: http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx • Oregon Transportation Infrastructure Bank. 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: http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx
Fund Sources	State and federal funds.
Benefits	<ul style="list-style-type: none"> • Direct public investment into private projects. • Does not impact City funds.
Drawbacks	<ul style="list-style-type: none"> • Highly competitive and must meet state-identified criteria (varies by program). • For loans, need to establish a City repayment source.

Type of Housing	Can be used to develop transportation infrastructure needed for student housing or low-income subsidized / workforce housing.
------------------------	---

Water and Wastewater Loans and Grants

How It Works	<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"> • Water/Wastewater Financing Program. 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: http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx • Safe Drinking Water Revolving Loan Fund. 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: http://www.orinfrastructure.org/Infrastructure-Programs/SDW/ • Drinking Water Source Protection Fund. 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: http://www.orinfrastructure.org/Infrastructure-Programs/SDW/
Fund Sources	State and federal funds.
Benefits	<ul style="list-style-type: none"> • Direct public investment into private projects. • Does not impact City funds.
Drawbacks	<ul style="list-style-type: none"> • Highly competitive and must meet state-identified criteria (varies by program). • For loans, need to establish a City repayment source.
Type of Housing	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

How It Works	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.
Fund Sources	Property taxes are increased to pay back the GO bonds.
Benefits	<ul style="list-style-type: none"> • Community can implement public projects that can in turn catalyze other development (e.g. parking garage, transportation improvements, etc.)
Drawbacks	<ul style="list-style-type: none"> • GO Bonds require a public vote, which is often time-consuming and costly. • Raises property owner taxes (GO Bonds). • State Lending of Credit provision prohibits City from contributing directly to private sector projects.
Type of Housing	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

How It Works	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.
Fund Sources	Rents and other fees
Benefits	<ul style="list-style-type: none"> • Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity. • OSU can build student housing on its own or as part of a public-private partnership.
Drawbacks	<ul style="list-style-type: none"> • Requires OSU to be willing and financially able to issue a bond for the cost of student housing.
Type of Housing	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)

How It Works	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. ¹⁶ 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). ¹⁷ The county applied for microenterprise assistance in 2014. More info: http://www.orinfrastructure.org/Infrastructure-Programs/CDBG/
Fund Sources	Federal HUD funds, administered by Oregon Business Development Department.
Benefits	<ul style="list-style-type: none"> • Track record of using CDBG funds for community development projects in Lincoln County. • Funds are fairly flexible in application. • Program has existed since 1974, and is seen as being fairly reliable.
Drawbacks	<ul style="list-style-type: none"> • Competitive and time-consuming process to secure loans/grants for individual projects. • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is run through the state..
Type of Housing	Low-income subsidized / workforce housing. Unlikely to be used for student housing.

¹⁶ 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%202023,%202014.pdf>

¹⁷ 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)

How It Works	<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>
Fund Sources	Federal HUD funds.
Benefits	<ul style="list-style-type: none"> • Funds are fairly flexible in application. • Program has been run since 1974, and is seen as being fairly reliable. • Enables a larger amount of very low interest-rate-subordinate funding for eligible projects.
Drawbacks	<ul style="list-style-type: none"> • Competitive process to secure loans/grants for individual projects. • Administration and projects must meet federal guidelines such as Davis Bacon construction requirements. • Amount of federal funding for CDBG has been diminishing over the past few years. • CDBG program is run through Lincoln County and is not City-controlled. • 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. • May not be suitable for student housing.
Type of Housing	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)

How It Works	<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"> • Completely within the core area of an urban center. • Entirely within half-mile radius of existing/planned light rail station. • Entirely within one-quarter mile of fixed-route transit service (including a bus line). • Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential. <p>State program webpage: http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx</p>
Fund Sources	<p>General funds of local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.</p>
Benefits	<ul style="list-style-type: none"> • Targeted tool to support mixed-use development in places with locational advantages. • City-controlled on project-by-project basis.
Drawbacks	<ul style="list-style-type: none"> • Reduces general fund revenues for all overlapping taxing districts. • Requires a lengthy approval process with taxing districts.
Type of Housing	<p>Student housing or low-income subsidized / workforce housing.</p>

Multiple-Unit Limited Tax Exemption Program (State Enabled, Locally Managed)

How It Works	<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>City of Portland Multiple-Unit Limited Tax Exemption Program. 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: https://www.portlandoregon.gov/phb/61191</p> <p>City of Eugene Multi-unit Property Tax Exemption Program. 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: http://www.eugene-or.gov/index.aspx?NID=829</p>
Fund Sources	Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.
Benefits	<ul style="list-style-type: none"> • Targeted tool to support mixed-use development in places with locational advantages. • City-controlled on project-by-project basis. • Does not require active ground floor use. • Has been used for student housing in Eugene, Oregon. • Can be paired with other tools that incent density and allow for cost reductions. • Possible flexibility to tailor length of exemptions on a case-by-case basis, depending on the project benefits to the public. • The city can set an annual cap on the total amount of tax exemptions in any given year for all projects.
Drawbacks	<ul style="list-style-type: none"> • City must weigh the temporary (up to 10 years) loss of tax revenue against the potential attraction of new investment to targeted areas. • 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. • Can be competitive, depending on the criteria that the City outlines. • If the City also seeks abatement from overlapping taxing districts, requires a lengthy approval process. • Some programs have requirements for local and minority businesses to complete a portion of project construction, which can extend development timelines.

	<ul style="list-style-type: none"> • 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. • Depending on the project criteria, can be a highly competitive process among development projects.
Type of Housing	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”)

How It Works	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.
Fund Sources	Foreign investors.
Benefits	<ul style="list-style-type: none"> • Relatively low-cost source of equity for appropriate projects. • Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs. • EB5 can be bundled with many other funding sources such as TIF. • Among the most commonly sought-after projects are hotels and senior housing developments since both generate considerable jobs.
Drawbacks	<ul style="list-style-type: none"> • \$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. • Must meet job generation requirements within 2.5 years. • Investors expect to get their equity investment repaid at the end of five years. • It takes added time to secure EB5 funds, due to federally required process
Type of Housing	Student housing or affordable senior housing.

New Market Tax Credits (Federal program, Administered by a Community Development Entity)

How It Works	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.
Fund Sources	Investors.
Benefits	<ul style="list-style-type: none"> • Relatively low-cost source of equity for appropriate projects. • Projects can be construction (new or rehabilitation). • NMTC can be bundled with many other funding sources such as TIF.
Drawbacks	<ul style="list-style-type: none"> • 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. • Requires partnership with a CDE to receive the NMTC. • It takes added time to secure NMTC due to federally required process
Type of Housing	Student housing but the area under consideration for student housing is not eligible for NMTC.

221d4 Housing Program (Federal program)

How It Works	Provides market-rate multi-family housing developers with reduced equity requirements (20%), which can make some residential projects more feasible.
Fund Sources	Federal HUD funds.
Benefits	<ul style="list-style-type: none"> • Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity.
Drawbacks	<ul style="list-style-type: none"> • Lengthy process to secure federal approval for project as well as ongoing documentation.
Type of housing	Student housing or low-income subsidized / workforce housing.

501c3 Bonds (Federal Program)

How It Works	<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>
Fund Sources	Rents and other project fees
Benefits	<ul style="list-style-type: none">• Can pay for up to 100% of development costs• Low cost tax exempt rates• Bonds can be 20 year or longer to reduce annual payments• 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
Drawbacks	<ul style="list-style-type: none">• Project needs to have overwhelmingly nonprofit uses for period of the bonds• There are limits on who the project can be sold to during the life of the bond• 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.• Less experienced nonprofits may have challenges getting inducements without public agency guarantees
Type of Housing	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)

How It Works	<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"> • The "9%" credit rate. 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. • The "4%" credit rate. 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). <p>State program webpage: http://www.oregon.gov/OHCS/Pages/HRS_LIHTC_Program.aspx</p>
Fund Sources	<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>
Benefits	<ul style="list-style-type: none"> • Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. • 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. • Can be blended with other resources such as TIF, property tax abatements, and housing bonds.
Type of Housing	<p>Low-income subsidized housing.</p>

Loan Guarantee Programs (Administered by State of Oregon)

How It Works	<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: http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx</p>
Fund Sources	State of Oregon.
Benefits	<ul style="list-style-type: none"> • Provides low cost financing for up to 25% of the loan principal. • Applicable to households at or below 80% of the median family income
Drawbacks	<ul style="list-style-type: none"> • Requires State application process. • The State may restrict servicing of loans to lenders who have significant experience in the administration of multifamily housing loans and leasing. • Required to comply with State guidelines for administration requirements.
Type of housing	Low-income subsidized / workforce housing for those earning up to 80% of median family income.

Conduit Loan Program (Administered by State of Oregon)

How It Works	<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: http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx</p>
Fund Sources	State of Oregon.
Benefits	<ul style="list-style-type: none"> • Provides flexibility in loan structure. • Is designed to work with LIHTC and other programs.
Drawbacks	<ul style="list-style-type: none"> • Requires State application process. • Requires an experienced affordable housing development team to successfully navigate the complexity of the program. • Required to comply with State guidelines for administration requirements.
Type of housing	Low-income subsidized / workforce housing.

Affordable Housing Property Tax Abatement (Locally managed, enabled by State of Oregon)

How It Works	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.
Fund Sources	Local taxing jurisdictions' general funds—cities, school districts, counties, etc.
Benefits	<ul style="list-style-type: none"> • Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. • 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. • Can be blended with other resources such as TIF, tax credits, and housing bonds.
Drawbacks	<ul style="list-style-type: none"> • Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions.
Type of Housing	Low-income subsidized housing.

Affordable Housing Tax Credit (State managed)

How It Works	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: http://www.oregon.gov/ohcs/pages/hrs_ohhtc_program.aspx
Fund Sources	Institutional investors or high net worth individuals makes investments. State general fund is impacted.
Benefits	<ul style="list-style-type: none"> • Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages. • 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. • The state allows for affordable housing property tax abatements, which are applied for separately.
Drawbacks	<ul style="list-style-type: none"> • Highly competitive process.
Type of Housing	Low-income subsidized / lower income workforce housing.

5 Next Steps

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 develop 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 35th Street.* The City recently acquired a site for redevelopment at Highway 101 and 35th 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 40th 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.