



AGENDA & Notice of Planning Commission Work Session Meeting

The Planning Commission of the City of Newport will hold a work session meeting at **6:00 p.m., Monday, November 24, 2014**, at the Newport City Hall, Conference Room "A", 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 work session.

NEWPORT PLANNING COMMISSION Monday, November 24, 2014, 6:00 P.M.

AGENDA

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.
2. Discussion of scope of work for City of Newport/ODOT TGM project that will leverage LIDs as a transportation-funding tool.
3. Discussion of the summary of the Student Housing Study.

B. Adjournment.

Memorandum

To: City of Newport Planning Commission/Commission Advisory Committee
From: Derrick Tokos, Community Development Director *DT*
Date: November 21, 2014
Re: Update on Formation of a new Urban Renewal District

After the City Council considered the feasibility study prepared by ECONorthwest at a work session in April, the project was briefly on hold through the summer. Starting in August and extending into November, Spencer Nebel and myself met with the affected taxing entities to solicit their feedback on the concepts. We met with each of the County Commissioners, management with Samaritan Health Systems, the Hospital District Board, the superintendent of the Lincoln County School District, and the president of the Oregon Coast Community College. Management with Linn-Benton-Lincoln ESD was also provided a copy of the feasibility study. Outreach efforts have also included pitching the concept at a town hall meeting in Agate Beach and a presentation to the Greater Newport Chamber of Commerce.

All of the affected taxing entities acknowledged the value in the City putting together a new urban renewal district. They have been generally receptive to the potential range of projects, and recognize that there are partnering opportunities. The Hospital District expressed some reservations about the concept of a couplet involving 9th Street and would like to think about how that would work with their expansion plans. Enhancements to the City water system to support a hospital expansion, which is not currently listed as a potential project, was discussed. The County Commissioners pointed out that investing in the transportation system to revitalize downtown is an appropriate place to focus resources. Fairground redevelopment opportunities were also mentioned. The School District expressed an interest in seeing the Prep Academy and High School properties being included in the district boundaries so that Eads Street could be a potential project. Several of the taxing entities indicated that they want to evaluate the near term impact to their tax revenues before they take a formal position on whether or not a new Urban Renewal District should be formed.

In terms of next steps, Spenser and I will be meeting with the Oregon Coast Community College Board at its next meeting in December or January. Also, a joint work session between the Planning Commission and City Council is being arranged for January to discuss a schedule for making a decision on forming a new district. The City Finance Department is conducting an analysis on the impact the urban renewal options will have on city finances, near term, and hopes to have that information available for the work session. We will be asking the other taxing entities to complete their financial analysis as well, so that the process can continue to move forward. Please let me know if you have any thoughts regarding the "next steps" and timing for the joint work session.

Attachments

- Evaluation of Urban Renewal Options (i.e. "Feasibility Study") prepared by ECONorthwest, dated March 20, 2014
- Feasibility of Forming a new Urban Renewal District North of the Bridge, PowerPoint presentation to the Greater Newport Chamber of Commerce, dated November 7, 2014

DATE: March 20, 2014
TO: Derrick Tokos
FROM: Nick Popenuk and Tessa Krebs
SUBJECT: EVALUATION OF NEWPORT URBAN RENEWAL OPTIONS

The City of Newport is considering the creation of an urban renewal district (URD) to implement economic development projects for the area north of the Yaquina Bay Bridge. This memorandum evaluates three potential URA options, including analysis on how much tax increment finance (TIF) revenue might be generated, what projects could be funded, and over what period of time. Note that the three boundaries evaluated in this memorandum are not the City's only options. They illustrate a range of possibilities that the City could consider, including smaller vs. larger boundaries, and less vs. more maximum indebtedness (i.e., the total amount of urban renewal project costs.).

This memorandum is organized into the following sections:

- **Introduction/Background** describes the purpose of the report and how urban renewal works.
- **Methods** describes the steps used in our analysis and the source of key assumptions.
- **Results** presents the TIF revenue projections and project list for each of three potential URD boundaries, along with a discussion of the pros and cons of each boundary option.
- **Compression considerations** describes how compression works and the potential impact of creating a new Newport URD on compression losses for other taxing districts.
- **Impact to taxing districts** identifies the amount of property tax revenue that would be foregone by overlapping taxing districts.
- **Conclusions** summarizes the most important key findings, comparing the three boundary options. It is intended to help the City make an informed decision on which boundary option(s) should be focused on next year as the City creates a formal urban renewal plan and report.
- **Appendix A** provides maps of the three potential urban renewal areas.
- **Appendix B** provides detailed tables of foregone revenues for overlapping taxing districts.

Introduction/Background

The City of Newport, Oregon is interested in conducting a feasibility study for an urban renewal district (URD) to serve the area north of the Yaquina Bay Bridge. The action to “evaluate creation of an urban renewal district north of Yaquina Bay” is specifically called out in Action 6.1 of the Newport Economic Development Strategy.

Although the Economic Development Strategy recognizes the numerous potential uses of urban renewal, the Strategy does not identify the specific geography, or specific uses of urban renewal for the City of Newport. Thus, the purpose of this feasibility study is to examine how different URD boundaries might be able to help the City achieve its economic development goals. This report provides the City of Newport with baseline data to understand the financial capacity of a new URD north of the Yaquina Bay Bridge.

What is Urban Renewal?

Urban renewal is a state-sanctioned program used by over 50 cities and counties in Oregon to help them, through partnerships with the private sector, implement adopted plans to revitalize specified areas within their jurisdiction. Urban renewal, through the provision of tax increment financing (TIF), can provide for capital improvements such as parks, water and waste water infrastructure, parking facilities, and transportation improvements that stimulate private investment and attract new businesses, jobs, and residents. It can also be used to assist with development activities that are approved in an urban renewal plan, such as storefront improvement loans, property acquisition, and site preparation.

In Oregon, planning and analysis associated with the creation of a new URD is guided by state statute (ORS Chapter 457). The statutes stipulate that URD plans must find the proposed URD is eligible for urban renewal because of existing *blight*, typified by conditions such as deteriorated buildings and lack of adequate infrastructure. The plan must also contain goals and objectives, authorized urban renewal projects, a limit on the expenditures, specific provisions regarding acquisition and disposition of land, and provisions regarding how the plan may be amended in the future.

What is TIF?

Tax increment financing is the primary funding tool used within URDs. Tax increment revenue is generated within a URD when the assessed value within that area is ‘frozen’ (often called the *frozen base*). Any taxes generated within that area from growth in assessed value through either appreciation or new investment becomes the *increment*. Taxing jurisdictions continue to collect tax income from the frozen base but agree to release assessed value above the frozen base to the URD. The URD then can obtain loans or issue bonds to pay for identified public improvements and/or investments in private projects that are in the public interest. The tax increment is used to pay debt service on these projects.

What is Revenue Sharing?

In 2009, the Oregon Legislature enacted HB 3056, which, among other things, established a system of revenue sharing for urban renewal areas. These revenue sharing provisions only apply to urban renewal areas approved after 2009 and older urban renewal areas that have been amended to increase maximum indebtedness since 2009. When urban renewal areas attain certain thresholds of annual tax revenue, some of this tax revenue is released from the urban renewal area and shared with the other taxing districts.

When tax revenues reach 10% of the URD's maximum indebtedness, then a portion of the TIF above that level is shared with overlapping taxing districts (specifically 25% of the TIF above this threshold remains with the URD, and the remaining 75% of TIF is returned to taxing districts). Additionally, when TIF revenues for the URD reach 12.5% of the maximum indebtedness, TIF revenues for the URD are capped at the amount, with all TIF revenues above 12.5% of maximum indebtedness being shared with overlapping taxing districts.

What is Maximum Indebtedness?

Maximum indebtedness (MI) means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness. This is the total amount that can be spent from tax increment proceeds for projects, programs and administration.

How does Oregon Property Tax work?

Citizen initiatives have changed the way that property taxes are raised in Oregon, and have limited the growth of assessed value and property tax revenues for taxing jurisdictions.

Measure 5, passed in 1990, introduced tax rate limits. Measure 50 passed in 1996, cut taxes, introduced assessed value growth limits, and replaced most dollar-limited *levies* (an amount) with permanent tax *rate limits*.

Measure 5 introduced limits on the taxes paid by individual properties. It imposed limits of \$5 per \$1,000 of real market value for school taxes and \$10 per \$1,000 of real market value for general government taxes. These limits apply to all property taxes, other than those levied to repay voter-approved general obligation bonds.

Under Measure 50, most levies were replaced by permanent limits on tax rates. The permanent rate limit is fixed, and does not change from year to year. In addition to the permanent rate, taxing districts may impose general obligation bond levies and local option levies. The sum of all the tax rates (including permanent rates, local option levy rates, and rates for bonds and other levies) of all taxing districts in a given levy code area is known as the *consolidated tax rate*.

Measure 50 changed the concepts of "assessed values" and "tax rates." Assessed value no longer equals real market value. Real market value is the sale price for property that changes hands between a willing seller and a willing buyer in the open market. Assessed value is the

value assigned to that property for tax purposes. Growth in maximum assessed value for existing properties is limited to 3% per year.

Property taxes and school funding

Although schools levy property taxes, these local property tax revenues do not have a direct impact on funding for local school districts. This is because the state “equalizes” school funding using a formula that takes into account property tax revenue generated at the local school district level, and revenue from the state’s coffers generated by the statewide income tax, Oregon Lottery, and intergovernmental revenues.

Allocation of state revenues to local school districts comes in the form of “general purpose grants.” The primary driver of the state allocation is the number of students in each district. The state multiplies the number of students by the general purpose grant, with some adjustments for teacher experience and other factors. **Regardless of local property tax collections, each school district still receives the same amount of funding per student, with state funding making up the difference between local property tax revenues and the general purpose grant amount.**

What is Compression?

Some jurisdictions in Oregon do not receive the full amount of property taxes that should be levied, due to “compression,” which occurs as a result of the rate limits enacted by Measure 5. These rate limits apply to the *real market value* of properties, rather than to the assessed value. If taxes to be raised on an individual property exceed the Measure 5 limits (\$5 per \$1,000 for education, or \$10 per \$1,000 for general government), then the tax bill for that property is reduced or “compressed.” Compression loss means some properties pay less in taxes than are calculated by the product of the assessed value and consolidated tax rate.

Due to the tax rates in Lincoln County relative to the Measure 5 limits, education taxing districts are far more likely to suffer compression losses than general government taxing districts. Exhibit 1 shows historical compression losses in Lincoln County since FY 2006-07. Prior to FY 2009-10, both education and general government taxing districts experienced significant compression each year. Since FY 2009-10, however, general government compression losses have nearly been eliminated, while education compression losses have increased substantially.

Exhibit 1. Lincoln County historical property tax compression losses, FY 2007-08 to 2003-14

FYE	M5 Compression Losses				Total
	Education	General Gov	Other*		
2007	\$ 129,197	\$ 55,903	\$ 31,248	\$	216,348
2008	\$ 121,942	\$ 66,590	\$ 39,765	\$	228,297
2009	\$ 123,712	\$ 66,134	\$ 41,394	\$	231,240
2010	\$ 134,536	\$ 74,626	\$ 45,549	\$	254,711
2011	\$ 153,388	\$ 11,429	\$ 285	\$	165,102
2012	\$ 222,418	\$ 348	\$ 405	\$	223,171
2013	\$ 507,672	\$ 885	\$ 509	\$	509,066
2014	\$ 633,459	\$ 453	\$ 292	\$	634,204

*Other jurisdictions include special assessments and urban renewal.

Source: Lincoln County Assessor

Note that urban renewal can have an impact on compression losses, because urban renewal changes the effective tax rates of an area. Urban renewal is sometimes referred to as “division of taxes.” That means that a portion of the taxes that would go to a jurisdiction like the City of Newport is instead divided off and sent to an urban renewal agency instead. The process that the County Assessor uses to collect TIF revenues for URDs results in a portion of each jurisdictions tax rate being carved off, and turned into a new urban renewal tax rate. A side effect of this process is that education districts that are impacted by urban renewal have their rates reduced a small amount, and that amount is added to the general government side of the compression equation.

This means that Newport’s existing urban renewal district helps to lower the compression losses experienced by education taxing districts. Similarly, a new URD in Newport would also help to reduce compression losses for education districts.

Methods

The methods used in our analysis, included the following key steps:

- Step 1. Define boundary options
- Step 2. Identify projects and costs.
- Step 3. Determine applicable tax rates.
- Step 4. Forecast growth in assessed value.
- Step 5. Calculate TIF and revenue sharing.
- Step 6. Create a draft finance plan.

Step 1. Define boundary options

The City of Newport asked us to evaluate three different boundary options. Each boundary option also included a few variations on a fairly consistent list of economic development projects. Exhibit 2 is a map displaying all three boundary options.

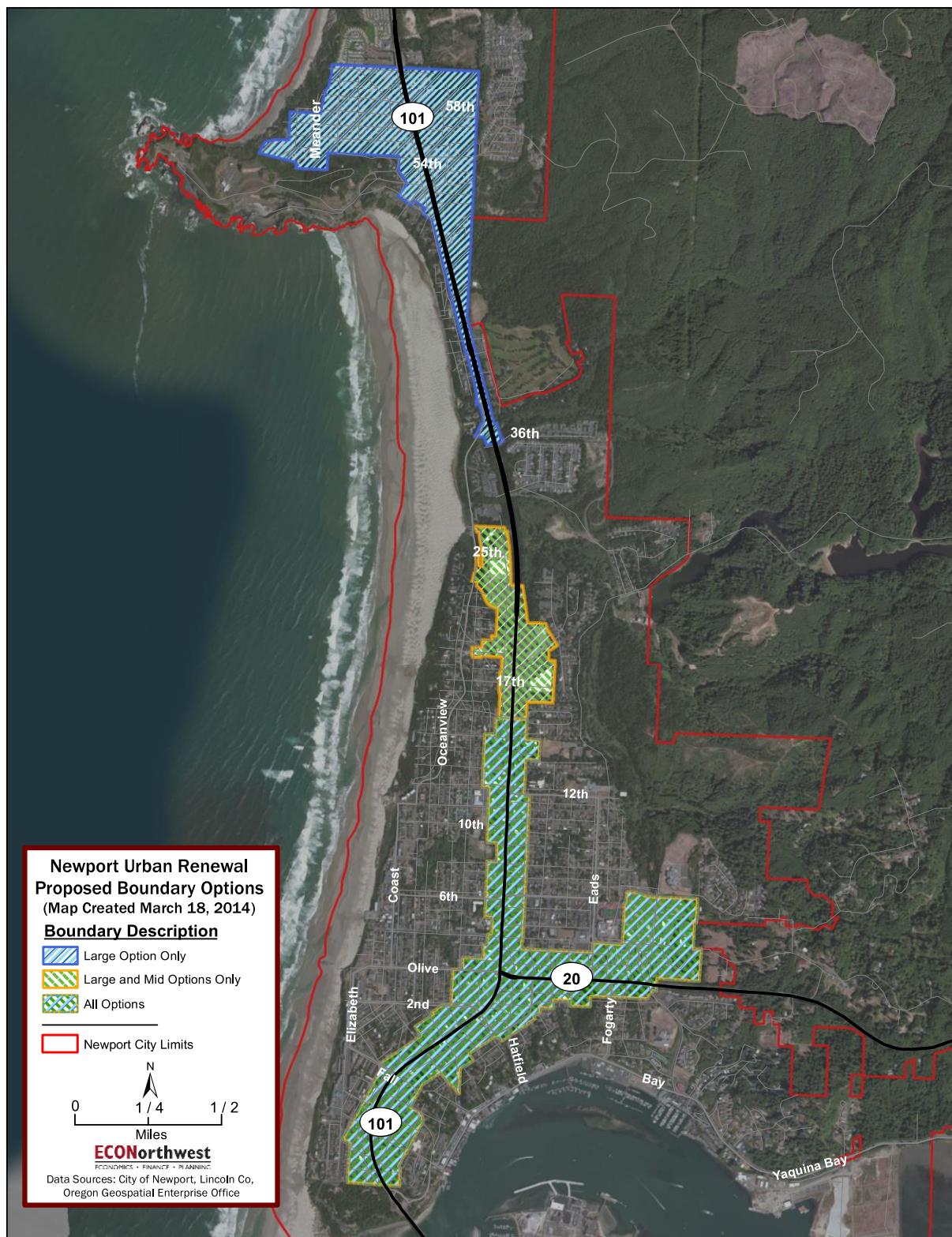
The first option, the *Small Option*, includes 282 acres of downtown Newport centered around the Highway 101 / Highway 20 intersection. Total assessed value of the area is \$146,294,830 million. The list of projects to be included in this option result in a maximum indebtedness of \$40 million.

The *Mid Option* includes all of the area from the Small Option, plus a larger area that extends north along Highway 101 to include additional commercially zoned parcels in the area. It has a total of 345 acres, and \$198,769,630 million in assessed value. This boundary was also modeled with a smaller maximum indebtedness (i.e., a lower amount of urban renewal funding for economic development projects). This allows us to evaluate an option that would emphasize a more targeted use of urban renewal, accelerating the timing of project construction, debt repayment and URD retirement. The maximum indebtedness for this option would be \$30 million.

The third and final area is the *Large Option*. It is the biggest boundary, encompassing 525 acres, and \$269,652,460 million in assessed value, including all of the area from the Small and Mid Options plus the Agate Beach area and a section of Highway 101 right-of-way extending south of Agate Beach. This option has the highest maximum indebtedness, including additional projects to serve the Agate Beach area. Maximum indebtedness for this option would be \$45 million.

Note that State statutes limit the total amount of assessed value and acreage that can be included in urban renewal districts in a City. Because the City of Newport already has one existing URD, South Beach URA, it is important to ensure that the proposed boundary options do not exceed the citywide limitations. Our analysis shows that the City has capacity for 619 acres, and \$300.8 million in assessed value to add to new URDs. All three boundary options included in this analysis are within these citywide limits.

Exhibit 2. Map of Three Boundary Options



Step 2. Identify projects and costs

As mentioned in the previous option, the three boundary options have three different project lists, and project cost estimates, and therefore three different maximum indebtedness figures. The list of projects and cost estimates were provided by City staff, and reviewed by ECONorthwest. These cost estimates are shown below in Exhibit 3. Note that the cost estimates shown in Exhibit 3 show both the total costs for each project, and the portion of each project cost to be funded with TIF from a new URD. Also note that the values shown in Exhibit 3 were adjusted by the City to account for future inflation. The reason why the urban renewal share of project costs differ from total costs is because funding partnerships are assumed for certain projects in all three boundary options. Other potential funding sources include State funds, County funds, transient lodging tax, gas tax, local improvement districts, etc. Ultimately, these project costs would be examined more closely and refined before adopting a formal urban renewal plan for the area.

Exhibit 3. Estimated project costs, Newport URD boundary options

Project Name	Urban Renewal Share of Cost			Total Cost
	Small Option	Mid Option	Large Option	
Agate Beach Improvements				
Agate Beach Neighborhood Refinement Plan	\$ -	\$ -	\$ 100,000	\$ 100,000
Agate Beach improvements to existing local street ROW	\$ -	\$ -	\$ 1,000,000	\$ 2,000,000
Agate Beach storm drainage improvements	\$ -	\$ -	\$ 1,500,000	\$ 2,000,000
Agate Beach US 101 access and collector upgrades	\$ -	\$ -	\$ 750,000	\$ 1,500,000
US 101 water line upgrade	\$ -	\$ -	\$ 600,000	\$ 1,200,000
Public buildings				
Multi-purpose building (fiargrounds redevelopment)	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 9,000,000
Public Safety Building	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 10,000,000
Transportation system enhancements				
Downtown Revitalization and Couplet Refinement Plan	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Couplet and related ROW improvements	\$ 12,500,000	\$ 10,000,000	\$ 12,500,000	\$ 25,000,000
Intersection realignment (e.g. US 101 and NW 6th)	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 3,000,000
Parking improvements	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Right-of-way acquisition	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Signal installation or adjustment	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Economic development				
Benches, public art	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Billboard removal	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Site prep for reuse (demolition, lot aggregation, etc.)	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Storefront façade loans/grants	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Strategic site acquisition for economic development	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Street tree and landscape island enhancements	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Wayfinding improvements	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Utility undergrounding	\$ 4,000,000	\$ 2,700,000	\$ 4,000,000	\$ 8,000,000
Total	\$ 37,300,000	\$ 28,500,000	\$ 41,400,000	\$ 74,600,000

Source: City of Newport

Note that the total project costs are estimated to be \$37.3 million in the Small Option, \$28.5 million in the Mid Option, and \$41.5 million in the Large Option. Our assumptions for maximum indebtedness round these numbers up to \$40 million, \$30 million, and \$45 million,

respectively. This provides a cushion to account for administrative costs, which are not included in the estimates shown in Exhibit 3.

Step 3. Determine applicable tax rates

All property within the three boundary options are located within two tax code areas (104 and 107) that have the same tax rate. Details of the applicable tax rate are shown below in Exhibit 4. Note that some of these taxing districts (Port of Newport, Lincoln County School District, and Oregon Coast Community College) also have rates for general obligation (GO) bonds. However all of these bonds were approved after 2001, and Oregon statutes preclude new URDs from including GO bond rates for all bonds approved after 2001. Tax rate information was obtained from Lincoln County Assessor Summary Table 4a.

Exhibit 4. Applicable tax rates for Newport URD boundary options, FY 2013-14

District	Tax Code Areas: 104 and 107
Lincoln County	2.8202
Animal Service	0.1100
Solid Waste	0.0000
Extension	0.0451
Transportation	0.0974
Port of Newport	0.0609
City of Newport	5.5938
Pacific Communities Health	0.3625
General Government Subtotal	9.0899
Lincoln County School Unit	4.9092
Oregon Coast Community College	0.1757
Linn-Benton ESD	0.3049
Education Subtotal	5.3898
Consolidated Rate	14.4797

Step 4. Forecast growth in assessed value

The Lincoln County Assessor provided us with data on the assessed value of all properties in the City of Newport for FY 2013-14. This allowed us to determine the current assessed value of each boundary option. Growth rates for assessed value vary over time, depending on market cycles and new development. In Oregon, appreciation is capped at 3.0% per year, which means any growth above 3.0% per year requires new development to occur.

We looked at recent historical trends in the City of Newport to determine a reasonable growth rate to use for our analysis. Exhibit 5 shows historical growth in assessed value citywide from 2003 to 2014. This shows annual growth varying from 1.2% per year to 5.7% per year, with an average annual growth rate of 3.65%.

Exhibit 5. City of Newport, historical growth in assessed value, FYE 2003 to 2013

FYE	M50 Assessed Value	
	Total AV	% Growth
2003	\$ 892,940,492	
2004	\$ 928,401,219	3.97%
2005	\$ 973,762,350	4.89%
2006	\$ 1,025,083,252	5.27%
2007	\$ 1,083,840,382	5.73%
2008	\$ 1,142,444,797	5.41%
2009	\$ 1,189,556,877	4.12%
2010	\$ 1,221,882,368	2.72%
2011	\$ 1,243,219,850	1.75%
2012	\$ 1,261,955,470	1.51%
2013	\$ 1,277,344,380	1.22%
AAGR		3.65%

Calculated by ECONorthwest with data from Lincoln County Assessor

The period shown in Exhibit 5 includes the most severe economic recession since the Great Depression, and future growth rates (particularly in the short-term) are estimated to be higher than in recent years, as real market values recover. Indeed, long-term trends statewide demonstrate annual assessed value growth closer to 4.5% per year. Areas with development potential, and areas that receive targeted public investments (like the kinds of investment facilitated by urban renewal) are also more likely to see higher growth in assessed value.

For our analysis, we assumed annual average growth in assessed value of 4.5% per year. We believe this growth rate to be realistic and achievable. Actual growth may vary, and some years will be higher or lower than this 4.5% assumption. During the planning stages of adopting an urban renewal plan for a specific URD boundary, the City will want to look at a range of growth rates (higher and lower). However, for the purposes of our analysis, comparing the relative merits of three potential boundary options, our results are easier to understand by looking at only one assumption for assessed value growth.

Note that for this analysis there is no risk to forecasting assessed value growth that is too high. This is a planning level analysis to demonstrate the potential of urban renewal to assist with economic development in Newport. If actual growth is slower than forecast, that simply means the URD will need to spend less on projects, or phase those projects over a longer period of time. Additionally, before the URD incurs debt to fund any expenditures on projects, the City will need to conduct another feasibility study, providing a more detailed, short-term forecast of TIF revenues, and confirming that the URD has sufficient financial capacity to pay debt service.

Note that for FY 2014-15, our forecast of assessed value also included known development. The process of establishing assessed values results in a lag time between when construction occurs and when the value of that new construction activity hits the tax rolls. This means that any new development in 2013 won't be added to the tax roll until FY 2014-15. The City provided us with a list of building permits issued in 2013. These permits were mapped to determine which construction projects occurred within each of the three boundary options. Construction costs

and the countywide “changed property ratio” were used to estimate the initial assessed value of this new development. This development is shown in FY 2014-15 of our forecasts.

Step 5. Calculate TIF and revenue sharing

Calculating TIF revenue is relatively straightforward. After forecasting assessed value as described in Step 4, we subtract the initial assessed value (the frozen base) to determine the “excess value.” This excess value is multiplied by the applicable tax rate to determine the total amount of TIF revenue. Then, the revenue sharing thresholds are applied to determine the portion of TIF revenue that will be collected by the URD and the portion that will be shared with overlapping taxing districts.

Step 6. Create a draft finance plan

The final step in the analysis was to take the annual forecast of TIF revenue for the URD, and translate it into a financing plan showing the year projects would be funded, the debt incurred, and the schedule for retiring the debt. The results of the financing plans for each URD boundary option are described in the following section.

Results

In this section we describe the results for each of the three boundary options that were evaluated. Our analysis sheds light on several key considerations when evaluating potential URD boundaries: (1) The amount and costs of projects that would be completed, (2) the maximum indebtedness, (3) the year the first substantial project could be completed, (4) the year all projects would be completed, and (5) the year all debt would be repaid.

Small Option

Exhibit 6 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive \$4.8 million in TIF over the first 10-years, \$24.3 million over the first 20-years, and \$54.2 million by FYE 2041, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 6. Small Option TIF Forecast

FY	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF		
					Total	for URD	Shared
2014	\$ 146,294,830	\$ 146,294,830	\$ -	14.4797	\$ -	\$ -	\$ -
2015	\$ 153,569,598	\$ 146,294,830	\$ 7,274,768	14.4797	\$ -	\$ -	\$ -
2016	\$ 160,480,230	\$ 146,294,830	\$ 14,185,400	14.4797	\$ 205,401	\$ 205,401	\$ -
2017	\$ 167,701,841	\$ 146,294,830	\$ 21,407,011	14.4797	\$ 309,967	\$ 309,967	\$ -
2018	\$ 175,248,424	\$ 146,294,830	\$ 28,953,594	14.4797	\$ 419,239	\$ 419,239	\$ -
2019	\$ 183,134,603	\$ 146,294,830	\$ 36,839,773	14.4797	\$ 533,429	\$ 533,429	\$ -
2020	\$ 191,375,659	\$ 146,294,830	\$ 45,080,829	14.4797	\$ 652,757	\$ 652,757	\$ -
2021	\$ 199,987,563	\$ 146,294,830	\$ 53,692,733	14.4797	\$ 777,455	\$ 777,455	\$ -
2022	\$ 208,987,003	\$ 146,294,830	\$ 62,692,173	14.4797	\$ 907,764	\$ 907,764	\$ -
2023	\$ 218,391,419	\$ 146,294,830	\$ 72,096,589	14.4797	\$ 1,043,937	\$ 1,043,937	\$ -
2024	\$ 228,219,034	\$ 146,294,830	\$ 81,924,204	14.4797	\$ 1,186,237	\$ 1,186,237	\$ -
2025	\$ 238,488,890	\$ 146,294,830	\$ 92,194,060	14.4797	\$ 1,334,942	\$ 1,334,942	\$ -
2026	\$ 249,220,890	\$ 146,294,830	\$ 102,926,060	14.4797	\$ 1,490,338	\$ 1,490,338	\$ -
2027	\$ 260,435,829	\$ 146,294,830	\$ 114,140,999	14.4797	\$ 1,652,728	\$ 1,652,728	\$ -
2028	\$ 272,155,442	\$ 146,294,830	\$ 125,860,612	14.4797	\$ 1,822,424	\$ 1,822,424	\$ -
2029	\$ 284,402,436	\$ 146,294,830	\$ 138,107,606	14.4797	\$ 1,999,757	\$ 1,999,757	\$ -
2030	\$ 297,200,546	\$ 146,294,830	\$ 150,905,716	14.4797	\$ 2,185,069	\$ 2,185,069	\$ -
2031	\$ 310,574,571	\$ 146,294,830	\$ 164,279,741	14.4797	\$ 2,378,722	\$ 2,378,722	\$ -
2032	\$ 324,550,427	\$ 146,294,830	\$ 178,255,597	14.4797	\$ 2,581,087	\$ 2,581,087	\$ -
2033	\$ 339,155,197	\$ 146,294,830	\$ 192,860,367	14.4797	\$ 2,792,560	\$ 2,792,560	\$ -
2034	\$ 354,417,180	\$ 146,294,830	\$ 208,122,350	14.4797	\$ 3,013,549	\$ 3,013,549	\$ -
2035	\$ 370,365,953	\$ 146,294,830	\$ 224,071,123	14.4797	\$ 3,244,483	\$ 3,244,483	\$ -
2036	\$ 387,032,421	\$ 146,294,830	\$ 240,737,591	14.4797	\$ 3,485,808	\$ 3,485,808	\$ -
2037	\$ 404,448,879	\$ 146,294,830	\$ 258,154,049	14.4797	\$ 3,737,993	\$ 3,737,993	\$ -
2038	\$ 422,649,079	\$ 146,294,830	\$ 276,354,249	14.4797	\$ 4,001,527	\$ 4,001,527	\$ -
2039	\$ 441,668,287	\$ 146,294,830	\$ 295,373,457	14.4797	\$ 4,276,919	\$ 4,069,230	\$ 207,689
2040	\$ 461,543,360	\$ 146,294,830	\$ 315,248,530	14.4797	\$ 4,564,704	\$ 4,141,176	\$ 423,528
2041	\$ 482,312,811	\$ 146,294,830	\$ 336,017,981	14.4797	\$ 4,865,440	\$ 4,216,360	\$ 649,080

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated \$2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Source: ECONorthwest

We estimate it would take three years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE

2035, and that all debt could be repaid by FYE 2041. The total TIF needed to finance all projects would be \$54.1 million.

Advantages of the Small Option include:

- A smaller boundary requires less acreage and less assessed value, which leaves more citywide capacity for other urban renewal districts. This gives the City added flexibility to amend URDs to add in other properties if needed to respond to future economic development opportunities.
- A smaller boundary sends a signal to the public and to affected taxing districts that the City is being targeted in its use of urban renewal, having a lesser impact on annual property tax collections. This can be an important political issue in some communities.

Disadvantages of the Small Option include:

- Larger boundaries with more diverse property types have a more diversified portfolio of property, making them less susceptible to downturns affecting a specific neighborhood or a specific type of property. This boundary has a relatively small area and includes almost exclusively retail and commercial properties. Thus, this boundary is more vulnerable to potential declines in assessed value.
- The smaller boundary means growth in assessed value is likely to happen more slowly. There is less land to accommodate new development, and a lower frozen base value to generate appreciation of existing property. Slower growth in assessed value means it can take longer to accomplish urban renewal projects, and longer to pay off the debt and close down the URD.

Mid Option

Exhibit 7 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive \$6.9 million in TIF over the first 10-years, \$33.9 million over the first 20-years, and \$42.7 million by FYE 2036, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 7. Mid Option TIF Forecast

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF		
					Total	For URD	Shared
2014	\$ 198,769,630	\$ 198,769,630	\$ -	14.4797	\$ -	\$ -	\$ -
2015	\$ 210,895,164	\$ 198,769,630	\$ 12,125,534	14.4797	\$ -	\$ -	\$ -
2016	\$ 220,385,446	\$ 198,769,630	\$ 21,615,816	14.4797	\$ 312,991	\$ 312,991	\$ -
2017	\$ 230,302,791	\$ 198,769,630	\$ 31,533,161	14.4797	\$ 456,590	\$ 456,590	\$ -
2018	\$ 240,666,417	\$ 198,769,630	\$ 41,896,787	14.4797	\$ 606,653	\$ 606,653	\$ -
2019	\$ 251,496,406	\$ 198,769,630	\$ 52,726,776	14.4797	\$ 763,468	\$ 763,468	\$ -
2020	\$ 262,813,744	\$ 198,769,630	\$ 64,044,114	14.4797	\$ 927,339	\$ 927,339	\$ -
2021	\$ 274,640,362	\$ 198,769,630	\$ 75,870,732	14.4797	\$ 1,098,585	\$ 1,098,585	\$ -
2022	\$ 286,999,179	\$ 198,769,630	\$ 88,229,549	14.4797	\$ 1,277,537	\$ 1,277,537	\$ -
2023	\$ 299,914,142	\$ 198,769,630	\$ 101,144,512	14.4797	\$ 1,464,542	\$ 1,464,542	\$ -
2024	\$ 313,410,279	\$ 198,769,630	\$ 114,640,649	14.4797	\$ 1,659,962	\$ 1,659,962	\$ -
2025	\$ 327,513,741	\$ 198,769,630	\$ 128,744,111	14.4797	\$ 1,864,176	\$ 1,864,176	\$ -
2026	\$ 342,251,860	\$ 198,769,630	\$ 143,482,230	14.4797	\$ 2,077,579	\$ 2,077,579	\$ -
2027	\$ 357,653,193	\$ 198,769,630	\$ 158,883,563	14.4797	\$ 2,300,587	\$ 2,300,587	\$ -
2028	\$ 373,747,587	\$ 198,769,630	\$ 174,977,957	14.4797	\$ 2,533,628	\$ 2,533,628	\$ -
2029	\$ 390,566,227	\$ 198,769,630	\$ 191,796,597	14.4797	\$ 2,777,157	\$ 2,777,157	\$ -
2030	\$ 408,141,707	\$ 198,769,630	\$ 209,372,077	14.4797	\$ 3,031,645	\$ 3,031,645	\$ -
2031	\$ 426,508,084	\$ 198,769,630	\$ 227,738,454	14.4797	\$ 3,297,585	\$ 3,074,396	\$ 223,189
2032	\$ 445,700,948	\$ 198,769,630	\$ 246,931,318	14.4797	\$ 3,575,491	\$ 3,143,873	\$ 431,618
2033	\$ 465,757,491	\$ 198,769,630	\$ 266,987,861	14.4797	\$ 3,865,904	\$ 3,216,476	\$ 649,428
2034	\$ 486,716,578	\$ 198,769,630	\$ 287,946,948	14.4797	\$ 4,169,386	\$ 3,292,347	\$ 877,040
2035	\$ 508,618,824	\$ 198,769,630	\$ 309,849,194	14.4797	\$ 4,486,524	\$ 3,371,631	\$ 1,114,893
2036	\$ 531,506,671	\$ 198,769,630	\$ 332,737,041	14.4797	\$ 4,817,932	\$ 3,454,483	\$ 1,363,449

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated \$2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Source: ECONorthwest

We estimate it would take two years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE 2029, and that all debt could be repaid by FYE 2036. The total TIF needed to finance all projects would be \$42.7 million.

Advantages of the Mid Option include:

- This boundary has the smallest maximum indebtedness, based on the assumption that some projects (like the public safety building) could be funded from other sources, and that some infrastructure projects (like the couplet and utility undergrounding) could be partially funded through a Local Improvement District (LID), a tool that is commonly used in communities across Oregon. By having a smaller maximum indebtedness, the URD could accomplish all of its projects sooner, and close the district sooner, having less of an impact on overlapping taxing districts.

- All of the options assume funding partnerships to cover total project costs, with urban renewal only contributing a portion of the project funding. The Mid Option, however, is distinguishable because it leverages the most additional funding for these projects.

Disadvantages of the Mid Option include:

- Like the Small Option, the Mid Option is comprised almost exclusively of retail and commercial property. An over-reliance on one type of property in one location can make a URD more susceptible to downturns in the real estate market for that property type in that neighborhood.
- Compared to the other options, the Mid Option leverages additional funding sources to the greatest extent. While this has the benefit of reducing the maximum indebtedness of the area, it means that other funding sources will need to be found to pay for portions of critical projects like the public safety building, couplet, and utility undergrounding. If other funding sources cannot be found, or if they are politically unpopular, then it could make it more challenging to complete these projects.

Large Option

Exhibit 8 shows our forecast of assessed value, TIF revenues, revenue sharing, and the portion of TIF received by the URD. We estimate the URD would receive \$9.2 million in TIF over the first 10-years, \$45.5 million over the first 20-years, and \$64.8 million by FYE 2037, the year in which the district is expected to have sufficient resources to pay off all debt.

Exhibit 8. Large Option TIF Forecast

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF		
					Total	For URD	Shared
2014	\$ 269,652,460	\$ 269,652,460	\$ -	14.4797	\$ -	\$ -	\$ -
2015	\$ 285,049,964	\$ 269,652,460	\$ 15,397,504	14.4797	\$ -	\$ -	\$ -
2016	\$ 297,877,213	\$ 269,652,460	\$ 28,224,753	14.4797	\$ 408,686	\$ 408,686	\$ -
2017	\$ 311,281,689	\$ 269,652,460	\$ 41,629,229	14.4797	\$ 602,778	\$ 602,778	\$ -
2018	\$ 325,289,365	\$ 269,652,460	\$ 55,636,905	14.4797	\$ 805,605	\$ 805,605	\$ -
2019	\$ 339,927,387	\$ 269,652,460	\$ 70,274,927	14.4797	\$ 1,017,560	\$ 1,017,560	\$ -
2020	\$ 355,224,119	\$ 269,652,460	\$ 85,571,659	14.4797	\$ 1,239,052	\$ 1,239,052	\$ -
2021	\$ 371,209,203	\$ 269,652,460	\$ 101,556,743	14.4797	\$ 1,470,511	\$ 1,470,511	\$ -
2022	\$ 387,913,617	\$ 269,652,460	\$ 118,261,157	14.4797	\$ 1,712,386	\$ 1,712,386	\$ -
2023	\$ 405,369,729	\$ 269,652,460	\$ 135,717,269	14.4797	\$ 1,965,145	\$ 1,965,145	\$ -
2024	\$ 423,611,366	\$ 269,652,460	\$ 153,958,906	14.4797	\$ 2,229,278	\$ 2,229,278	\$ -
2025	\$ 442,673,878	\$ 269,652,460	\$ 173,021,418	14.4797	\$ 2,505,298	\$ 2,505,298	\$ -
2026	\$ 462,594,203	\$ 269,652,460	\$ 192,941,743	14.4797	\$ 2,793,738	\$ 2,793,738	\$ -
2027	\$ 483,410,941	\$ 269,652,460	\$ 213,758,481	14.4797	\$ 3,095,159	\$ 3,095,159	\$ -
2028	\$ 505,164,434	\$ 269,652,460	\$ 235,511,974	14.4797	\$ 3,410,143	\$ 3,410,143	\$ -
2029	\$ 527,896,833	\$ 269,652,460	\$ 258,244,373	14.4797	\$ 3,739,301	\$ 3,739,301	\$ -
2030	\$ 551,652,190	\$ 269,652,460	\$ 281,999,730	14.4797	\$ 4,083,271	\$ 4,083,271	\$ -
2031	\$ 576,476,538	\$ 269,652,460	\$ 306,824,078	14.4797	\$ 4,442,721	\$ 4,442,721	\$ -
2032	\$ 602,417,982	\$ 269,652,460	\$ 332,765,522	14.4797	\$ 4,818,345	\$ 4,818,345	\$ -
2033	\$ 629,526,791	\$ 269,652,460	\$ 359,874,331	14.4797	\$ 5,210,872	\$ 4,677,718	\$ 533,154
2034	\$ 657,855,496	\$ 269,652,460	\$ 388,203,036	14.4797	\$ 5,621,064	\$ 4,780,266	\$ 840,798
2035	\$ 687,458,992	\$ 269,652,460	\$ 417,806,532	14.4797	\$ 6,049,714	\$ 4,887,429	\$ 1,162,286
2036	\$ 718,394,647	\$ 269,652,460	\$ 448,742,187	14.4797	\$ 6,497,652	\$ 4,999,413	\$ 1,498,239
2037	\$ 750,722,406	\$ 269,652,460	\$ 481,069,946	14.4797	\$ 6,965,749	\$ 5,116,437	\$ 1,849,312

Note that FYE 2027 is the year that the existing South Beach URD is scheduled to close, releasing an estimated \$2,861,064 of annual TIF revenue back to the overlapping taxing districts. SBURD TIF estimates are taken from Minor Amendment Ten to the South Beach Urban Renewal District Plan, prepared in August 2013 by the City of Newport.

Source: ECONorthwest

We estimate it would take two years for the URA to generate enough TIF revenue to complete a sizable project. For the purposes of our analysis, we used the Fairgrounds Building as the first multimillion-dollar project to be funded. We anticipate all projects could be completed by FYE 2029, and that all debt could be repaid by FYE 2037. The total TIF needed to finance all projects would be \$64.8 million.

Advantages of the Large Option include:

- This boundary has the largest maximum indebtedness, which means it has the greatest ability to implement economic development projects in the City.
- This boundary has the largest area, including single-family and multifamily residential property in the Agate Beach area. This boundary has the most diverse portfolio of property, making it the least susceptible to downturns in the real estate market for any specific neighborhood or type of property.

- Because of the large area and assessed value, this boundary has the potential to experience more rapid growth in TIF revenue than the other boundary options, allowing more projects to occur sooner.

Disadvantages of the Large Option include:

- As the largest option, with the highest maximum indebtedness, this option may invite criticism from affected taxing districts or the general public who are afraid of the impact of urban renewal on other taxing districts.
- By including Agate Beach, the URD becomes less focused. Questions will need to be answered about the relative priority of Agate Beach vs. the Hwy 101 commercial corridor in terms of their economic development potential. As TIF revenue becomes available, how will the needs of Agate Beach be prioritized vs. the needs of the Hwy 101 commercial corridor?
- The large option leaves the least amount of remaining citywide capacity for urban renewal. This means that the City would have limited capacity to amend a URD to bring in more property to respond to future economic development opportunities.
- In many communities, the general public is ill informed about urban renewal. When residential areas, like Agate Beach, are included in a URD, residents of the area can raise strong objections to their inclusion in the area, even though there are no tangible negative impacts to being in a URD, and in fact there are many benefits that come from the ability to fund much needed economic development projects and cure blight in the area.

Compression considerations

Property owners are taxed on the combined rates of general government, education, and debt service for all overlapping governments that provide services to that property. In most cases, the taxes to be raised from an individual property are calculated as the consolidated tax rate multiplied by the assessed value. When the taxes to be raised using this methodology exceed the Measure 5 limits on real market value, the assessor must reduce the taxes to be raised until they equal the legal limits.

Exhibit 9 shows actual compression losses for taxing districts that overlap the proposed URD boundary options. Note that compression losses for all general government entities are less than 0.00% of total tax revenue. No general government district experienced more than \$100 of compression losses last year. For education districts, however, compression losses are more significant, with compression losses equally 1.79% of the taxes to be raised.

Exhibit 9. FY 2013-14 property tax compression losses, selected taxing districts, Lincoln County

District	Total AV	Amount Tax Rate Will Raise	District's Compression Loss	Percent Compression Loss
General Government				
LINCOLN COUNTY GENERAL	6,781,928,457	18,051,962	(84)	0.00%
LINCOLN COUNTY ANIMAL SERVICE	6,781,928,457	704,105	(3)	0.00%
LINCOLN COUNTY EXTENSION SERVICE	6,781,928,457	288,683	(1)	0.00%
LINCOLN COUNTY SOLID WASTE	6,781,928,457	-	-	
LINCOLN COUNTY TRANSPORTATION SVC	6,781,928,457	623,453	(3)	0.00%
CITY OF NEWPORT	1,734,020,940	6,081,290	(93)	0.00%
NEWPORT RFPD	272,500,790	242,183	-	0.00%
PACIFIC COMMUNITIES HEALTH	3,461,172,570	1,192,455	(6)	0.00%
PORT OF NEWPORT	1,734,020,940	97,327	(1)	0.00%
Subtotal - General Government		27,281,458	(191)	0.00%
Education				
LINCOLN COUNTY SCHOOL DIST	6,781,928,457	31,423,549	(576,976)	-1.84%
LINCOLN COUNTY LIBRARY	6,781,928,457	851,463	(1)	0.00%
OREGON COAST COMMUNITY COLLEGE	6,781,928,457	1,124,647	(20,650)	-1.84%
LINN-BENTON-LINCOLN ESD	6,781,928,457	1,951,650	(35,834)	-1.84%
Subtotal - Education		35,351,310	(633,460)	-1.79%
Total		89,914,226	(633,842)	-0.70%

Source: Lincoln County Assessor, Table 4a

The reason why education districts are experiencing more compression than general government districts, is because their tax rates are higher, relative to the Measure 5 limits. Looking at tax code areas 104 and 107 as an example, the total general government tax rate is \$9.0899, and the total education rate is \$5.3898 per \$1,000 of **assessed value**. Measure 5 limits property tax collections for general government to \$10 per \$1,000 and for education to \$5 per \$1,000 of **real market value**.

Because the education tax rate is more than \$5 per \$1,000 it is possible for properties to experience compression. With a general government tax rate less than \$10 per \$1,000 it is

theoretically impossible for any compression losses to occur. However, looking back at Exhibit 8, we do know that some compression is occurring for general government. This is due to two reasons.

First, the county is comprised of a patchwork of dozens of tax code areas, each representing a different combination of different taxing districts. Some of those tax code areas have higher tax rates, due to the presence of districts like the Seal Rock Water District, or the Lost Creek Park Road District. In those areas, the tax rate may exceed \$10 per \$1,000 of assessed value.

The second reason is that urban renewal changes the effective tax rates. Urban renewal is sometimes referred to as “division of taxes.” That means that a portion of the taxes that would go to a jurisdiction like the City of Newport is instead divided off and sent to an urban renewal agency instead. The process that the County Assessor uses to collect TIF revenues for URDs results in a portion of each jurisdictions tax rate being carved off, and turned into a new urban renewal tax rate. A side effect of this process is that education districts that are impacted by urban renewal have their rates reduced a small amount, and that amount is added to the general government side of the compression equation.

Exhibit 10 shows an example of the impact of urban renewal on property tax rates. Tax code areas 104 and 107 are the areas that would be affected by a new URD in Newport north of the Yaquina Bay Bridge. Because these tax code areas are within the City of Newport, and because the City already has an existing URD, their tax rates are impacted by that URD. This has the net impact of reducing the education tax rate by \$0.5983, and increasing the general government tax rate by the corresponding amount.

Exhibit 10. Example of urban renewal impact on tax rates

Tax Code Area 104 and 107	
Non-Adjusted Rates	
General Government	9.0899
Education	5.3898
URD Adjusted Rates	
General Government	9.6882
Education	4.7935
Existing URD Impact	0.5983

Calculated by ECONorthwest with data from Lincoln County Assessor

A new URD in Newport would have a similar impact on tax rates. The magnitude of the impact is based on the magnitude of the TIF revenue collected by the URD. Thus, a new URD starting off with very low annual TIF revenues, will have a much smaller impact than a mature URD with relatively large annual TIF revenues. We estimate the impact of the Small Option URD would start at about \$0.02 per year, and grow to about \$0.15 per year after a decade, \$0.25 per year after 20-years, and \$0.35 per year after 30-years.

Based on this analysis, we conclude that a new URD would have a very small negative impact on compression losses for the City and for other general government taxing districts, and a small positive impact on education taxing districts. For most areas of the City, the general government tax rate would remain below \$10 for many years.

As mentioned previously, the City's existing South Beach URD, has an annual impact, converting \$0.5983 of education taxes into general government taxes. At some point in the future, this URD will be retired, resulting in that \$0.5983 returning to the education side of the equation. This will mean more compression for education taxing districts in the area, and less risk of compression for general government.

Because tax rates apply to assessed value, and Measure 5 limits apply to real market value, the real estate market has a big impact on compression losses. When the market is strong, real market values for most properties are likely to be well above their assessed values. This provides a big "cushion," making compression losses highly unlikely, except in urban areas with very high tax rates. When the market is weak, like during the recent recession, then real market values fall, reducing or eliminating the gap between real market value and assessed value, and making properties more susceptible to compression in places where the tax rates exceed the Measure 5 limits. Because we are just exiting a severe recession, compression in future years is likely to be less than compression in the recent past, as property values increase.

One factor that can always increase the risk of compression losses is the passage of new local option levies that increase the consolidated tax rate. All of the analysis we conducted assumes that tax rates remain constant, other than the expiration of general obligation bond levies, which have no impact on compression. If the community decides to approve a local option levy tax increase, then this naturally means that the risk of compression losses will increase.

Impact to taxing districts

Tax increment financing through urban renewal is not “new” money. These tax revenues are generated from the existing property tax rates of other taxing districts that overlap the urban renewal area. A new URD would impact these affected taxing districts, by redirecting a portion of these property tax revenues to the URD. The impact to other taxing districts is measured in terms of “foregone revenue.” Exhibit 11 summarizes the amount of foregone revenue that would be caused by the proposed new URD boundary options. **Note that the foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.**

Exhibit 11. Potential Newport URD, foregone revenues, FY 2013-14 to FY 2043-44

District Name	Foregone Revenues					
	Average Annual			Total		
	Small	Mid	Large	Small	Mid	Large
General Government						
Lincoln County	\$ (405,899)	\$ (396,083)	\$ (573,686)	\$ (10,553,364)	\$ (8,317,748)	\$ (12,621,094)
Lincoln County Animal Svrc.	\$ (15,832)	\$ (15,449)	\$ (22,376)	\$ (411,628)	\$ (324,430)	\$ (492,277)
Lincoln County Extension	\$ (6,491)	\$ (6,334)	\$ (9,174)	\$ (168,768)	\$ (133,017)	\$ (201,835)
Lincoln County Transport	\$ (14,018)	\$ (13,679)	\$ (19,813)	\$ (364,477)	\$ (287,266)	\$ (435,891)
Port of Newport	\$ (8,765)	\$ (8,553)	\$ (12,388)	\$ (227,894)	\$ (179,616)	\$ (272,542)
City of Newport	\$ (805,090)	\$ (785,622)	\$ (1,137,893)	\$ (20,932,348)	\$ (16,498,053)	\$ (25,033,638)
Pacific Communities Health	\$ (52,173)	\$ (50,911)	\$ (73,740)	\$ (1,356,497)	\$ (1,069,138)	\$ (1,622,278)
Subtotal	\$ (1,308,268)	\$ (1,276,632)	\$ (1,849,071)	\$ (34,014,976)	\$ (26,809,268)	\$ (40,679,555)
Education						
Lincoln County School	\$ (706,559)	\$ (689,473)	\$ (998,631)	\$ (18,370,529)	\$ (14,478,930)	\$ (21,969,884)
Oregon Coast CC	\$ (25,288)	\$ (24,676)	\$ (35,741)	\$ (657,481)	\$ (518,198)	\$ (786,301)
Linn-Benton ESD	\$ (43,883)	\$ (42,822)	\$ (62,023)	\$ (1,140,954)	\$ (899,257)	\$ (1,364,505)
Subtotal	\$ (775,730)	\$ (756,971)	\$ (1,096,395)	\$ (20,168,964)	\$ (15,896,385)	\$ (24,120,690)
Total	\$ (2,083,998)	\$ (2,033,603)	\$ (2,945,466)	\$ (54,183,940)	\$ (42,705,653)	\$ (64,800,245)

Note that foregone revenue for the School District does not have a direct impact on school funding, as funding is equalized at the State level.

Source: ECONorthwest

The amount of foregone revenues is roughly equal to the amount of TIF revenue needed in each scenario to pay debt service on the maximum indebtedness. Since the Mid Option has the smallest maximum indebtedness, it also has the smallest impact on other taxing districts, equal to about \$2.0 million per year for the estimated 21 years the URD would take to pay off its debt. The Small Option is estimated to have an average annual impact of \$2.1 million per year for the 26 years estimated to pay off debt. The Large Option would have the largest impact, with an average of \$2.9 million per year for 22 years.

In general these impacts start off very small, and grow over time as the assessed value of the URD grows. For example, the Small Option is estimated to have a total impact of only \$205,000 in FY 2015-16 (the first year in which TIF would be collected), and an impact of \$4.2 million per year in 2040-41 (the final year in which TIF would be collected). Detailed tables showing the annual foregone revenues for each taxing district for each boundary option are included as an attachment to this memorandum.

Recent changes to Oregon Revised Statutes governing urban renewal give urban renewal agencies the ability to “under-levy” their annual TIF revenue. That means that a new URD

could voluntarily reduce the annual amount of TIF collections, sharing some of that revenue with overlapping taxing districts. If this were the case, then the amount of annual foregone revenues would be less than what is shown in Exhibit 11, though it would have little impact on the total foregone revenues, as the reduced TIF revenues for the URD would result in an extended period of time for the URD to pay off its maximum indebtedness.

To the extent that urban renewal investment is successful in stimulating new taxable development, not all of the foregone revenues should truly be categorized as impacts to taxing districts. Successful urban renewal areas cause new development to occur, above and beyond the level that would have occurred without urban renewal. In these situations, the property taxes would not have existed, but for the URD, so even though these tax revenues show up as TIF, and as foregone revenues, they really should not be counted as a negative impact to taxing districts. Note that our analysis was not conducted at the detailed level required to estimate the portion of TIF in the proposed new URD that would likely be generated by new development dependent upon urban renewal investment.

Impact from South Beach URD

It is important to note that the figures shown in Exhibit 11 are only the impact of the proposed new URD. The City's existing urban renewal area, the South Beach URD, is already collecting TIF, in the amount of \$1.9 million per year. The impact from the SBURD is in addition to the impact shown in Exhibit 11. The 2013 Minor Amendment Ten to the South Beach Urban Renewal Plan and Report includes a forecast of the annual impact of the SBURD on other taxing districts. The SBURD is anticipated to retire all debt no later than FY 2026-27, at which point it would cease to have an impact on overlapping taxing districts.

Impact to School District

When considering the impact to education taxing districts, it is particularly important to keep in mind the method the State uses to allocate funding to local school districts. As mentioned earlier in this memorandum, the state equalizes school funding across all districts based on the number of students. That means that changes in local property tax revenues do not have a direct impact on school funding for the Lincoln County School District. More broadly, the use of urban renewal statewide has a cumulative impact on the amount of local tax dollars available for schools, and there is no way of knowing exactly what impact, if any, this has on the State's decisions regarding school funding.

Compression impacts

Exhibit 11 also does not show impacts on compression losses. Forecasting future compression losses for each taxing district was not a part of the scope of work for this analysis. We do know, however, that a new URD will result in adjustments to the effective tax rates, resulting in a portion of the education rate being counted as general government. This means that a potential new URD would help to reduce the property tax compression losses that are being suffered by the School District and other education taxing districts. As stated previously in this memorandum, we conclude that a new URD would have a very small negative impact on

compression losses for the City and for other general government taxing districts, and a small positive impact on education taxing districts. For most areas of the City, the general government tax rate would remain below \$10 for many years.

General obligation bonds

Three overlapping taxing districts have outstanding general obligation bonds: the Port of Newport, the Oregon Coast Community College, and the Lincoln County School District. These general obligation bonds were approved by voters after 2001, and therefore in accordance with ORS 457, these bonds would not be included in the tax rate used to calculate TIF revenues for a new URD. In other words, these bonds would not be impacted in any way by the creation of new URD. Note that older urban renewal areas, those established prior to 2001, like the South Beach URD, do collect TIF revenue from these general obligation bond tax rates.

Residents of Newport recently approved the sale of \$7.9 million in general obligation bonds to finance construction of a municipal pool. These bonds will be repaid through an annual property tax levy. These bonds will also not be affected in any way by the creation of a new URD.

Conclusion

Exhibit 12 summarizes the key findings for each of the URD boundary options.

Exhibit 12. Boundary Options Summary

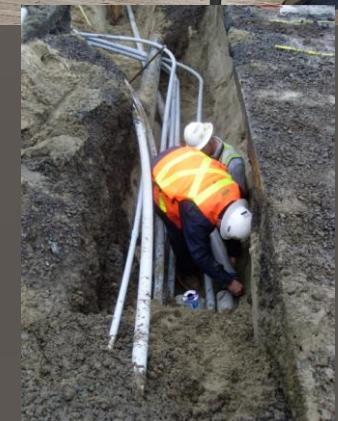
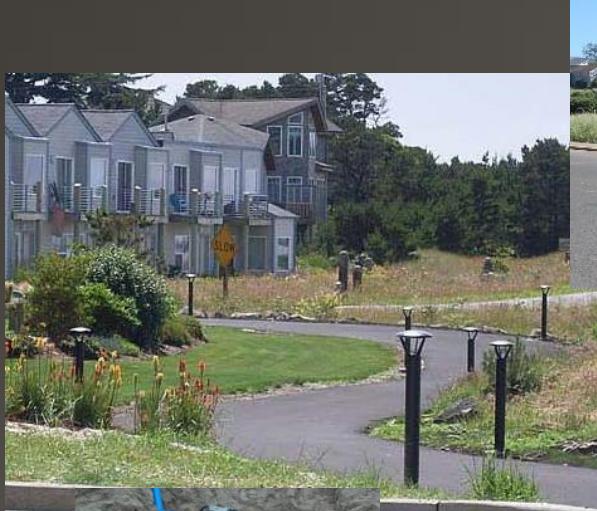
	Small Option	Mid Option	Large Option
Description	Downtown Newport area centered around the Highway 101 / Highway 20 intersection	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101.	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101 plus the Agate Beach area, and including Highway 101 right-of-way extending south.
Acreage	282	345	525
Frozen Base	\$146,294,830	\$198,769,630	\$269,652,460
Total Project Costs	\$37,300,000	\$28,500,000	\$41,500,000
Year All Projects will be Completed	2035	2029	2029
Year Pay off Debt	2041	2036	2037
Total Maximum Indebtedness	\$40,000,000	\$30,000,000	\$45,000,000
Total TIF Revenue			
10 Years	\$4,849,949	\$6,907,705	\$9,221,723
20 Years	\$24,273,813	\$33,891,419	\$45,549,849
30 Years	\$66,152,062	\$91,711,451	\$123,556,938

Our analysis finds that all three options are feasible, and none has any fatal flaws from a technical perspective. Thus, the decision on which boundary option to pursue comes down to the City's priorities.

- The Small Option suggests a strategy that limits the annual impact to other taxing districts and focuses economic development efforts on the Hwy 101 / Hwy 20 commercial areas. This option requires a tradeoff: It has less of an annual impact on tax revenues for overlapping taxing districts, but is more risky, and will take a longer period of time to generate sufficient revenue to pay for economic development projects.
- The Mid Option suggests a strategy that relies on other funding sources, like an LID, limits the total impact to other taxing districts and wraps up the URD as soon as possible. In this option, urban renewal funding for projects is substantially less than the other options, requiring additional sources to pick up the slack.
- The Large Option suggests a strategy that would leverage the full potential of urban renewal to achieve the City's economic development goals. By including a larger area with more assessed value, the URD would have greater TIF revenue potential, and be less at risk for economic downturns. With the largest project list and maximum indebtedness, this option has the greatest ability to implement the City's economic

development goals, and to do more of these projects sooner than the other options. However, this project also is the broadest use of urban renewal, which may draw political objections from residents or other taxing districts who may feel that the impact on other taxing districts isn't worth the benefits that these projects provide.

Although this analysis describes each of these three options independently, the City can mix and match elements of any of these options. During the next phase of this project, an urban renewal plan and report would be created that would refine the boundary and list of projects to more closely align with the City's priorities.



Feasibility of Forming a new Urban Renewal District North of the Bridge

Greater Newport Chamber of Commerce
November 7, 2014 Luncheon

Topic Areas

- Brief Urban Renewal Overview
- Rationale for Forming a District
- Statutory Considerations
- Initial Concepts
- Schedule

What is Urban Renewal?

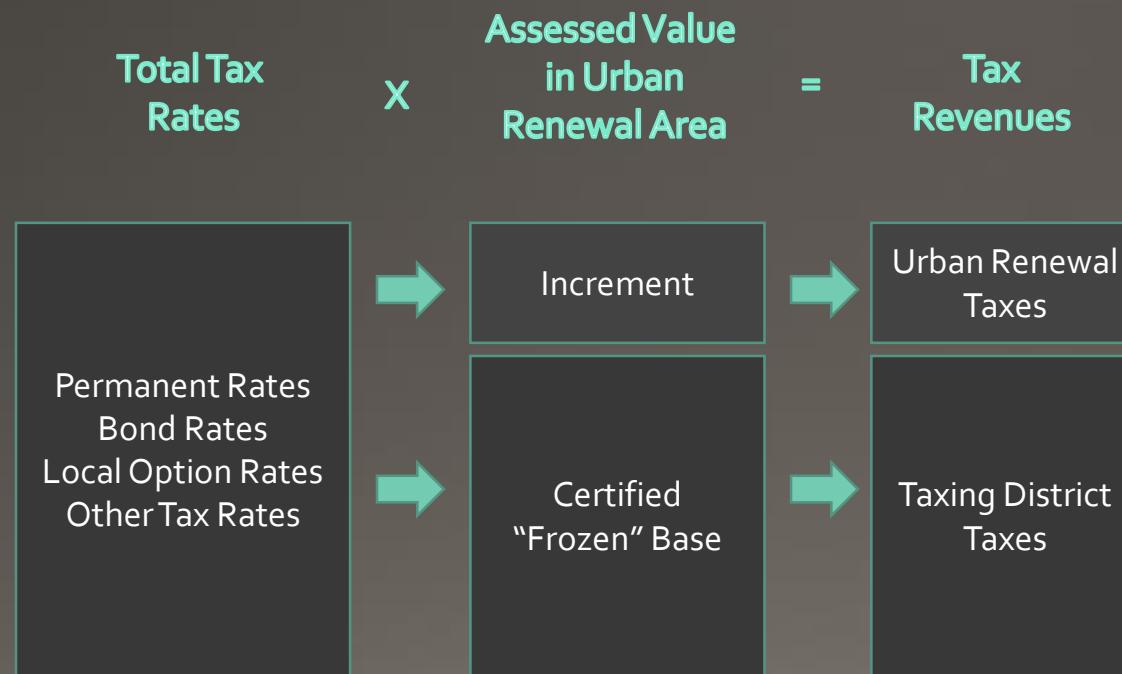
- A program for improving under developed or poorly developed parts of a city
- Key attributes:
 - Inadequate Infrastructure (i.e. streets, utilities)
 - Fragmented Development Pattern
 - Poor Condition of Buildings
 - Lack of Amenities
 - Low Improvement to Land Values

How Does Urban Renewal Work?

- An Urban Renewal Agency is created to develop a Plan
- Each Plan is specific to a geographic area, and must identify projects to be funded and a maximum debt limit
- Tax assessed values of property in a Plan area are frozen
 - Taxes from the “frozen base” continue to go to the taxing districts
 - Increases in taxes over the “frozen base” go to the urban renewal area to fund projects
- Plan closes and increased assessed value is released to the taxing districts
- Taxing districts benefit from the additional revenue and the community is better served by the improvements that have been made to the area

How is Urban Renewal Funded?

- Tax increment financing leverages the existing tax base to finance improvements
- Frozen base established when district is formed. Increase above that serves as the increment



Urban Renewal Pay-off (What happens once a district closes)

Table 1 – Urban Renewal Areas That Have Closed Since 2002

Locality	Urban Renewal Area	Frozen Base	Excess value at Closing
Clackamas County	Government Camp	\$23,856,470	\$135,756,313
Cottage Grove	Row River	\$7,641,993	\$35,076,778
Grants Pass	Grants Pass Parkway	\$67,117,103	\$159,849,022
Jackson County	White City	\$199,936,047	\$504,065,859
Lebanon	Lebanon I	\$1,808,007	\$12,762,338
Newberg	Newberg	\$139,638,471	\$3,385,844
Newport	Newport North Side	\$9,910,265	\$33,666,500
Oregon City	Oregon City Hilltop	\$5,352,090	\$59,103,413
Redmond	South Airport Industrial	\$725,425	\$62,615,277
Salem	Pringle Creek	\$18,977,000	\$40,184,890
Tualatin	Leveton	\$3,660,924	\$255,489,075
Tualatin	Central	\$14,067,089	\$180,221,311
Waldport	Waldport 1	\$16,319,563	\$23,965,007
<i>Total Excess Assessed Value</i>			\$1,506,141,627

Impacted Taxing Entities

- City of Newport
- Lincoln County
- Lincoln County Schools
- Linn-Benton-Lincoln Education Service District
- Lincoln County Extension Service
- Oregon Coast Community College
- Hospital District
- Port of Newport
- Lincoln County Transit

School district funding is based on enrollment. State backfills property taxes directed to urban renewal, eliminating impacts to school districts

Types of Projects that can be Funded

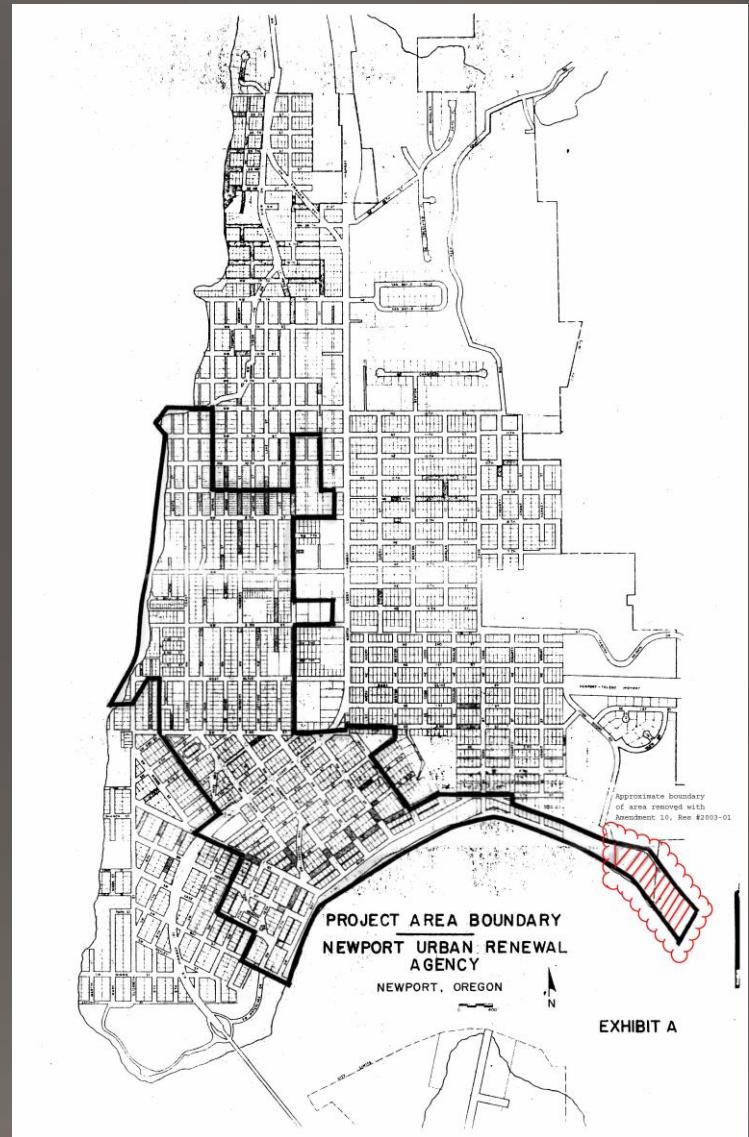
➤ Projects may include:

- Construction or improvements to streets, utilities and other public uses
- Demolition or rehabilitation of buildings/improvements
- Acquisition and improvement of property
- Re-sale or lease of property



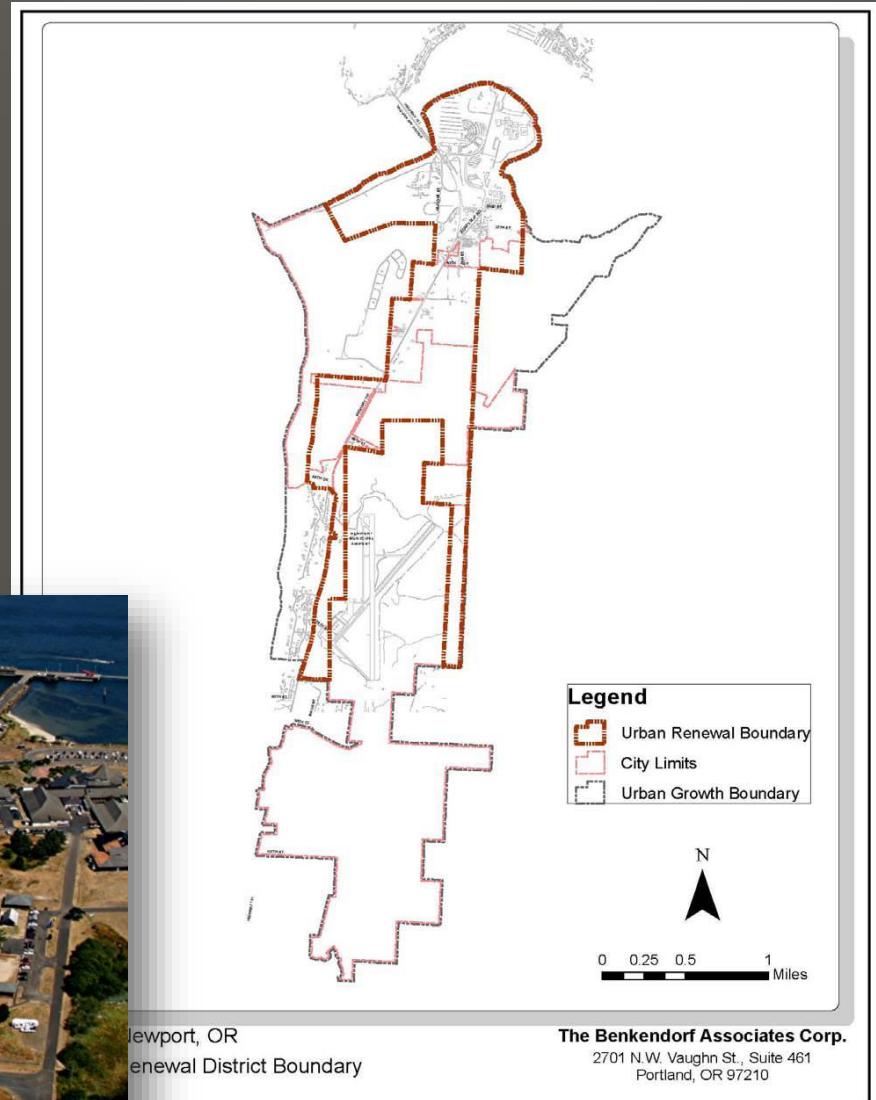
Original Urban Renewal District (1973 – 2010)

- First project: storm sewer separation Harbor Way and Bay Street (1975)
- Funded numerous water, sewer, storm drainage, and street improvement projects
- Focus on civic structures:
 - Fire Station
 - Library
 - Visual Arts Center
 - Performing Arts Center
 - Recreation Center
 - City Hall
 - Bayfront Boardwalks



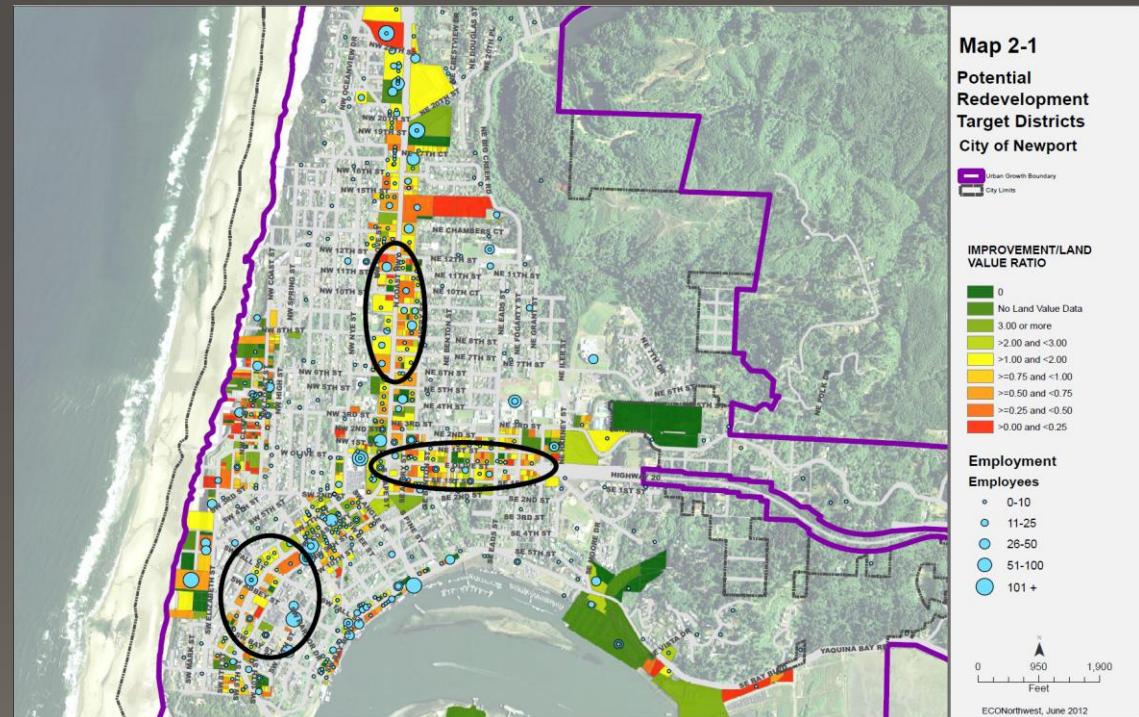
South Beach District (1983 – 2027)

- Open to new projects through 2020
- Projects developed with community input
- Emphasis on infrastructure upgrades



Why Create a District?

- Urban renewal is an effective way for a community to reinvest in itself to improve livability and the health of the tax base
- Stakeholders identified the US 101/20 corridor as an area in need of investment as part of a 2012 Economic Opportunity Analysis Study
- Tools available with urban renewal are well suited to address issues preventing economic development along the US 101/20 corridor

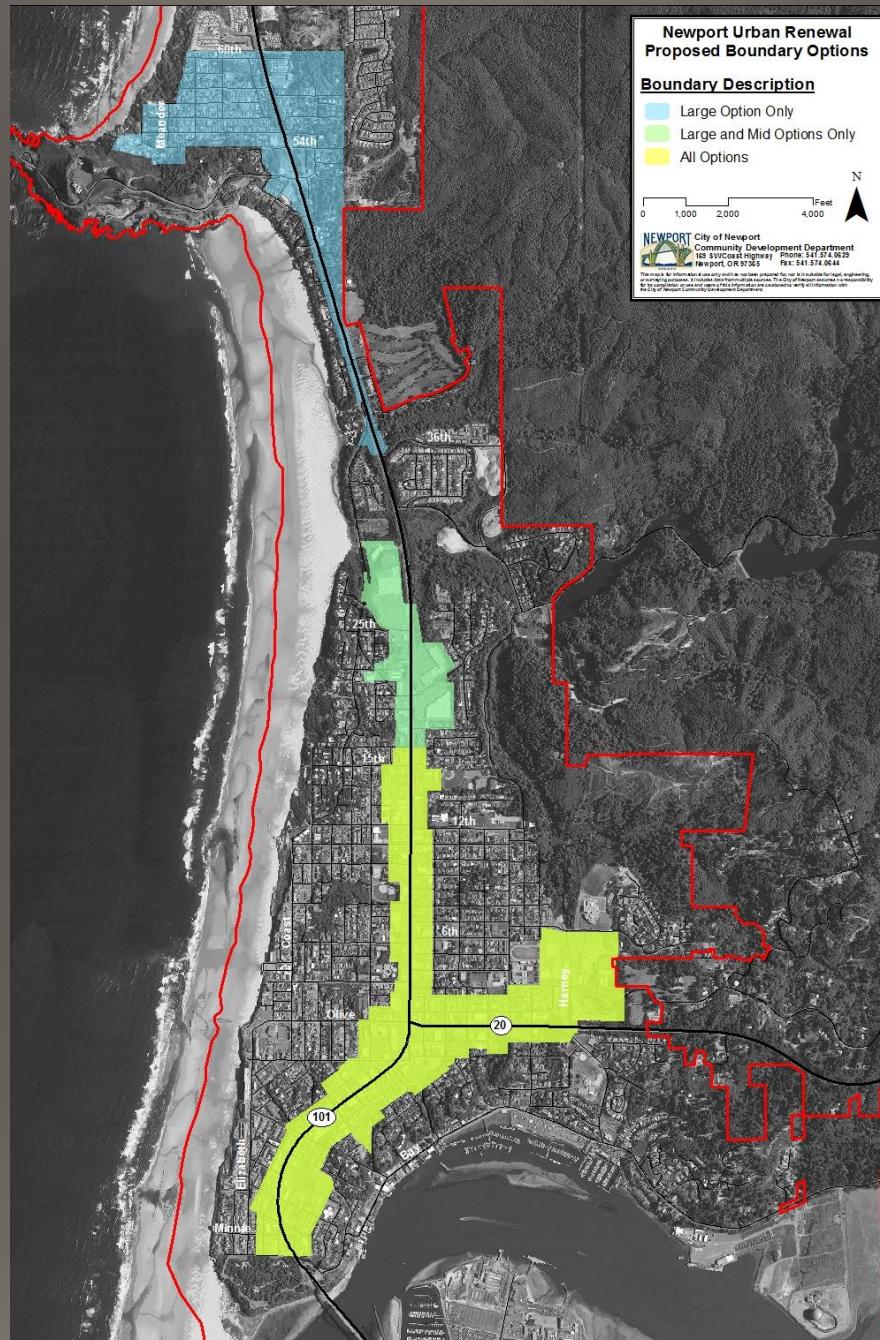


Statutory Considerations (ORS Chapter 457)

- Restricts the cumulative size of urban renewal districts to not more than 25% of:
 - the total assessed value within a city's limits, and
 - the total acreage within a city
- Limits maximum indebtedness for each new urban renewal plan to \$50 million (2010 dollars) unless concurrence is received from affected taxing entities

Feasibility Study (3/14)

- Prepared by ECONorthwest in consultation with the Newport Planning Commission
- Evaluated financial feasibility of three potential urban renewal area boundaries
 - Assumes 4.5% average annual growth in assessed value
 - Outlines potential debt service schedules assuming bond issues to fund potential projects
 - Allocates bond proceeds to general “broad” project categories
- Analysis is summarized in a memo with estimate of financial impacts to taxing districts



US 20 and 101 (Small and Mid Options)

Downtown Revitalization

Refine and construct couplet to spread out US 101 traffic and widen commercial footprint. Includes reduced scale variant

US 101/US 20 Corridor

Strategic site acquisition for redevelopment, storefront façade loans/grants, utility undergrounding, improve traffic flow

Fairgrounds and Hospital

Improve street access, parking, lighting and water/sewer infrastructure to support redevelopment plans



Agate Beach (Large Option Only)

Targeted street, storm drainage, US 101 access and water/sewer improvements within residential areas

With all options refinement plans would be developed with the community to identify specific needs



Exhibit 3. Estimated project costs, Newport URD boundary options

Project Name	Urban Renewal Share of Cost			Total Cost
	Small Option	Mid Option	Large Option	
Agate Beach Improvements				
Agate Beach Neighborhood Refinement Plan	\$ -	\$ -	\$ 100,000	\$ 100,000
Agate Beach improvements to existing local street ROW	\$ -	\$ -	\$ 1,000,000	\$ 2,000,000
Agate Beach storm drainage improvements	\$ -	\$ -	\$ 1,500,000	\$ 2,000,000
Agate Beach US 101 access and collector upgrades	\$ -	\$ -	\$ 750,000	\$ 1,500,000
US 101 water line upgrade	\$ -	\$ -	\$ 600,000	\$ 1,200,000
Public buildings				
Multi-purpose building (fiargrounds redevelopment)	\$ 3,000,000	\$ 3,000,000	\$ 3,000,000	\$ 9,000,000
Public Safety Building	\$ 5,000,000	\$ -	\$ 5,000,000	\$ 10,000,000
Transportation system enhancements				
Downtown Revitalization and Couplet Refinement Plan	\$ 100,000	\$ 100,000	\$ 100,000	\$ 100,000
Couplet and related ROW improvements	\$ 12,500,000	\$ 10,000,000	\$ 12,500,000	\$ 25,000,000
Intersection realignment (e.g. US 101 and NW 6th)	\$ 1,000,000	\$ 1,000,000	\$ 1,250,000	\$ 3,000,000
Parking improvements	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Right-of-way acquisition	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Signal installation or adjustment	\$ 500,000	\$ 500,000	\$ 500,000	\$ 1,000,000
Economic development				
Benches, public art	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Billboard removal	\$ 500,000	\$ 500,000	\$ 500,000	\$ 500,000
Site prep for reuse (demolition, lot aggregation, etc.)	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000	\$ 2,500,000
Storefront façade loans/grants	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000	\$ 1,000,000
Strategic site acquisition for economic development	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000	\$ 5,000,000
Street tree and landscape island enhancements	\$ 250,000	\$ 250,000	\$ 250,000	\$ 250,000
Wayfinding improvements	\$ 200,000	\$ 200,000	\$ 200,000	\$ 200,000
Utility undergrounding	\$ 4,000,000	\$ 2,700,000	\$ 4,000,000	\$ 8,000,000
Total	\$ 37,300,000	\$ 28,500,000	\$ 41,400,000	\$ 74,600,000

Source: City of Newport

Exhibit 12. Boundary Options Summary

	Small Option	Mid Option	Large Option
Description	Downtown Newport area centered around the Highway 101 / Highway 20 intersection	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101.	Downtown Newport area centered around the Highway 101 / Highway 20 intersection, with an extension north of commercial parcels abutting Highway 101 plus the Agate Beach area, and including Highway 101 right-of-way extending south.
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30 Years	\$66,152,062	\$91,711,451	\$123,556,938

Next Steps



- It takes 10-12 months to put together a district
- Requires community outreach, identification of projects by phase, cost estimates, and detailed growth projections
- Feasibility study assumes first increment collected in 2016, and it would be 2 years before a project could be funded

Additional Information

Feasibility Study and other information on Newport's Urban Renewal Program is available on the City website at:

<http://newportoregon.gov/dept/pln/UrbanRenewal.asp>

Staff Contact

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

ph: 541-574-0626
email: d.tokos@newportoregon.gov

Memorandum

To: City of Newport Planning Commission/Commission Advisory Committee
From: Derrick Tokos, Community Development Director *DT*
Date: November 21, 2014
Re: Leveraging LIDs as a Transportation Funding Tool

Back in June, the City of Newport applied for a Transportation Growth Management (TGM) Grant seeking state assistance to develop model policy, code, and informational materials to assist Newport and other local jurisdictions in making Local Improvement Districts (LIDs) an effective and publicly acceptable financing tool for needed infrastructure improvements. We were successful in securing the grant, and are in the process of working with ODOT on a scope of work that can be used to solicit a consultant to assist with the project.

Attached is a draft scope of work. I would appreciate it if you could review the document and let me know if it is going in the right direction or, if not, what pieces it is missing. I'll then share your feedback with staff at ODOT who I am working with to get this finalized.

As background, I have attached the original grant application and the grant award letter. The award letter includes a tentative schedule for the project.

Attachments

- Draft Scope of Work for TGM Project No. 2C-14, Newport LID Implementation Plan
- TGM Grant Award Letter, dated August 20, 2014
- City of Newport TGM Grant Application, with Council Resolution, dated June 2014

DRAFT SCOPE OF WORK

An outcomes focused SOW needs to be very clear about what the current situation is (Point A) and the desired end state (Point B) so that the consultant can recommend the path from A to B. Be explicit about what is driving this project at this time, especially since the City already allows LIDs.

For Point B focus on what needs to be developed to support the City Council decision and what action they will be asked to take; I was not clear about the latter.

TGM 2C-14 CITY OF NEWPORT LID IMPLEMENTATION PLAN

Name:	<u>Agency Project Manager</u>	Name:	<u>Consultant Project Manager</u>
Address:	David Helton ODOT Region 2, Area 5 644 A Street Springfield, OR 97477	Address:	
Phone:	(541) 726-2545	Phone:	
Fax:	(541) 726-2509	Fax:	
Email:	David.I.Helton@odot.state.or.us	Email:	
Name:	<u>City Project Manager</u>		
Address:	Derrick Tokos, AICP City of Newport 169 SW Coast Highway Newport, OR 97365		
Phone:	(541) 574-0626		
Fax:	(541) 574-0644		
Email:	d.tokos@newportoregon.gov		

DEFINITIONS

Agency/ODOT	Oregon Department of Transportation
City	City of Newport
LID	Local Improvement District
Project	Newport LID Implementation Plan Project
TSP	Transportation System Plan

PROJECT PURPOSE AND TRANSPORTATION RELATIONSHIP AND BENEFIT

The Newport LID Implementation Plan Project (“Project”) will develop plan policy, municipal code, and informational materials that, if adopted, will allow the City of Newport (City) to make more use of Local Improvement Districts (LIDs) as an effective and publicly acceptable financing tool for needed transportation system improvements.

PROJECT STUDY AREA

The Project Study Area lies entirely within the City's Urban Growth Boundary.

BACKGROUND

Developing strategies to pay for planned transportation system improvements is a critical piece of a Transportation System Plan (TSP), since without funding the plan cannot be implemented.

Unfortunately the financial element of a TSP is the component of the plan that often gets the least attention.

The Newport TSP (2012) identifies LIDs as a local funding source needed to construct projects identified in the TSP, but it does not identify specific projects for LID funding and it provides no specific direction or guidance for how the City should move forward on establishing LIDs. While the City has been creative in developing local funding sources (e.g. urban renewal, local gas taxes, room taxes, etc.) and actively leverages available state and federal resources, these resources fall well short of being able to adequately fund needed transportation projects in Newport.

The City has been hesitant in recent years to use LIDs to finance transportation projects, although it has LID enabling legislation in its municipal code (Chapter 12.05

<http://www.thecityofnewport.net/dept/adm/documents/NewportMunicipalCode.pdf>). This is in part due to the perceived complexity of implementing an LID program, concerns about inequities that might result from ad-hoc use of LIDs, and uncertainty about how LID funding can be used to finance costs for needed projects. There is also a general lack of understanding amongst the public, staff, and policy makers about what is involved in forming an LID and how this tool can be a cost effective solution to funding transportation projects.

PLAN COMPONENTS

Key elements of the Newport LID Implementation Plan must include the following:

- Guidance on how to establish LIDs in a manner that will allow the City to effectively administer its LIDs given the City's modest staffing and financial resources.
- Identification of factors that will increase the likelihood of a successful outcome that policymakers should consider when deciding whether or not to proceed with forming a LID.
- 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 Newport LID Implementation Plan.
- Identification of LID financing tools and strategies, including use of LIDs as a tool for financing subdivision and neighborhood improvements in existing and new developments.
- Strategies to leverage existing non-remonstrance agreements, guidance on the future use non-remonstrance agreements as an alternative to requiring a developer to install transportation improvements, and a template for future non-remonstrance agreements.
- Amendments to the City's Municipal Code needed to implement recommendations in the Plan.

- Comprehensive Plan amendments to provide policies that implement Plan recommendations on the types of transportation system improvements that should be targeted for LID funding and how potential projects should be prioritized.
- Informational materials specific to Newport that can be used to educate the public about the benefits, costs, and mechanics of forming an LID.
- An action plan for two case study areas within the City that are well positioned to have LIDs fund needed transportation improvements.

The Newport LID Implementation Plan must develop codes and policies that are drafted in a manner that is readily adaptable by the City into its Comprehensive Plan, municipal code, and administrative regulations.

The challenges for using LIDs in Newport are not unique—many communities face similar issues. The Newport LID Implementation Plan must include chapters describing the process and considerations taken during development of code, plan policies, and guidance, and the Plan must be generalized in a way that makes it applicable for communities in Oregon other than Newport.

PROJECT APPROACH

The City is seeking a project team with experience implementing LIDs and LID-backed financial tools for mid-size communities in Oregon. The City is flexible about how the objectives of the Newport LID Implementation Plan are achieved, and are looking to potential project teams to propose an. Development of the Newport LID Implementation Plan will likely include the following steps:

- Development of a summary of Oregon laws and administrative rules governing use of LIDs by local jurisdictions.
- Research into how LIDs are commonly used by local jurisdictions in Oregon to fund and finance transportation system improvements.
- Review of the City's existing land division, transportation, and LID codes and non-remonstrance agreements.
- Public involvement that may include outreach to stakeholders, use of an advisory committee, updates to City Council, contacts with local media, and informational events open to the public.
- A Project web site to keep the public informed about the Project.
- Development of interim reports, which may consist of components of the Newport LID Implementation Plan or a Draft Newport LID Implementation Plan, with review and revision based on comments.
- Adoption-related Public Hearings at the City Planning Commission and City Council.

PROJECT MANAGEMENT AND ROLES

The Newport LID Implementation Plan Project will be managed by City of Newport staff. The City will provide Project Team consultants with background materials, data, reports, and similar information that is readily available to the City. Information provided by the City shall include the following:

- Copies of the City's Comprehensive Plan, TSP, and municipal code.
- Background and technical documents used for development of the City's TSP.
- Ordinances and documentation related to existing and previous LIDs established by the City.
- Copies of existing non-remonstrance agreements.

The City will make arrangements for meetings, such as reserving a room and posting notice.

Consultants on the Project Team shall conduct analysis and develop content to achieve Plan objectives.

Consultants will be responsible for presentations at meetings, including preparation of presentation materials, facilitation of discussion at meetings, and summaries of issues discussed at meetings.



Oregon

John A. Kitzhaber, MD, Governor

Transportation & Growth Management Program

555 13th Street, Suite 2

Salem, OR 97301-4178

(503) 986-4121

Fax: (503) 986-4174

<http://www.oregon.gov/lcd>

August 20, 2014

Derrick I. Tokos, AICP
City of Newport
169 SW Coast Highway
Newport, OR 97365

Re: City of Newport
Leveraging Local Improvement Districts as a Transportation Funding Tool

Dear Mr. Tokos:

We are pleased to inform you that the Transportation and Growth Management (TGM) Program has selected the Leveraging Local Improvement Districts as a Transportation Funding Tool to move forward to the next stage of the grant award process.

Timeline

Your project has been selected to be negotiated on an accelerated timeline. Our goal is for your project to start at least a month sooner than with our standard schedule, which should ensure that you will have the maximum time to complete your project work.

Our grant manager for the project will contact you within the next week to get the project underway and set a date for a first meeting. Your grant manager is David Helton (541-726-2545; David.I.Helton@odot.state.or.us).

David will work with you over the next few months to:

- Resolve any specific issues we identified in your application.
- Negotiate a project statement of work (SOW) that is sufficiently detailed to select a consultant. These negotiations will likely involve other state interests so that the project is coordinated with other planning efforts. **These negotiations must be completed by November 13, 2014 or the grant award may be withdrawn.**
- Select a consultant by January 22, 2015.
- Negotiate a final SOW by March 5, 2015.
- Execute an intergovernmental agreement (IGA) by April 16, 2015.

Please keep in mind that, with a few exceptions, projects are expected to be complete by June 30, 2016. Therefore, it is very important to complete the SOW and the rest of the negotiation



process as quickly as possible in order to leave sufficient time for the project itself. To this end, by September 30, 2014, return the attached form indicating that you accept the grantee responsibilities, timeline, and any award conditions.

Conditions of Award

We asked for only a general approach in your grant application so that our staff can work directly with you to work out the project details. To aid in these discussions, here are specific issues we will need to resolve with you:

Adoption Process: The City's TGM Application does not include the adoption of the code changes. The adoption of the code changes needs to be included in the statement of work. The details of the adoption process will be spelled out in greater detail as part of the scoping process.

Project Specific: The LID model code work needs to be applicable to the City of Newport as well as being a model code that can be adapted to a wide range of jurisdictions in Oregon.

TGM Project Management

The attached materials cover a number of important points common to all projects – statement of work writing, project management, and the particulars of executing and managing the IGA and consultant contracts. Please review these materials closely. Your grant manager will go over them with you at your first meeting.

TGM Grant Project Basics

Project Management: You will need to provide a local project manager. The local project manager will serve as principal local contact person, monitor and coordinate work (including work by a consultant), work with the TGM grant manager to ensure completion of all work on time and within budget, review consultant work products and payment requests, and prepare progress reports and reimbursement requests. Given the tight timelines and significant coordination and review responsibilities required, it is very important that the local project manager have sufficient time to dedicate to this project.

Intergovernmental Agreements: Your award will be made through an IGA between ODOT and your jurisdiction (the IGA will also need to include any other local governments that will provide local funds or contribute match to the project). To expedite IGA approval the TGM Program uses a standard-language IGA for *all* TGM grant projects.

Consultant Contracts: In order to meet federal contracting requirements, consultants for TGM projects will contract through ODOT. While you will not be a party to the contract, you will have a primary role in selecting the consultant for your project and in reviewing and approving consultant work.

Consultant Selection: In order to maintain a fair and open consultant selection process, we ask that you limit contact with interested consultants. If a consultant contacts you about your project you may advise them you have been offered a grant and provide public documents. Deferring discussion of project details to the formal consultant selection process gives all interested

consultants an equal opportunity to learn about and compete to work on your project. Anyone who may be involved in the consultant selection process will need to keep a log of these contacts – a form for logging contacts is attached; an official form based on the log will be required of all evaluators during consultant selection.

Match: You will need to provide a match of at least 12% of the total cost of the project. The match you provide will be used to support federal funds for your TGM grant. Based on your application we understand that your grant is solely to provide for a consultant to complete the work of this project. To meet your match requirement you must either provide a cash match, or on a bimonthly basis, submit match reports detailing your eligible participating costs (see attached list of eligible costs). **Please note that you cannot use a consultant you currently have under contract as match.**

Congratulations once again. We look forward to working with you on your project.

Sincerely,



Matthew Crall
TGM Program Manager, DLCD



Robert Maestre
TGM Program Manager, ODOT

cc: David Helton, TGM
2.05 - 14/2C-14 File

ELIGIBLE PARTICIPATING COST	
DESCRIPTION	
PERSONNEL SERVICES	
<i>Salaries</i> - Straight time pay for regular working hours in a monthly period. Includes standard labor distributions like Social Security Taxes, Workers' Compensation Assessments and Medical, Dental, Life Insurance. Excludes mass transit tax, vacation leave, sick leave and compensatory time taken.	
<i>Overtime</i> - Payments to employees for work performed in excess of their regular work shift.	
<i>Shift Differential</i> - Payments to employees, in addition to regular pay, for shift differential work as described in labor contracts or Personnel Rules.	
<i>Travel Differential</i> - Payments to employees, in addition to regular pay, for travel time to and from work on projects in excess and beyond an 8 hour day as described in labor contracts or Personnel Rules.	
SERVICES AND SUPPLIES	
In-State Travel - Per Rates Identified in State Travel Handbook	
<i>Meals & Misc.</i> - Payment for meals incurred while traveling within the State of Oregon.	
<i>Lodging & Room Tax</i> - Payment for lodging, including room taxes, incurred while traveling within the State of Oregon.	
<i>Fares, Taxi, Bus, Air, Etc.</i>	
<i>Per Diem</i> - Payment for per diem, incurred while traveling within the State of Oregon.	
<i>Other</i> - Payment for other miscellaneous expense, incurred while traveling within the State of Oregon.	
<i>Private Car Mileage</i> - Payment for private car mileage while traveling within the State of Oregon.	
Office Expense	
<i>Direct Project Expenses Including:</i>	
<i>Photo, Video & Microfilm Supplies</i> - Payment for photography, video and microfilm supplies such as film for cameras, blank video tapes, storage folders, etc.	
<i>Printing, Reproduction & Duplication</i> - Expenditures for services to copy, print, reproduce and/or duplicate documents.	
<i>Postage</i> - Payment for direct project postage.	
<i>Freight & Express Mail</i> - Payment for direct project freight services on outgoing shipments.	
Telecommunications	
<i>Phone Toll Charges (long-distance)</i> - Payment for telephone long distance charges.	
Publicity & Publication	
<i>Publish & Print Photos</i> - Payment for printing and publishing photographs to development of publicity and publications.	
<i>Conferences (costs to put on conference or seminars)</i>	
Equipment \$250 - \$4,999	
NOT ELIGIBLE	
Employee Training, Excluding Travel	
NOT ELIGIBLE	
Training In-State Travel	
NOT ELIGIBLE	
CAPITOL OUTLAY	
NOT ELIGIBLE	

TGM File #: _____ Project: _____
Log of Consultant Contacts

Potential Evaluator: _____

Date of Contact	Person/Firm	Substance of Conversation

TGM Grant Start-up -- Local Grantee Responsibilities

Getting a TGM project started is a partnership that requires the commitment of the local project manager and TGM grant manager to ensure the project meets community needs and TGM program goals. Local project managers will play a major role in developing the SOW. To do that, they must be clear about the project objectives and desired outcomes and understand the needs of project stakeholders. TGM grant managers will develop the initial outline upon which the SOW will be based, provide technical assistance and sample language, coordinate with state interests, and ensure the SOW meets ODOT and federal contracting requirements.

To meet project start-up target dates, here are the minimum expectations of all grantees:

Responsiveness – The TGM program is committed to quickly develop SOWs and complete project negotiations, so that projects have sufficient time to complete a quality project. This means local project managers must respond quickly when the TGM grant manager asks for information, review of documents, or a project-related decision. Grant managers, likewise, will strive to respond quickly. Local project managers should be empowered to make a project-related decision, or another responsible staff member should be available to decide quickly.

Developing a public involvement process – All TGM grant projects must include robust community involvement and explicitly consider federal Title VI and environmental justice requirements. Your grant manager can offer suggestions, but the local project manager is best situated to know the history, issues, and community preferences that can affect a particular planning effort.

Ensuring adequate technical and inter-jurisdictional coordination – Most projects include a technical advisory committee comprised of affected departments from your jurisdiction and often other jurisdictions (i.e., adjacent cities, the surrounding county, or state agency representatives) to ensure a well-coordinated planning process and products that are consistent with other plans, standards and policies. Technical coordination can also occur through such means as focus groups, interviews, and presentations or briefings.

Identifying local issues or initiatives the planning process should consider – Are there outside factors that the TGM planning process should coordinate with, like another ongoing planning process in your jurisdiction or a neighboring one, or a planned street construction project in the TGM study area? The local project manager should identify any special factors like these in the SOW development process, so they can be adequately considered during the project, and not pop up as surprise complications when the project is under way.

Determining local government capacity to participate in the project – If your project includes work by a consultant, the SOW must identify which work will be done by the consultant, and which by local government staff. This is partly a function of your staff's skills – for example, can they perform any of the specialized technical tasks called for in your project, such as traffic modeling or mapping? It's also a function of workload. Does your staff have the time to complete assigned tasks on schedule? Considering staff capabilities and availability early in the process of SOW development can make the final allocation of staff/consultant

responsibility much easier. Keep in mind your responsibility to provide adequate project match, through payment, eligible staff time, direct project expenses, and approved volunteer time.

Developing a budget for local staff work – Once the project work is determined, the SOW must incorporate a budget that considers direct costs and the local staff assigned to each task. Include pay rates and estimated hours of work – actual labor costs can vary from the estimate.

Participating in consultant selection – If your project includes work by a consultant, the local project manager must organize a selection team of at least three members (and no more than six members) to read and score consultant proposals; the TGM grant manager must be part of the selection committee. An ODOT contracts employee will facilitate the selection process.

Obtaining signatures on the TGM inter-governmental agreement – The TGM Program will issue an inter-governmental agreement (IGA) to be signed by the jurisdiction. The local project manager should advise TGM about their jurisdiction's requirements for getting IGAs approved and signed. Does the SOW and/or the IGA need to be reviewed first by the city or county attorney? If so, we strongly recommend they review an "unofficial" IGA, which is virtually identical to the official IGA, and which we can provide to you well in advance of the official IGA. This can greatly speed the local review process, so projects can start faster.

Also, does your jurisdiction require council or commission approval of IGAs? Then it's advisable to schedule IGA review on your council or commission agenda in advance to avoid a time lag. If at all possible, we strongly advise that your commission or council review and approve the unofficial IGA that TGM can provide in advance, to "pre-authorize" signature of the official IGA upon approval of your jurisdiction's attorney or manager.

During and after the TGM project – In addition to other local responsibilities described in the project SOW, the local project manager is accountable for submitting to the grant manager bi-monthly progress reports and match reports (or invoices, if the local jurisdiction is being reimbursed for work). When the project concludes, the local project manager must submit a close-out report, as well as a consultant evaluation for projects on which a consultant was used. Your TGM grant intergovernmental agreement will specify your legal obligations and provide more information on these and other responsibilities.

The TGM SOW – What it is, and why it's important

Developing a statement of work, or SOW, is the first step in getting a TGM grant project up and running. The SOW is the project roadmap. It describes the scope of the project – issues to be addressed (and in some cases, issues not to be addressed), steps involved in gathering and analyzing information and making decisions, roles and responsibilities, key project deliverables, and the project timeline and budget. Having this information in the SOW is important because:

- It ensures everyone involved in the project, including local staff, elected officials, consultants, and the public, have a common understanding about project purpose, goals, scope, methodology, and final products. Also, should the project for some reason need to be handed off to a new manager, for instance due to staff changes at the local government or consulting team, all of the key project information is documented.
- It clarifies expected work products, their level of detail, roles and responsibilities in completing them, expected level of effort, and project budget.
- It helps ensure that plans, development code amendments, and other project outcomes are likely to be supported, adopted and implemented.
- Thinking through the project steps and expectations for deliverables in advance helps ensure smooth progress once the project is under way. While unanticipated situations can always crop up, a well-developed SOW minimizes their likelihood.

Developing the SOW – How to make the process easier

Creating an SOW becomes quicker and easier if you understand a few basics, such as:

- The fundamental ingredients of a SOW.
- How templates – good SOW examples from previous TGM projects similar to yours – can be used as a starting point, and modified to meet your project's requirements. There may not be a template available for every project, but there are for many project types.
- What special circumstances you face in your project that may require customized approaches. In many cases, previous TGM projects faced similar situations, and certain approaches from their SOW might be applicable to your project.

There will be several stages in developing the SOW:

1. TGM grant managers will develop a first outline SOW based on background and work approach information in the grant application, and from initial project discussions with the local project manager and state stakeholders. This version will look like an annotated outline and be full of questions and suggestions about processes and deliverables.
2. Local project managers should then make decisions necessary to flesh out the project details.
3. After several iterations, TGM grant managers will finalize the draft SOW and ensure it meets ODOT and federal contracting requirements. They will also have solicited internal review comments from the DLCD TGM program manager and, if needed, from ODOT technical staff. If no consultant is used, this will be the final version. If a consultant is used, this version helps the consultant selection committee choose the best team to do the work and helps the consultants understand what the jurisdiction expects.
4. If a consultant is used, TGM grant managers and local project managers then will negotiate the work approach and budget with the selected consultant and produce a final

SOW. Again it is the TGM grant manager's responsibility that the SOW meets contracting requirements.

SOW ingredients and organization

TGM SOWs start with a **Background** section, to provide an overall understanding of why the project is being done and what it aims to achieve. The Background section includes:

- A description of the project's purpose, which can be presented as a "problem statement" that discusses the main issue(s) the project will address and resolve.
- The project scope – the topical limits of what it will address (e.g., whether a streetscape plan will only address design within the right-of-way, or will also look at adjacent land use and building design).
- The project geographic limits, also known as the study or project area. A map of the project limits should be included.
- Project context. This can include the history of the problem, other initiatives or events that affect the project area or need to be coordinated with, as well as constraints or controversies. Also included might be the project regulatory context, e.g., requirements in a regional transportation plan that a local transportation plan must address.
- Project objectives – which should be kept in mind when performing work tasks.
- Any overall standards for deliverables. This may describe meeting roles and responsibilities and requirements for project documents (e.g. technical report formats must be in a certain software format, and must be of a size appropriate for meeting hand-outs and large-group presentations).

Next is the **Work Task** section. Tasks should be arranged in chronological order. Project management is assumed to occur throughout all project tasks. Each task includes these parts:

Task Objectives – What a task is supposed to achieve, to provide a better understanding of the purpose of, and expectations for, the task work and resulting products.

Subtasks – Steps by which a task is completed. Each subtask should lead to a stand-alone deliverable, like a technical report. Subtask descriptions provide detail about expected work effort, methodology, content and nature of subtask deliverables, who is responsible for the work (local jurisdiction or consultant), and can also include details about the limits of the expected work (e.g. that maps for a project will be based on existing map information, and not require on-site data collection).

Deliverables – The work products to be provided for task completion, and grouped by the party responsible – the local jurisdiction, or the consultant. They are listed by deliverable name only, with details about content provided above in the subtask description.

Schedule – When the task needs to be completed to maintain the overall project timeline. Schedule dates must also be listed in a deliverable table at the end of the document.

Developing the Work Approach

While all planning projects are different, they generally share an overall goal to develop solutions that best meet multiple, often competing objectives, and that are supported by multiple stakeholders with varying backgrounds and perspectives. With that goal in mind, a common framework that applies to most planning projects consists of the following major steps, described briefly below:

- Document existing conditions

- Identify needs or deficiencies, opportunities and constraints
- Develop alternatives
- Evaluate alternatives
- Refine preferred alternative and develop implementation-related strategies
- Prepare final plan document for adoption

Other significant components to a project, such as public involvement and project management are also described below.

Existing and Future Conditions – This task is to gather and assess baseline information to inform needs, deficiencies, opportunities and constraints, and the development of potential solutions. Here are some examples of existing conditions work that can pertain to land use and transportation plans:

- Identifying and documenting relevant existing plans, policies, and standards.
- Creation of base maps that depict current land use, development, and/or transportation facilities.
- Identifying physical features that could impact the project, such as topography, and environmental and cultural resources (e.g. wetlands, historic buildings). Consider whether this physical information should be overlaid on base maps.
- Identifying public facilities and services that can influence the transportation system and land development, typically water, sewer, parks, schools, police, and fire. Consider whether this physical information should be overlaid on base maps.
- Traffic analysis – doing a current and “horizon-year baseline” analysis to describe existing traffic conditions and to forecast future traffic volume and operations assuming anticipated population and job growth, but no changes to the land use or transportation system (also called a “no-build” analysis).
- Doing an economic assessment, often useful in projects involving plan or zone amendments, or redevelopment plans, to determine current and future market demand for various types of land use.

Needs, Opportunities and Constraints – This task is to clearly describe the current and future needs or deficiencies to be addressed, and to frame the opportunities, constraints, and conflicts to be considered when developing solutions. Prior to the development of solutions, the needs, opportunities and constraints task helps ensure that stakeholders from assorted backgrounds and disciplines have a common understanding of the problem, which builds consensus. It also provides a reality check by identifying trade-offs that must be made to reach a solution, which helps avoid overblown expectations and subsequent disappointment in project outcomes. Another task element is agreeing on criteria to guide alternatives development and evaluation.

Alternatives Development – At this point, the project progresses from understanding problems to developing solutions. Some projects, especially those that are big or complex, call for the creation of multiple alternatives, which are then evaluated against pre-established criteria to select the one that best meets project objectives. In some cases, particularly when a project is relatively straightforward or simple and there are limited opportunities to solve the problem at hand, multiple alternatives may not be called for. Instead, a single, optimal solution can be developed, or an incremental approach may be developed consisting of a “base package” of

improvements with additional elements to be added as money becomes available or as other conditions are met. When a project aims for a single, optimal solution instead of multiple alternatives, the deliverables should include an explanation as to why the single solution is thought to be optimal; for example, why it best responds to project objectives, opportunities and design criteria.

Alternatives Evaluation – In projects with multiple alternatives, alternatives should be evaluated against an agreed-upon set of criteria. The evaluation may result in a recommendation for one of the alternatives, but often results in a recommendation for a hybrid solution that includes elements of multiple alternatives. Based on technical and public review of the evaluation, a single recommended alternative is selected to move forward. If plan or zone amendments are part of the recommended alternative, the evaluation should include analysis of traffic impacts to determine if there would be a significant effect on transportation facilities. Per the Transportation Planning Rule, any significant transportation impacts must be addressed or mitigated for in an adopted plan or zone amendment.

Refine Preferred Alternative for Adoption – This may include describing and illustrating the preferred alternative in more detail, developing cost estimates, identifying implementation strategies including parties responsible for implementation, drafting necessary amendments to the Comprehensive Plan, Development Code, Transportation System Plan, or other local documents, and preparing a final plan document. The SOW should clearly describe the scope of this task and the contents, number of copies, and format of the final plan. For example, will the consultant prepare adoption-ready amendments language in strikeout and underline format, or more general concepts to be refined by local agency staff? Will the consultant or local agency staff prepare findings of compliance with applicable standards? Should there be an executive summary? Will plan and code amendments be adopted as part of the TGM project, in which case that must be stated in the SOW, or after the TGM project ends?

All TGM projects also must include methods for **public involvement and inter-agency coordination**, usually consisting of advisory committees for review and input by citizens and technical stakeholders (e.g., representatives from other departments in your jurisdiction, as well as from regional or state agencies and neighboring jurisdictions when such coordination is warranted). Projects also should include opportunities for broader public participation, such as open houses, workshops, presentations to community groups, stakeholder interviews, focus groups, or on-line surveys. Where large-scale public events are warranted, it may be advisable to conduct at least two such events, one in the early, “problem definition” stage of the project (for example, toward the end of the needs, opportunities and constraints task), and one after alternatives have been developed and evaluated). Advisory committee meetings, open houses, and other public events should be listed as part of the task in which the meetings occur (e.g. as part of the Existing Conditions task), instead of in a separate public involvement task. This makes it easier to understand how each meeting relates to the materials and issues that the meeting is expected to cover.

SOWs may also include contingency tasks where it is not clear ahead of time that a particular analysis, project management or advisory meeting, public event, or report revision will be needed. The work in contingency tasks must be first authorized by your TGM grant manager.

April 2014

TRANSPORTATION AND GROWTH MANAGEMENT PROGRAM
GRANT APPLICATION FORM
2014
APPLICATIONS DUE 4:00 p.m. June 13, 2014

Type of Grant:

Please indicate Category 1
or Category 2

Category 2

PROJECT TITLE:

Leveraging LIDs as a Transportation Funding Tool

PRIMARY APPLICANT
JURISDICTION:

City of Newport

MAILING ADDRESS:

169 SW Coast Highway

CITY:

Newport

ZIP:

97365

CONTACT PERSON:

Derrick I Tokos, AICP

OTHER JURISDICTIONS
INVOLVED IN THE
PROJECT

MATCH

<input type="radio"/> Yes	<input type="radio"/> No
<input type="radio"/>	<input type="radio"/>

TELEPHONE:

(541) 574-0626

FAX:

(541) 574-0644

EMAIL:

d.tokos@newportoregon.gov

ODOT REGION (1 - 5):

Region 2

SUMMARY DESCRIPTION OF PROJECT: This section must be completed. Do not refer to text within the application form. In 2 or 3 sentences, explain what will be done and what the expected outcome is. (For example: The project will result in an access management plan for Black Spot Highway. The plan will be developed in partnership with ODOT based on an analysis of needs, along with input from community workshops and one-on-one contact with property owners along the highway.)

Project will develop model policy, code, and informational materials to assist the City of Newport and other local jurisdiction in making Local Improvement Districts (LIDs) an effective and publicly acceptable financing tool for needed transportation system improvements. A toolbox of financing strategies and methods for efficiently structuring an LID program will be developed, and an action plan will be prepared for two case study areas within the City that are well positioned for having LIDs fund needed street system improvements.

SUMMARY OF PROJECT BUDGET

PROJECT TITLE: Leveraging LIDs as a Transportation Funding Tool

JURISDICTION: City of Newport

	TGM Funds Requested	Local Match*	Total Project Cost
Eligible Grantee Expenses [Labor (salary plus benefits) and Direct Expenses]			\$ 0.00
Consultant Personal Services	\$ 65,000.00	\$ 15,000.00	\$ 80,000.00
TOTAL	\$ 65,000.00	\$ 15,000.00	\$ 80,000.00

* This amount should be a minimum of 12 percent of the total project budget.

We will be providing a cash local match Yes No

I understand that, if used, consultant selection will follow the policies and requirements of the ODOT Procurement Office: <http://www.oregon.gov/ODOT/CS/OPO/>

Initial DT

Initial one of the following statements.

This application was prepared by staff of the primary applicant or staff of one of the involved jurisdictions listed on page 1.

Initial DT

This application was prepared by the following compensated consultant:

Consultant Name _____

Initial _____

Authorized Signature

Community Development Director

Title

Derrick I. Tokos, AICP

Printed Name



TRANSPORTATION AND GROWTH MANAGEMENT (TGM) 2014 GRANT APPLICATION FORM

Please read the Application Packet carefully before completing this application. You must submit your complete application both electronically and via postal mail.

Examples of successful applications are available on the TGM Grants and Incentives page on the Web: egov.oregon.gov/LCD/TGM/grants.shtml.

Please limit application to 10 pages.

The answer fields below will expand as you type.

ORGANIZATION NAME City of Newport	PHONE 541-574-0626
CONTACT PERSON NAME AND TITLE Derrick I. Tokos, AICP	CONTACT PERSON E-MAIL d.tokos@newportoregon.gov
PROJECT TITLE LEVERAGING LOCAL IMPROVEMENT DISTRICTS AS A TRANSPORTATION FUNDING TOOL	

Section One: GRANT ELIGIBILITY REQUIREMENTS

TGM grants are for planning work leading to local policy decisions. Projects should result in the development of an adoption-ready plan or land use regulation amendment. TGM grants also cannot fund preliminary engineering, engineering, or construction work. If in doubt, discuss with your Region TGM planner about whether your proposed work is eligible.

Applications are reviewed on a pass/fail basis on each of the following criteria. Applications found to not meet each of these eligibility requirements will not be scored against the award criteria and will not be awarded a grant. *Provide a brief statement of how you meet each requirement.*

1. Clear Transportation Relationship

A proposed project must have a clear transportation relationship and produce transportation benefits. A project must entail research, analysis, evaluation of alternative scenarios, development of implementation measures, or public involvement that results in a transportation plan, land use plan, or other product that addresses a transportation problem, need, opportunity, or issue of local or regional importance.

Developing strategies to secure financing to pay for planned transportation system improvements is a critical piece of a Transportation System Plan (TSP), since without the funding the plan is nothing more than the paper it is written on and the effort and resources used to develop the plan will have been wasted. Unfortunately, this is the component of the plan that often gets the least attention. Newport's TSP provides little in the way of direction or guidance for how the City should fund transportation improvements. Nonetheless, the City has been creative in developing local funding sources (e.g. urban renewal, local gas taxes, room taxes, etc.) and actively leverages available state and

federal resources. These resources though fall well short of being able to adequately fund needed transportation projects.

An area of financing that the City has been hesitant to explore is the use of Local Improvement Districts (LIDs) to finance transportation projects. This is in part due to the perceived complexity of implementing an LID program and the real concern that if done poorly, an LID program could compromise the City's overall financial position. There is also a general lack of understanding amongst the public, staff, and policy makers about what is involved in forming an LID and how this financing tool can be a cost effective solution to funding transportation projects. Consequently, Newport has only basic LID enabling legislation on its books and has not initiated an LID in many years.

This project will evaluate how LID, land use, and transportation codes can be integrated for the purpose of making LIDs a more effective and publicly acceptable financing tool for needed transportation system improvements. The product of this effort will be model language that is drafted in a manner that is readily adaptable by the City for adoption into its Comprehensive Plan, ordinances, and administrative regulations. This will position the City of Newport so that it can update its codes (likely at the same time) while also providing a product that is readily transferable to other jurisdictions.

The project will involve research into how LIDs are commonly used by local jurisdictions to fund transportation system improvements. Model policy language will then be developed using that research to identify (a) the types of transportation system improvements that should be targeted for LID funding (b) how potential projects should be prioritized and (c) factors policymakers should consider that will increase the likelihood of a successful outcome when deciding whether or not to proceed with forming a district. Newport has collected remonstrance agreements over the years for various transportation improvements without policy guidance for how those agreements should be acted upon. That question will be addressed with this work.

A second component of the project will evaluate alternative scenarios for funding an LID program with an emphasis on making it cost effective to the public without compromising a jurisdiction's operational funds. This includes evaluating different financing strategies that can be pursued and techniques that can be employed to minimize administrative costs so that smaller jurisdictions, such as Newport, with limited staff resources can reasonably implement an LID program. This "cookbook" of financing strategies and approaches to structuring an LID program will be formatted such that it can be readily adopted as an appendices to a Transportation System Plan.

A third element of the project involves development of model code language for integrating LID financing strategies into land use and transportation codes. This will address how LIDs can be offered as a tool for financing subdivision improvements, and under what circumstances remonstrance agreements can be used as an alternative to requiring a developer install transportation improvements. The city's land division, transportation and LID codes would be reviewed as part of this process and model language would be crafted in a manner that would allow the City to readily incorporate it as part of an ordinance update. City's remonstrance agreements will be reviewed and a template for remonstrance agreements will be developed.

A fourth element of the project is the development of informational materials that can be used to educate the public about the benefits, costs, and mechanics of forming an LID. Materials will be formatted such that they can be accessed electronically or plotted onto boards, and are to be structured so that they can be used each time the City pursues formation of an LID.

Lastly, a final element of the project will involve case studies of two demonstration areas within Newport that the City has identified as candidate areas for using LIDs to fund transportation improvements. An action plan will be developed to establish viability and to lay out specific implementation steps, drawing from the above work.

2. Adoption of Products to meet Project Objectives

A proposed project must include preparation of an adoption-ready product or products that directly address the project objectives, such as a transportation system plan, comprehensive plan amendment or element, land use regulation, or intergovernmental agreement. Projects that will primarily do outreach, research, study an issue, or compile data are not eligible.

Adoption-ready products will include model policy language that can be adopted into the City of Newport's TSP that (a) identifies the types of transportation system improvements that should be targeted for LID funding (b) how potential projects should be prioritized and (c) factors policymakers should consider that will increase the likelihood of a successful outcome when deciding whether or not to proceed with forming a district. In addition to this policy language, a "cookbook" of financing strategies and approaches to setting up an administrative structure for an LID program will be formatted such that it can be readily adopted as an appendices to the City's TSP, and model language will be developed for incorporation into the City's land division, transportation and LID codes to address how LIDs can be offered as a tool for financing subdivision improvements, and under what circumstances remonstrance agreements can be used as an alternative to requiring a developer install transportation improvements.

3. Support of Local Officials

A proposed project must clearly demonstrate that local officials understand the purpose of the grant application and support the outcomes of the project. A letter or resolution of support from the governing body of the applying jurisdiction is required to be submitted with the application to meet this requirement.

A resolution of support is being presented to the Newport City Council for adoption at its June 16, 2014 regular meeting. The resolution not only supports the concepts outlined in this grant proposal but affirms the City's intent to incorporate the resulting product into its plans and ordinances. A copy of the resolution will be forwarded after it has been adopted.

AWARD CRITERIA

Applications are scored on a range of criteria and receive up to 100 points. Projects are selected primarily based on the points scored; also considered are the grant amounts requested, the estimated amounts TGM believes may be required to complete a project, the amount of grant dollars available for award within a geographic region, and the balance of grant dollars between Category 1 and Category 2 projects.

1. Proposed Project Addresses a Need and Supports TGM Objectives

The project clearly and effectively addresses a local or regional transportation or transportation-related land use issue, problem, need, or opportunity through achieving one or more of the following TGM objectives (as listed on page 11 of the Application Packet).

Up to 40 points: Provide a statement of project purpose and transportation relationships and benefits, and related them to TGM objectives. You must list the specific objective(s) your project supports. Projects that address an issue, problem, need, or opportunity with a clear expected outcome will receive more points. Projects that meet one or several TGM objectives in a substantial, integral way will receive more points than projects that meet one or more TGM objectives superficially. If applying to update your Transportation System Plan and you asked TGM to perform a TSP Assessment, what were the key Assessment recommendations and how do they relate to your proposed project?

This project will develop model language to allow the City to integrate its LID, land use, and transportation codes in a manner that makes LIDs a more effective and publicly acceptable financing tool for needed transportation system improvements. The City's TSP, last updated in 2012, contains a range of bike/pedestrian, street and transit projects that are intended to support TGM objectives. These projects provide transportation choices through a balanced and interconnected transportation network; facilitate the creation of healthy communities by providing convenient linkages between housing and commercial areas; support economic vitality by ensuring transportation facilities are well located and accessible to industrial and employment areas; and promote compact and energy efficient land use patterns.

However, this only happens if funding is available to construct the facilities.

The Newport TSP provides little guidance in how to develop an adequate funding program, and financing of public improvements has always been an aspect of planning for an integrated land use and transportation planning that has not received adequate attention. This proposal offers the TGM program an opportunity to not only assist the City of Newport in developing a robust and creative strategy for fully utilizing LIDs as a funding source, but to create a template for use by other jurisdictions that are struggling to cobble together resources needed to adequately fund their transportation systems.

2. Proposed Project is Timely and Urgent

The application demonstrates timeliness and urgency. The project is needed now to:

- *address pressing local transportation and land use issues;*
- *make amendments to local plans or regulations necessitated by changes in federal regulations, state requirements, or regional plans;*
- *make amendments to local plans or regulations necessitated by changes that were not anticipated in previous plans including growth, changes in land use patterns, or changes in available funding;*
- *build on, complement, or take a necessary step toward completing other high priority community initiatives, including supporting a Governor's Regional Solutions Team priority; or*
- *resolve transportation- or land use-related issues affecting the project readiness of local, regional, or state transportation projects for which funding is expected to be obligated within the near future.*

Up to 25 points: To explain why it is important to do the project at this time, describe what the project will accomplish and how it relates to other initiatives. Projects that match well with the TGM grant timeline will receive more points. Projects or project elements that are not clearly timely or urgent will receive fewer points.

Jurisdictions throughout the state are working under fiscal constraints that are of historic magnitude. Traditional funding sources are drying up and jurisdictions are having to look to creative funding sources, or in the case of LIDs sources that have been neglected due to perceived challenges in implementing them. This makes this project particularly timely as it will afford the TGM program an opportunity to position itself as an organization that not only provides resources to develop innovative transportation plans but one that assists jurisdictions in developing financing strategies to make those plans a reality.

With respect to Newport, the City's Urban Renewal District has funding programmed as a match to buy down the cost of forming LIDs to improve the street system in the City's South Beach neighborhood. However, the City cannot currently facilitate the creation of such districts as it does not have a policy and administrative framework in place to effectively manage an LID program. The District's second project phase wraps up in 2016, and the final phase of projects will wrap up in 2020. After that the district will no longer be able to provide a financial match, so if the City does not have a workable LID program by that time then the opportunity for match funds will be lost. Further, the City has been recently approached by the Oregon Museum of Science and Industry and a local church, both of which are seeking the City's assistance in forming LIDs so that they can finance street system improvements they need to access their planned developments. While both of these projects will likely proceed even if an LID option is not available, they may do so at a reduced level of development which will have an economic impact on the community. These two projects also demonstrate that developers are also looking for creative ways to finance transportation infrastructure needed to support their projects and if the City cannot position itself to offer LIDs as a financing option then it may lose out on future economic development opportunities.

3. Proposed Project Approach is Reasonable

The application demonstrates a clear approach to achieving the expected outcome and results in consideration for adoption. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), the mechanisms and responsibilities for the coordination are clear.

Up to 15 points: *Describe the major project tasks and expected timeline. Consider data and analysis needs and elements of a public involvement process. If a consultant will be used, what are the likely roles of consultant and staff? How will coordination with other initiatives be handled? If TGM funds are proposed to leverage another outside source of funding for the project, identify discrete tasks that TGM will fund that will be completed within the TGM timetable. Project approaches will receive more points if they clearly address the project need, are achievable considering scope, objectives, and benefits of the project, and are at a level of detail appropriate to the community.*

1. **Project kick-off.** This task will include confirmation of project scope, the formation of a technical advisory committee, city tour to familiarize the consultant with Newport's transportation system, and an initial meeting with the advisory committee. Technical advisory committee membership will include neighborhood representatives, developers, a Planning Commission member, lenders, the City Finance Director, and City Public Works Director.

Timeline - Winter 2015

2. **Develop Policies on Use of LIDs.** With this task consultant will research statutory authority and common usage of LIDs, conduct interviews with elected officials and subject area experts, and compile results with preliminary recommendations on model policy language. Draft language will specifically address (a) the types of transportation system improvements that should be targeted for LID funding, (b) how potential projects should be prioritized, and (c) factors policymakers should consider when deciding whether or not to proceed with forming a district. This initial draft will be provided to City staff for comment and then vetted with the advisory committee. Consultant will then take the feedback and finalize the model policy language. A follow-up meeting(s) will be held with the advisory committee to confirm the changes before the draft is finalized.

Timeline - Winter to Spring 2015

3. **Develop “Cookbook” of Financing Strategies and Approaches to Administering LIDs.** Consultant will take prior research and supplement as needed to prepare a draft report outlining different methods jurisdictions may employ to finance and administratively structure LIDs along with the relative strengths and weaknesses of each. Emphasis shall be given to approaches that minimize administrative costs over the long term and that are conducive to application by smaller jurisdictions with limited staff resources. Consultant will conduct one-on-one interviews with technical experts, and a draft of the “cookbook” is to be distributed for review by staff and the advisory committee before being finalized in a format suitable for adoption as a TSP appendices.

Timeline - Spring to Summer 2015

4. **Develop Model Language for Integrating LID Financing into Transportation and Land Use Codes.** Consultant will review Newport and other city LID, subdivision, land use codes, and remonstrance agreements to develop an understanding of how the component pieces are woven together. They will then prepare draft model code language with alternative options where appropriate. Language should focus on achieving results that will offer a cost effective solution to participants and provide clear direction for when transportation improvements are to be made or remonstrance agreements accepted. A model remonstrance agreement will be prepared as part of this process. Draft materials are to be provided to staff for review and are to be vetted with the advisory committee. Consultant will take resulting feedback and finalize the draft.

Timeline - Spring to Summer 2015

5. **Develop Informational Materials and Prepare Case Study Assessments.** City staff will provide consultant with preliminary design, cost estimate, and remonstrance information for two (2) pilot areas. Consultant will update the planning level estimates, confirm design details, and prepare an action plan for forming an LID for each area considering the model policy and code language. Consultant will further prepare generalized public outreach materials for public engagement purposes and will obtain feedback from staff and the advisory committee. The action plan and outreach materials will be refined and a public open house conducted for the pilot areas. Feedback will be solicited on the accuracy and usefulness of the plan and outreach materials. Consultant will then debrief with staff and finalize the documents.

Timeline - Summer to Fall 2015

6. Finalize Report. Consultant will compile prior work tasks into a final report for presentation to the Newport Planning Commission and City Council. As noted below, City intends to piggyback these presentations with parallel hearings on targeted amendments to its Transportation System Plan and Municipal Code that draw from this work. A copy of the final report will be provided to the TGM program.

Timeline - Summer to Fall 2015

This grant proposal is structured to produce an end product that is readily transferrable to other local jurisdictions, while at the same time positioning the City so that it can make informed decisions on how best to update its LID policies and codes so that this financing strategy can be effectively used to fund transportation system improvements. It is City's intent to take model policy and code language developed through this process and craft it into updates to the Newport Transportation System Plan and Municipal Code. These revisions will run parallel with the tasks outlined above with hearings concurrent with those where the model code will be presented to the Newport Planning Commission and City Council. This proposal does not include adoption of these code changes as deliverables; however, City is open to working the updates into the project scope if that is more consistent with TGM priorities.

City anticipates that it will take 9-12 months to complete the project, with 6-8 technical advisory committee meetings along with progress reports to the Planning Commission and City Council. The public outreach meeting on the two "pilot areas" and formal meetings with the Commission and Council will occur in the fall of 2015.

To help us understand your project, provide an estimated budget breakdown for the major tasks. If a consultant will be used, separate the costs for local staff and consultant. ***This budget breakdown will not be scored.***

TASK	LOCAL COSTS	CONSULTANT COSTS
1. Project kick-off (<i>confirm project scope, form technical advisory committee, city tour, advisory committee kickoff meeting</i>)	\$1,000	\$2,100
2. Develop Policies on Use of LIDs (<i>research common usage of LIDs, conduct interviews with elected officials and subject area experts, review analysis with advisory committee, develop model policy language, vet draft language with advisory committee, finalize draft</i>)	\$4,000	\$17,000
3. Develop "cookbook" of financing strategies and approaches to administering LIDs (<i>prepare draft strategies and relative strengths and weaknesses of each, conduct one-on-one interviews with technical experts, review with advisory committee, finalize in format suitable for adoption as appendices to TSP</i>)	\$2,000	\$11,000
4. Develop model language for integrating LID financing into transportation and land use codes (<i>review city LID, subdivision, land use codes, and remonstrance agreements; prepare draft model code language with alternative options where appropriate; obtain feedback on model language from advisory committee; finalize draft</i>)	\$2,200	\$13,400

5. Develop Informational Materials and Prepare Case Study Assessments (<i>Obtain preliminary design, cost estimate, and remonstrance information from City for pilot areas; update planning level costs and prepare action plan in line with model policy and code language, prepare generalized public outreach materials; solicit feedback from advisory committee; conduct public open house in pilot areas; finalize documents</i>)	\$3,000	\$16,200
6. Finalize Report (<i>Compile results of prior tasks into a final report, present to Planning Commission and City Council <u>with City to pursue parallel code amendments</u>, distribute final document to TGM</i>)	\$1,800	\$6,300
Totals:	\$14,000	\$66,000

The tasks and budget outlined above are preliminary, and a more detailed breakdown of the budget for each item is enclosed. City of Newport proposes that the total budget for the project be set at \$80,000 to ensure adequate resources for consulting services. Of this amount, City will contribute \$15,000 and city staff has capacity to take on the listed tasks without reimbursement.

4. Proposed Project has Community Support

The application demonstrates that there is local support for the project objectives, a commitment to participate, and a desire to implement the expected outcome.

Up to 5 points: Projects with written support from stakeholders including partner jurisdictions, community institutions, or businesses will receive more points. Letters of support should demonstrate a clear understanding of the project. A letter of support will score higher if it shows independent understanding of the project by the signer and is not identical in text to others that are submitted for a project.

Letters and resolutions of support may be submitted separately from the application through June 27, 2014. Those submitted after June 13, 2014 must be submitted electronically to the ODOT FTP TGM Applications folder.

SOURCE	ATTACHED	EXPECTED
1. Resolution of Support from the Newport City Council	<input type="checkbox"/>	<input checked="" type="checkbox"/>

A draft copy of the resolution is attached. A signed copy of the resolution will be provided prior to the June 27th deadline.

5. Proposed Project Sponsor Readiness and Capacity

The application demonstrates that the local government is ready and able to begin the project within the TGM timetable and that there is local commitment and capability to manage the project considering the complexity of the project, the size of the jurisdiction, and performance on previous TGM projects. Where substantial coordination with other local, regional, and state planning efforts occurs (or will need to occur), all of the partners are ready and able to begin the project within the TGM timetable.

Up to 5 points: Projects with a clear description of the jurisdiction's capabilities and experience relative to the complexity of the proposed project will receive more points. Projects that lack a clear description of how the projects will be managed will receive fewer points. Applicants with prior TGM grant awards must list previous TGM projects and their performance. [If you are unsure what previous TGM grant awards your jurisdiction has received, contact Cindy Lesmeister at cindy.l.lesmeister@odot.state.us]

Derrick I. Tokos, AICP, City of Newport Community Development Director, will be the City's project manager. His duties will include providing technical feedback/assistance to consultant, setting up and coordinating advisory committee meetings, reviewing draft documents and preparing policy and code revisions for adoption. Mr. Tokos has been a practicing land use planner for over 20 years and possesses extensive experience in transportation system planning and financing of transportation improvements. He has been with the City of Newport for close to 5 years, and has worked closely with ODOT and DLCD staff on a number of projects, including a 2012 update to the City's TSP that put in place an alternate mobility standard in South Beach. Mr. Tokos also oversees the implementation of the Newport Urban Renewal District. The City's Finance and Public Works Directors will also assist with the project in an advisory capacity. Both have extensive experience in administering and implementing Local Improvement Districts in other jurisdictions. The City contracts legal services with the law firm of Speer Hoyt out of Eugene, and has budgeted funds anticipating their assistance in reviewing ordinances to update the City's TSP and Municipal Code. City has administrative staff capable of preparing meeting notices, minutes, and other materials needed to support this project.

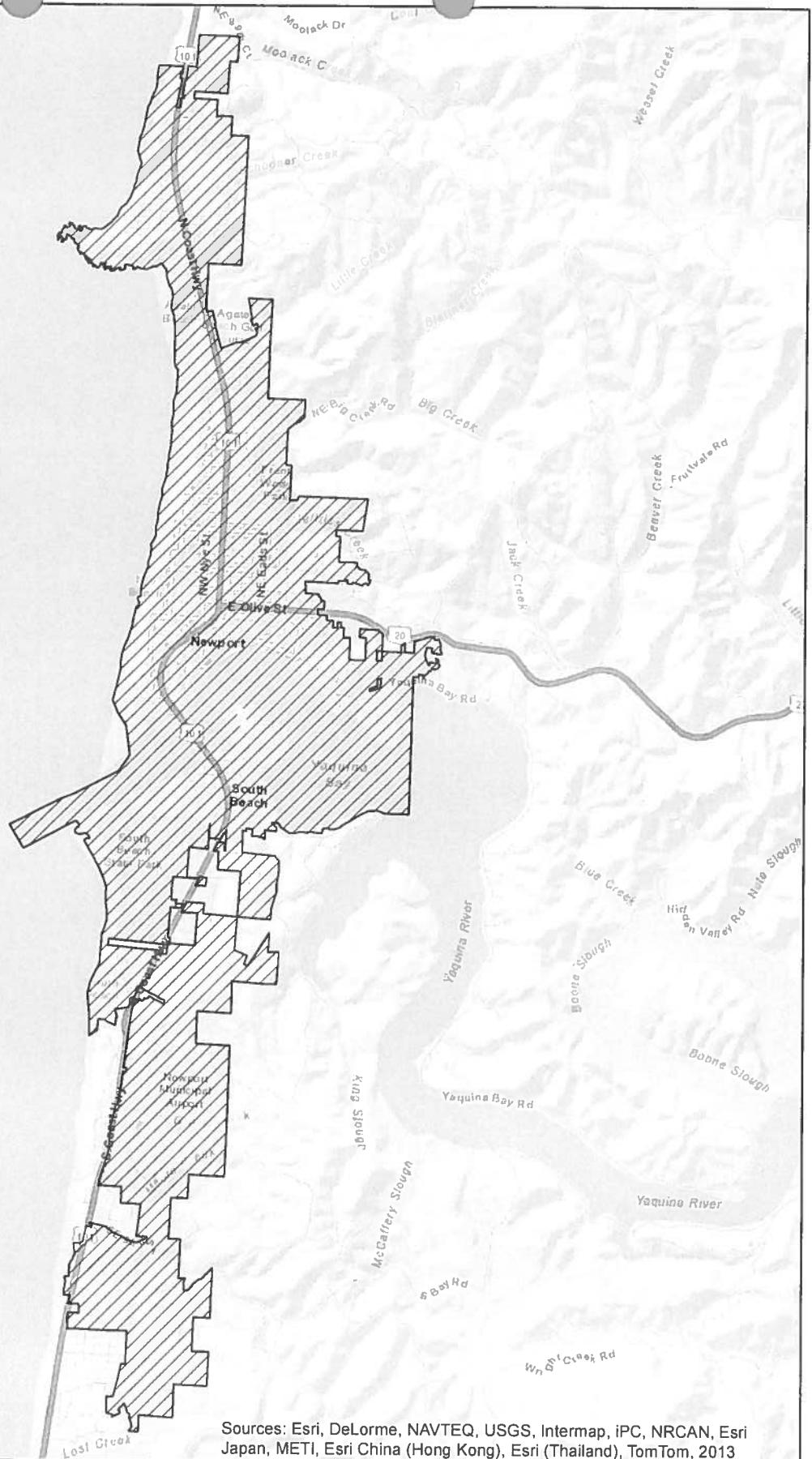
The City of Newport secured a TGM grant in 2005 to update its Transportation System Plan and that work was completed. It also secured a TGM quick response grant in 2010 for a refinement plan to identify transportation improvements needed to support the new NOAA facility in South Beach. That plan was completed on budget and the recommended improvements have been constructed.

6. Proposed Project is Innovative

The application demonstrates that the project will be innovative in its subject matter, approach, or expected outcomes. For example, the project will use health impact assessments or economic impact analysis as part of the evaluation of transportation alternatives.

Up to 10 points: By the nature of this criterion, most projects will not receive any points. Projects may receive some points for innovative project elements. Projects with innovative subject matter will receive more points.

The proposed project is innovative in that it delves into the financing side of transportation system planning, which traditionally has not received the attention it deserves, producing model policy and code language that will give the City of Newport and other jurisdictions the tools they need to make LIDs a meaningful part of their strategy for funding transportation system improvements. It meets Newport's immediate need to develop a workable LID program for funding street system improvements while providing a product that is transferable to other cities. The approach is also holistic, producing not just policy and code language but all of the tools a jurisdiction will need in order to put together an LID program. This additional work to develop outreach materials and prepare a "cookbook" of strategies for structuring and financing LID programs will allow jurisdictions to put together an approach that fits their needs and will help demystify the perceived complexity of using LIDs to fund street system improvements.



**City of Newport
Community Development Department**
169 SW Coast Highway Phone: 1.541.574.0629
Newport, OR 97365 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.

Vicinity Map of the City of Newport

"Levering LIDs as a Transportation Funding Tool" 2014 TGM Grant Application

Sources: Esri, DeLorme, NAVTEQ, USGS, Intermap, iPC, NRCAN, Esri Japan, METI, Esri China (Hong Kong), Esri (Thailand), TomTom, 2013



RESOLUTION NO. 3678

A RESOLUTION REQUESTING A TRANSPORTATION
AND GROWTH MANAGEMENT GRANT FOR INTEGRATING
LOCAL IMPROVEMENT DISTRICT FINANCING STRATEGIES
WITH CITY LAND USE AND TRANSPORTATION STANDARDS

FINDINGS:

1. The Oregon Department of Transportation and the Department of Land Conservation and Development, which jointly administer a Transportation and Growth Management Program, are accepting applications for the 2014 grant funding cycle; and
2. City of Newport desires to participate in this grant program to the greatest extent possible to develop effective policy language for how the City can best utilize Local Improvement Districts (LIDs) as a financing tool for funding planned transportation improvements; preparing recommended code changes to ensure the City's LID financing strategies are properly integrated with the land use and transportation standards it uses to evaluate new development; develop a framework for cost effective administration of an LID program; and for conducting financial analysis of not more than four "case study" candidate areas to position them for future LID financing; and
3. Further, City of Newport seeks to leverage these grant funds to effectively engage local stakeholders and focus groups on the proper use of LIDs and to create informational materials to educate the public on the benefits, costs, and mechanics of forming an LID; and
4. Newport City Council has identified developing an effective LID ordinance, and integrating that ordinance with its land use and transportation planning standards, as a high priority need in the City of Newport; and
5. The City of Newport possesses sufficient funds to fulfill its share of obligation related to this grant request should the Transportation and Growth Management Program award the grant.

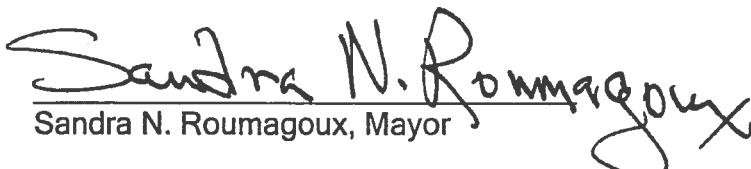
THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

Section 1. The Community Development Director of the City of Newport is authorized to apply for a grant from the Transportation and Growth Management Program for code assistance in integrating its LID, land use, and transportation planning standards as specified above; and

Section 2. The effective date of this resolution is June 16, 2014.

Adopted by a 7-0 vote of the Newport City Council on June 16, 2014.

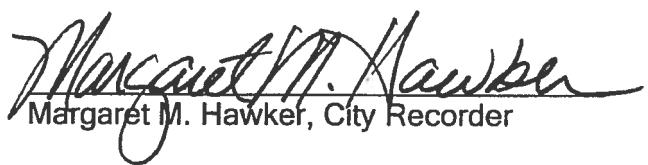
Signed on June 17, 2014.


Sandra N. Roumagoux, Mayor

GIS Agreement

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ATTEST:


Margaret M. Hawker, City Recorder

PRELIMINARY BUDGET
TASKS FOR CITY OF NEWPORT
LID INTEGRATION PROJECT

Tasks	Personnel Services						Reimbursables	Totals		
	City Admin		City Planner		Consultant					
	Time	Cost	Time	Cost	Time	Cost				
Project Team Kick-off										
Review project scope and expectations with city staff	0.0	\$0.00	2.0	\$120.00	2.0	\$240.00	\$150.00	\$510.00		
Form technical advisory committee	1.0	\$36.00	4.0	\$240.00	0.0	\$0.00	\$50.00	\$326.00		
City tour	0.0	\$0.00	4.0	\$240.00	8.0	\$960.00	\$50.00	\$1,250.00		
Kick-off meeting with advisory committee	4.0	\$144.00	4.0	\$240.00	4.0	\$480.00	\$250.00	\$1,114.00		
Total	5.0	\$180.00	14.0	\$840.00	14.0	\$1,680.00	\$500.00	\$3,200.00		
Develop Policies on Use of LIDs										
Research common usage of LIDs	0.0	\$0.00	20.0	\$1,200.00	40.0	\$4,800.00	\$0.00	\$6,000.00		
Conduct interviews with elected officials and agencies that actively use LIDs	0.0	\$0.00	10.0	\$600.00	10.0	\$1,200.00	\$150.00	\$1,950.00		
Review analysis with advisory committee	4.0	\$144.00	6.0	\$360.00	10.0	\$1,200.00	\$0.00	\$1,704.00		
Develop model policy language	0.0	\$0.00	10.0	\$600.00	50.0	\$6,000.00	\$0.00	\$6,600.00		
Obtain feedback on draft policies from advisory committee	4.0	\$144.00	6.0	\$360.00	10.0	\$1,200.00	\$150.00	\$1,854.00		
Finalize model policies and supporting materials in format suitable for adoption as an update to finance section of a TSP	0.5	\$18.00	5.0	\$300.00	20.0	\$2,400.00	\$100.00	\$2,818.00		
Total	8.5	\$306.00	57.0	\$3,420.00	140.0	\$16,800.00	\$400.00	\$20,926.00		
Develop "cookbook" of financing strategies and approaches to administering LIDs										
Prepare draft of "cookbook" from strategies identified through research and identify relative strengths and weaknesses	0.0	\$0.00	10.0	\$600.00	50.0	\$6,000.00	\$0.00	\$6,600.00		
Conduct one-on-one interviews with technical experts to confirm viability	0.0	\$0.00	10.0	\$600.00	10.0	\$1,200.00	\$150.00	\$1,950.00		
Review draft with advisory committee, vet against model policies, and refine	4.0	\$144.00	6.0	\$360.00	10.0	\$1,200.00	\$0.00	\$1,704.00		
Finalize "cookbook" in format suitable for adoption as appendices to TSP	0.5	\$18.00	5.0	\$300.00	20.0	\$2,400.00	\$100.00	\$2,818.00		
Total	4.5	\$162.00	31.0	\$1,860.00	90.0	\$10,800.00	\$250.00	\$13,072.00		
Develop model code language for integrating LID financing stragies with land use and transportation codes										
Review City LID, subdivision, and land use codes and remonstrance agreements	0.0	\$0.00	10.0	\$600.00	30.0	\$3,600.00	\$0.00	\$4,200.00		
Prepare draft model language with callout where alternative options are available	0.0	\$0.00	10.0	\$600.00	50.0	\$6,000.00	\$100.00	\$6,700.00		
Obtain feedback on model language from advisory committee	4.0	\$144.00	6.0	\$360.00	10.0	\$1,200.00	\$150.00	\$1,854.00		
Finalize model code language in format suitable for use in an ordinance amendment	0.5	\$18.00	2.5	\$150.00	20.0	\$2,400.00	\$100.00	\$2,668.00		
Total	4.50	\$162.00	28.50	\$1,710.00	110.00	\$13,200.00	\$350.00	\$15,422.00		
Develop Informational Materials and Prepare Case Study Assessments										
Obtain preliminary design, cost estimate and remonstrance information from city for pilot areas	0.0	\$0.00	5.0	\$300.00	10.0	\$1,200.00	\$0.00	\$1,500.00		
Update costs, and prepare action plan in line with model policy and code language	0.0	\$0.00	10.0	\$600.00	40.0	\$4,800.00	\$150.00	\$5,550.00		
Prepare generalized public outreach and informational materials	0.0	\$0.00	10.0	\$600.00	40.0	\$4,800.00	\$200.00	\$5,600.00		
Obtain feedback from advisory committee	4.0	\$144.00	6.0	\$360.00	10.0	\$1,200.00	\$150.00	\$1,854.00		
Conduct public open house on pilot areas	4.0	\$144.00	10.0	\$600.00	10.0	\$1,200.00	\$150.00	\$2,094.00		
Finalize action plan and informational materials	0.5	\$18.00	2.5	\$150.00	20.0	\$2,400.00	\$100.00	\$2,668.00		
Total	8.5	\$306.00	43.5	\$2,610.00	130.0	\$15,600.00	\$750.00	\$19,266.00		
Final Report										
Compile results into a final report	0.0	\$0.00	2.0	\$120.00	20.0	\$2,400.00	\$0.00	\$2,520.00		
Present materials to the Planning Commission	4.0	\$144.00	10.0	\$600.00	10.0	\$1,200.00	\$150.00	\$2,094.00		
Address feedback	0.0	\$0.00	2.0	\$120.00	5.0	\$600.00	\$0.00	\$720.00		
Present report to City Council	1.0	\$36.00	10.0	\$600.00	10.0	\$1,200.00	\$150.00	\$1,986.00		
Distribute completed document to TGM	0.5	\$18.00	1.0	\$60.00	5.0	\$600.00	\$100.00	\$778.00		
Total	5.5	\$198.00	25.0	\$1,500.00	50.0	\$6,000.00	\$400.00	\$8,098.00		
Grand Total	36.5	\$1,314.00	199.0	\$11,940.00	534.0	\$64,080.00	\$2,650.00	\$79,984.00		

Memorandum

To: City of Newport Planning Commission/Commission Advisory Committee
From: Derrick Tokos, Community Development Director 
Date: November 21, 2014
Re: Draft Student Housing Report

Enclosed is a draft copy of the Newport Student Housing Study that was presented to the Newport Student Housing Ad-hoc Work Group on November 19th. It is being updated by ECONorthwest to incorporate feedback that the group provided and will be presented to the Newport City Council at its December 1, 2014 meeting.

The attached document is different than an earlier draft that was presented to the Planning Commission on November 10th in that it includes a new section at the end of the document "Part 5" that outlines next steps. I would appreciate it if you could review this section and consider any comments or recommendations you believe the Commission should provide the Council.

On December 1st, the City Council will likely accept the report and may direct that the Commission initiate amendments to the Newport Comprehensive Plan in line with one or more of the recommendations outlined in Part 5. They will also consider a resolution in support of Oregon State University's planned expansion of the Hatfield Marine Science Center campus.

Attachments

- Draft Report by ECONorthwest, titled "Newport Student Housing Study, Expansion of the Hatfield Marine Science Center in Newport," dated November 2014

Newport Student Housing

Expansion of the Hatfield Marine Science Center in Newport

November 2014

Prepared for:

The City of Newport

Preliminary Draft 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:

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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

Will be added in the final draft.

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Executive Summary

The final version of the report will include the executive summary.

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; however, 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.

- **Aging housing stock.** Nearly 20% of the city's housing stock was built before 1950. Data collected as part of the housing needs analysis suggests

that the condition of 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.

⁸ Median sales price data from Zillow.com.

Data from the U.S. Census shows that Newport businesses continues to 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.

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. OCCC's programs 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.

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 50 to 100 students from outside of the region in about 10 years. These students may create demand for approximately 25 to 50 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.

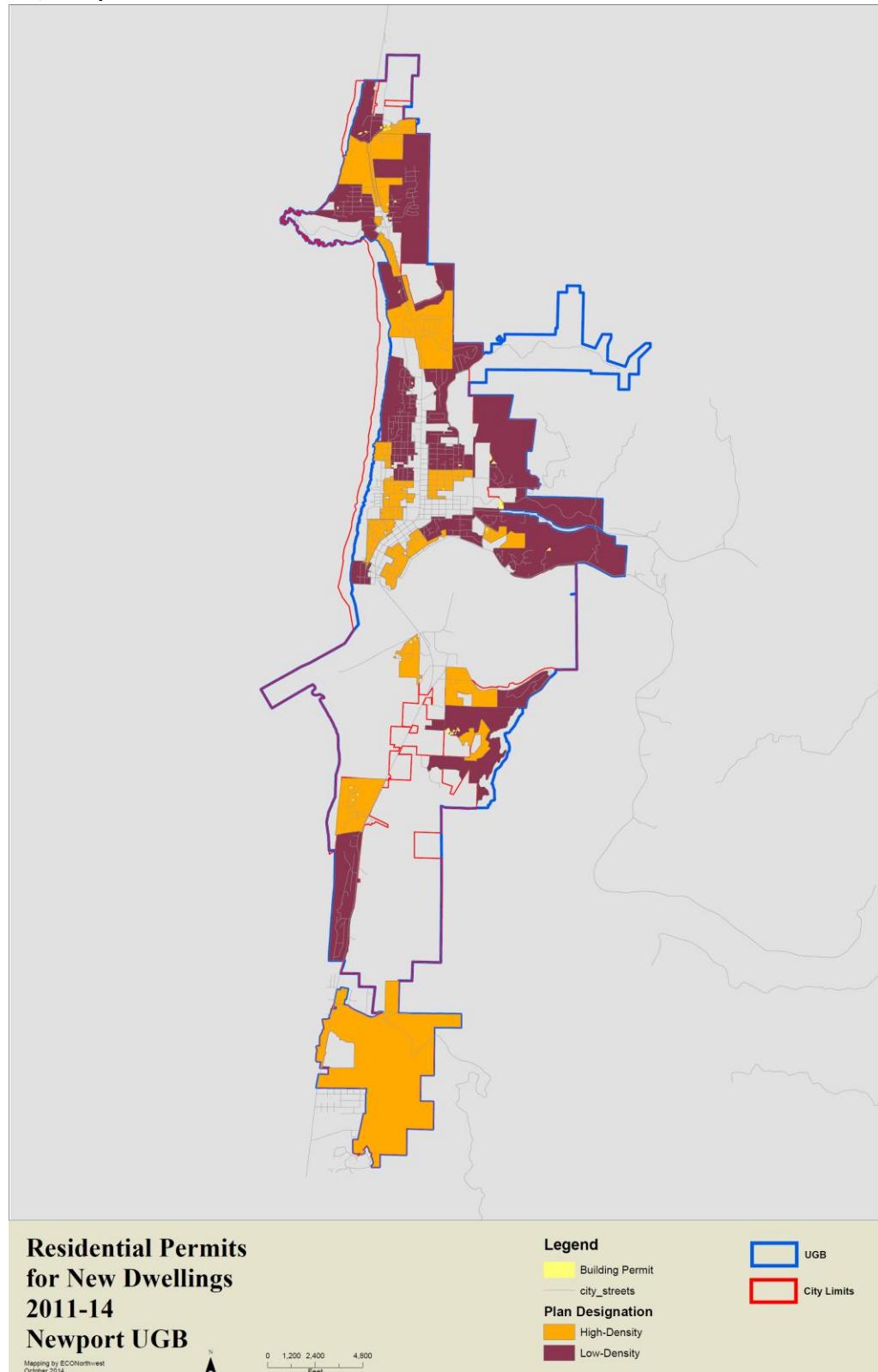
Table 2. Permits issued for new residential construction, 2011-14

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.¹³ 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.
- **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.
- **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.
- **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 was also connected to South Beach and the Hatfield Marine Science Center by local roads, allowing students to avoid bicycling or walking along Highway 101.

¹³ 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.
- **Willing land owner.** 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.

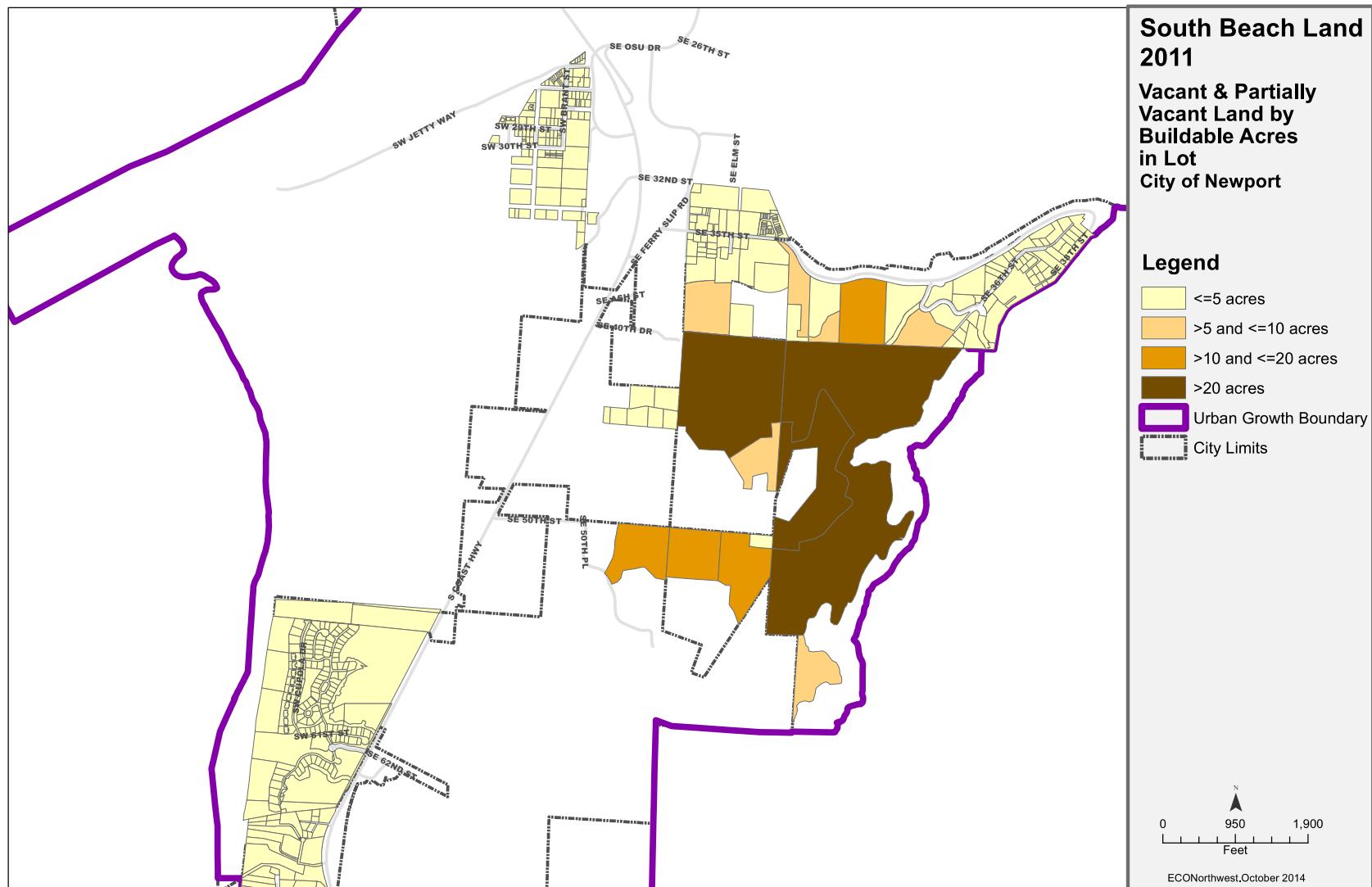
In general, these amenities develop as demand for them grows. Unless the student housing development includes some of these amenities or there is other active coordination for concurrent development of these amenities with student housing development, these types of retail development occur after residential development. Some of these amenities, especially a grocery store, will require development beyond student housing.¹⁴

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.

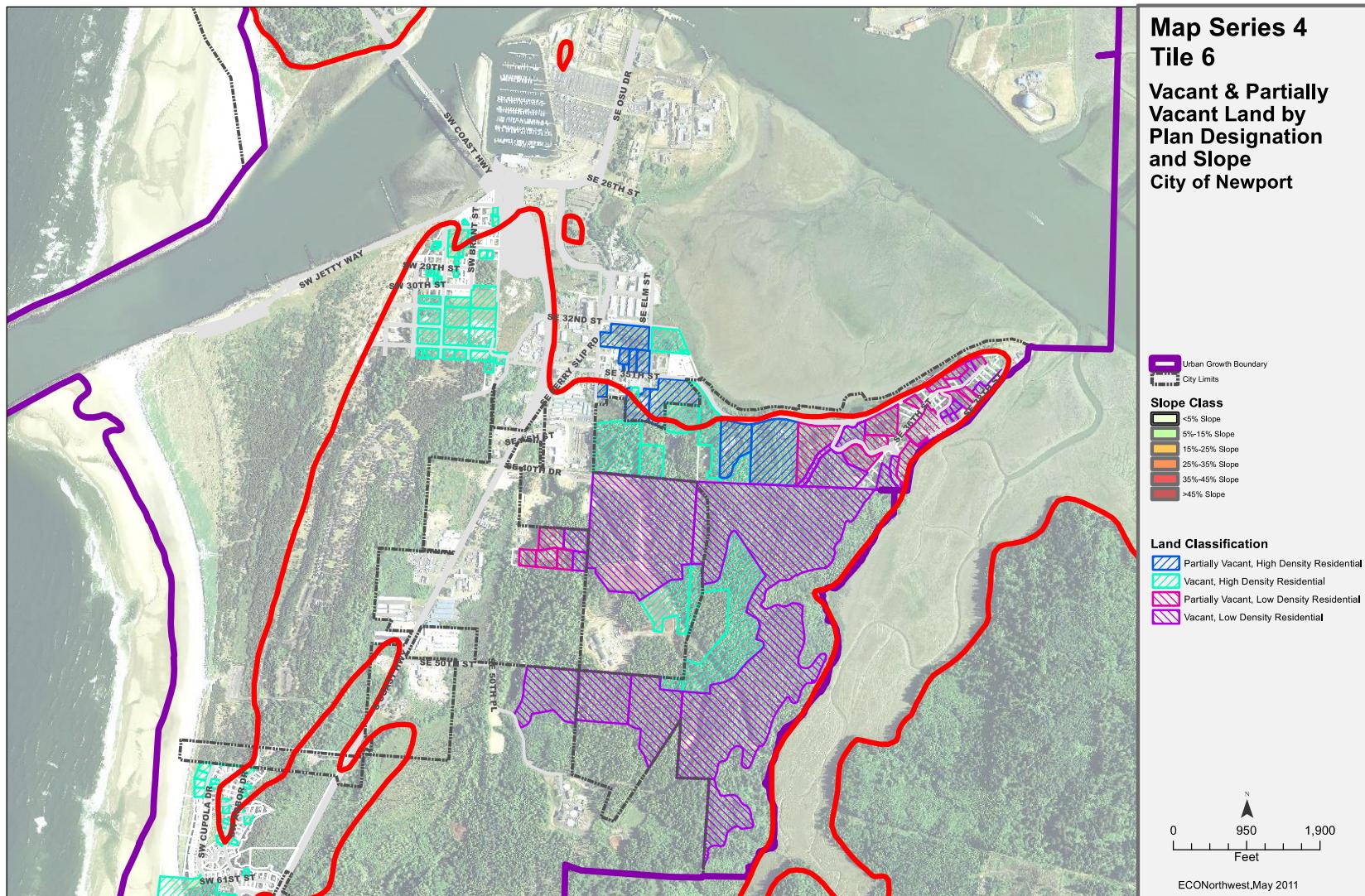
Map 3 and Map 4 show the buildable lands map of the South Beach area.

¹⁴ 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, South Beach



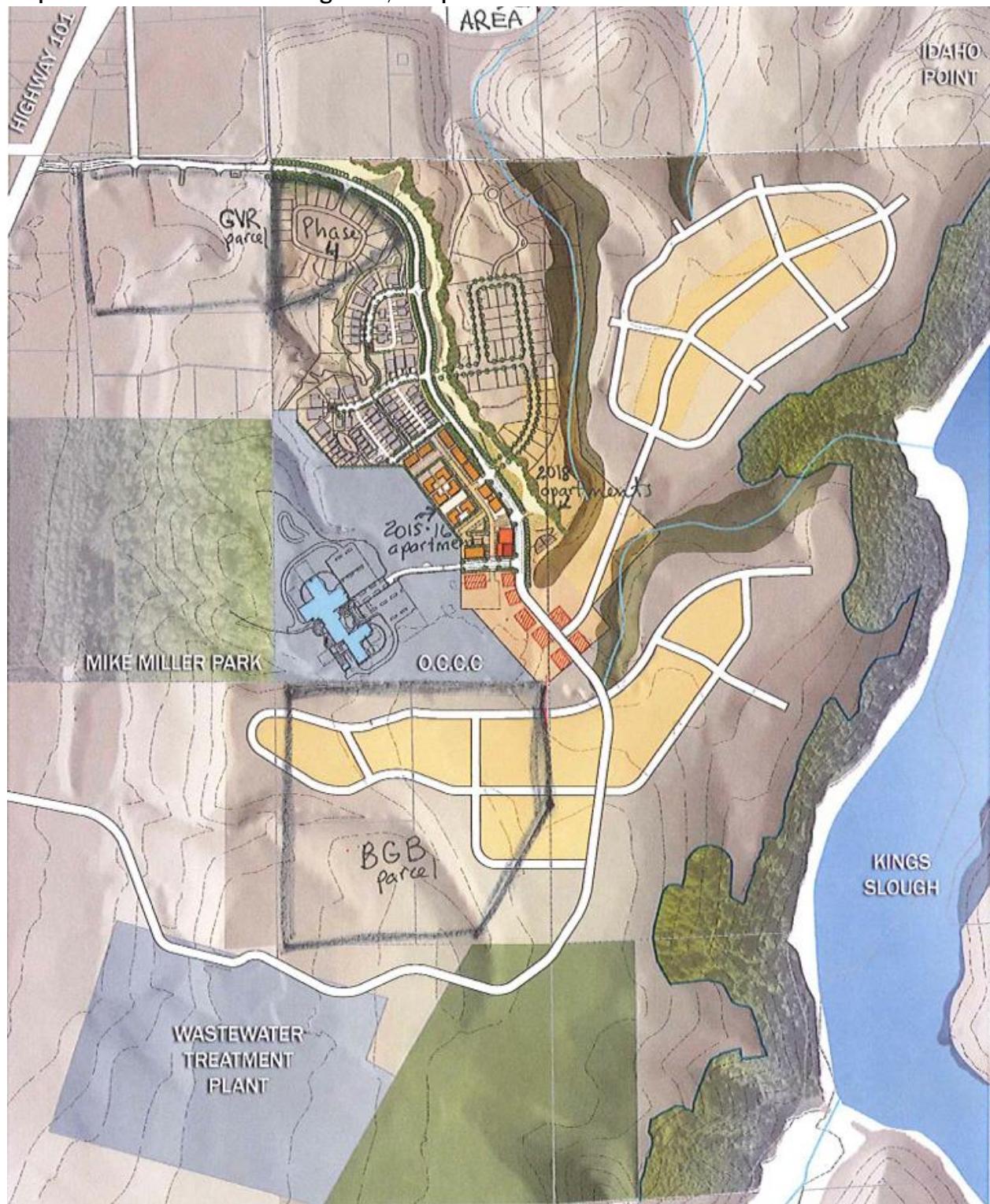
Discussions with the Student Housing Advisory Committee identified the area that is most suited for student housing, based on the criteria described above: in or near the Wilder development. Map 5 shows the Wilder development and the areas around it. The Oregon Coast Community College is adjacent to 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 Parcel.** This is an area south of Oregon Coast Community College, owned by the Brewer and Gardner family. It is about 35 acres. It will have access to South East 50th and Harborton Street. 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.
- **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.

Note: We may update the Map in the final report

Map 5. Suitable Student Housing Sites, Newport



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	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 SDSCs, 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. 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: 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 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
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 online 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	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: <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. ¹⁵ 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). ¹⁶ 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.

¹⁵ 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%2023,%202014.pdf>

¹⁶ 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	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: <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. State program webpage: http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx
Fund Sources	General funds of 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.
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	Student housing or low-income subsidized / workforce housing.

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	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. 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.
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	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.
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	Low-income subsidized housing.

Loan Guarantee Programs (Administered by State of Oregon)

How It Works	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 State Program Website: http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx
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	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. State Program Website: http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx
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_oahtc_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 following recommendations are based on discussions with the Advisory Committee, as well as discussions with Newport staff.

- **The City and County should express support of HMSC expansion clearly.** ECONorthwest recommends that the City of Newport City Council and Lincoln County Board of County Commissioners should formally express their support for expansion of the HMSC and their commitment to working with OSU to identify and work together to resolve issues that arise with expansion of the HMSC.
- **The City and County should express preference for direct OSU involvement in student housing development.** The City of Newport City Council and Lincoln County Board of County Commissioners should identify 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.

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 prefers that OSU have greater involvement in operations of the student housing development. OSU could either develop and operate the student housing facility or OSU could work with a private developer to develop student housing and OSU manage and operate the housing facility. We recommend that the City and County formally express a preference for either of these roles for OSU's in student housing.

- **OSU should secure a development site.** This project identified several areas that meet the criteria for student housing for the HMSC expansion. 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.

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 would 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 that includes managing student growth.** 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, and OSU should continue to work together to facilitate expansion of the HMSC.** We recommend that the City, County,

and OSU 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.

One way to ensure continued collaboration is to establish a standing, active steering committee to guide collaboration among the public agencies and with other stakeholders.

- **The City, County, and OSU should continue to work with the Oregon Coast Community College (OCCC).** 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.

We recommend that Newport, Lincoln County, OSU, and OCCC continue collaborating on student housing issues, as part of planning for HMSC expansion and on future projects, as OCCC continues to grow.

- **The City and County should work together to decide whether to offer a multiple-unit tax exemption.** This tax exemption could be used to encourage development of multifamily and housing in Newport. Other communities in Lincoln County may interested in using this tool to encourage multifamily housing and would benefit from Newport and Lincoln County's experience in implementing it.

We recommend identifying one or more specific areas where the City and County want to encourage student or multifamily development. 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 to evaluate options for using CDBG or Section 108 funds to encourage development of multifamily housing that includes low-income 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 and County evaluate options to use CDBG

funds or Section 108 loans to support multifamily housing development, as possible.

- **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 will 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.

- **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.



AGENDA & NOTICE OF PLANNING COMMISSION MEETING

The Planning Commission of the City of Newport will hold a meeting at **7:00 p.m. Monday, November 24, 2014**, 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, November 24, 2014, 7:00 p.m. AGENDA

A. Roll Call.

B. Approval of Minutes.

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

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. Recommendation to the City Council regarding the Student Housing Study.

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.

G. New Business.

H. Unfinished Business.

I. Director Comments.

J. Adjournment.

Draft 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 to do 1,000 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

Memorandum

To: City of Newport Planning Commission

From: Derrick Tokos, Community Development Director 

Date: November 20, 2014

Re: Draft Ordinance No. 2075, an Ordinance Amending Title X of the Newport Municipal Code Relating to Electronic Message Signs in Public Zoning Districts

Enclosed is a draft Ordinance that addresses feedback that the Commission provided at the November 10, 2014 public hearing regarding this proposal. New language has been added to establish a night-time limit or “cap” on the brightness setting for electronic message signs. Also, edits have been made to establish 11 p.m. to 6:00 a.m. as the shut off period for electronic message signs, unless the sign is associated with a business or facility that is open to the public (in which case the sign can remain active while the business or facility is open).

I also made changes to the variance requirements section to clarify the process that is to be followed. The City revised its variance standards and procedures in 2010, adding adjustments as an alternative to variances. This was never cross-referenced to the sign code variance section. These changes are largely procedural clarifications, and shouldn’t materially impact the standards by which a sign variance application would be evaluated.

I had only a limited amount of time to review sign codes that have been adopted by other Oregon jurisdictions to address the brightness of electronic message signs. Medford’s effort seems to be on point. Their amendments are currently being considered by the Medford City Council, and I have attached an excerpt from their legislative record addressing the brightness issue.

Attachments

- Draft Ordinance No. 2075 with attached Exhibit A
- November 20, 2014 mark-up copy of the Title X Amendment
- International Sign Association Publication, titled “Recommended Night-time Brightness Levels for On-Premise Electronic Message Centers (EMC’s,” dated April 2011
- City of Medford Draft Code Amendments Related to Electronic Message Signs

CITY OF NEWPORT

ORDINANCE NO. 2075

**AN ORDINANCE AMENDING CHAPTER 10.10 OF THE NEWPORT MUNICIPAL
CODE (ORDINANCE NO. 1943, AS AMENDED)
RELATING TO ELECTRONIC MESSAGE SIGNS
ON PUBLIC ZONED PROPERTY**

Findings:

1. Chapter 10.10 of the City of Newport Municipal Code (Ordinance No. 1943, as amended) contains standards regulating the time, place and manner in which signs may be constructed in order to protect and promote the health, safety, and welfare of the public and to improve the aesthetic appearance of the City. This Chapter applies to all portions of the City except for Agate Beach, which is subject to a separate set of sign standards that are codified under Chapter 10.15.
2. After the adoption of Newport Municipal Code (“NMC”) Chapter 10.10, technology has advanced to allow types of signage, including electronic message signs, which were not contemplated at the time the City originally established its signage regulations.
3. Although NMC Chapter 10.10 is not technically part of the Newport Zoning Ordinance (“NZO”), the City Council finds that the signage regulations contained in this chapter are effectively “land use regulations” for purposes of ORS 197.015(11) because they implement the City’s acknowledged comprehensive plan and are closely tied to the use and development of property. Accordingly, the Council finds that it is both consistent with state law and in the public interest to process the Amendment as a proposed text amendment to the NZO, which will provide additional notice, review, and opportunity for public comment than the City's standard ordinance adoption procedures.
4. Pursuant to NZO 14.52.040(D), the City reviews proposed NZO text amendments under the City's Type IV review process. This process requires a public hearing and recommendation by the City Planning Commission followed by the Council conducting a public hearing and making a legislative decision on the request.
5. Pursuant to NZO 14.36.020, an NZO text amendment may be initiated by motion of the City Council. Such motion was made on September 2, 2014, in response to a request by the Oregon Coast Council for the Arts (OCCA) to allow electronic message signs in public zoning districts.
6. The OCCA made the request because it is interested in installing electronic message signs at the Performing Arts Center. The signs would replace existing display panels at the corner of Olive and Coast Street that house painted signs, which are swapped out manually. The Performing Arts Center property is under a P-1/“Public Structures” zoning designation. Title X of the Newport Municipal Code, which contains the City’s sign regulations, does not allow electronic message signs on public zoned property.
7. The City amended its sign code in 2012, at the request of ThomasFox Properties, LLC, to allow electronic message signs in certain commercial and industrial zones (Ordinance #2037). This allowed

electronic message signs for the first time, and facilitated the installation of such a sign at the new Walgreens store at the intersection of US 101 and US 20. Electronic message signs have since been installed at other commercial locations along US 101. Ordinance No. 2037 does not allow such signs within marine zones (e.g. the bay front) or inside the Nye Beach Design Review District. This limitation was imposed by the City Council following public testimony in opposition to such signage. The Performing Arts Center is within the Nye Beach Design Review District.

8. On September 8, 2014 the Planning Commission held a work session at which it reviewed the materials that were before the City Council and determined that it would like to see revisions (i.e. the Amendment) brought forward that would allow electronic message signs on publicly zoned property in the same manner as they are allowed on commercial or industrial properties. Further, the Commission expressed an interest in seeing the changes in draft form at a public hearing where it could take public testimony.

9. A draft Amendment to Title X to the Newport Municipal Code was prepared and provided to the Oregon Department of Land Conservation and Development ("DLCD") on October 3, 2014, more than 35 days prior to the initial legislative public hearing for the Amendment before the Planning Commission. This mailing satisfied the City's pre-hearing obligations for notice to DLCD.

10. The Amendment to Title X restructures the code to include a subsection that is specific to public zoned properties. Similar subsections already exist for commercial/ industrial/marine districts, and residential districts. Existing sign code provisions for public zones, scattered throughout Title X, have been consolidated into the new subsection. These same provisions arguably apply to all signs outside of public rights-of-way, irrespective of where they are located, creating conflicts between competing provisions. Those conflicts have been eliminated. The Amendment includes new standards for electronic message signs on public zoned properties that are the same as those currently in existence for commercial and industrial areas with the exception that they are not prohibited within the Historic Nye Beach Design Review District. The draft also corrects typographical errors and makes other similar housekeeping corrections.

11. On October 31, 2014, the City published notice of the Planning Commission hearing relating to the Amendment. The published notice ran in the in the Newport News-Times and listed the date, time, and place of the Planning Commission hearing, which was November 10, 2014. This notice satisfied the City's pre-hearing obligations for notice to the public. Notice of the hearing was also provided to Cindy and Mark McConnell, Ryc Cyr, and Deane Bristow, all of whom had requested that the City notify them once a hearing date was set.

12. On November 10, 2014, the Planning Commission conducted a public hearing to discuss the Amendment. The entire Community Development Department file on the application was physically before the Planning Commission. The Planning Commission did not reject any part of the Community Development Department file. Derrick I. Tokos, AICP, then presented the City Community Development Department staff report, which included a description of the proposed amendment and relevant approval standards. Mark McConnell and Catherine Rickbone attended on behalf of OCCA to testify in favor of the Amendment. No other testimony was provided. At the conclusion of the hearing, the Planning Commission closed the public hearing and discussed the Amendment. A recommendation was made that further changes be made to establish a maximum brightness level for electronic message signs, and that the hours when a sign must be shutoff be clarified for circumstances when the sign is not attributed to an on premise business. A motion was then made,

and seconded, to direct staff to prepare a draft Ordinance, with the requested changes, for consideration at the Commission's November 24, 2014 meeting. The Planning Commission voted to approve the motion.

13. On November 24, 2014, the Planning Commission reviewed the draft Ordinance. A motion was then made, and seconded, to recommend that the Council approve the legislative change and adopt the Amendment based upon substantial evidence in the record as a whole. The Planning Commission voted to approve the motion.

14. On _____, the City published notice of the City Council hearing relating to the Amendment. The published notice ran in the in the Newport News-Times and listed the date, time, and place of the Planning Commission hearing, which was _____. This notice satisfied the City's pre-hearing obligations for notice to the public.

15. On _____, the Council opened a public hearing on the Amendment. The entire Community Development Department file on the application was physically before the Council. The Council did not reject any part of the Community Development Department file. Mr. Tokos then presented the Staff Report. Following the presentation, the Council accepted public testimony, and then closed the public hearing and discussed the Amendment. Based upon the Planning Commission recommendation, the evidence before the Council (which included the evidence before the Planning Commission), and oral and written testimony presented to the Council, a motion was made, and seconded, to adopt the ordinance as presented. The Council voted to approve the motion.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. The above findings are hereby adopted as support for the Amendments, below.

Section 2. Chapter 10.10 of Ordinance No. 1943 (as amended), Signs, is repealed in its entirety and replaced with a new Chapter 10.10, as shown in Exhibit "A."

Section 3. This ordinance shall take effect 30 days after its adoption.

Date adopted and read by title only: _____

Signed by the Mayor on _____, 2014.

Sandra Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

CHAPTER 10.10 SIGNS

10.10.005 Short Title

This chapter may be referred to as the Newport Sign Code.

10.10.010 Purpose

The purposes of the Newport Sign Code are:

- A. To protect and promote the health, safety, property, and welfare of the public, including but not limited to promotion and improvement of traffic and pedestrian safety.
- B. To improve the neat, clean, and orderly appearance of the city for aesthetic purposes.
- C. To allow the erection and maintenance of signs consistent with the restrictions of the Newport Sign Code.
- D. To prevent distraction of motorists, bicyclists and pedestrians.
- E. To allow clear visibility of traffic signs and signal devices, pedestrians, driveways, intersections, and other necessary clear vision areas.
- F. To provide for safety to the general public and especially for firemen who must have clear and unobstructed access near and on roof areas of buildings.
- G. To preserve and protect the unique scenic beauty and the recreational and tourist character of Newport.
- H. To regulate the construction, erection, maintenance, electrification, illumination, type, size, number, and location of signs.

10.10.015 Scope

All signs shall comply with this chapter. Provided however, that any signs in the Agate Beach area annexed in 1998 shall comply also comply with Chapter 10.15, and in the event of an inconsistency between the two chapters, Chapter 10.15 shall prevail as to any property within the Agate Beach area.

10.10.020 Prohibited Signs

No sign may be erected, maintained, or displayed except as expressly authorized by this chapter.

10.10.025 Conflicting Provisions

If any provisions of this chapter conflict with any law or regulation requiring a sign or notice, the law or regulation requiring the sign or notice shall prevail.

10.10.030 Definitions

The definitions in this section apply in this chapter.

- A. **Adjacent** means immediately next to and on the same side of the street.
- B. **Awning** includes any structure made of cloth, metal, or similar material with a frame attached to a building that may project outwards but can be adjusted to be flat against the building when not in use.
- C. **Building** shall include all structures other than sign structures.
- D. **Bulletin Boards**. A bulletin board is a surface for posting posters, cards, or notices, usually of paper, and not illuminated or electrical.
- E. **Business** means the premises where a duly licensed business is conducted. Multiple businesses conducted within the same premises shall be subject to the same limits as would a single business on the same premises.
- F. **Canopy** includes any structure made of cloth, metal, or similar material projecting out from a building that is fixed and not retractable.
- G. **Clearance** is the distance between the highest point of the street, sidewalk, or other grade below the sign to the lowest point of the sign. (See Exhibit A.)
- H. **Display Area** means the area of a regular geometric figure that encloses all parts of the display surface of the sign. Structural supports that do not include a display or message are not part of the display area.

- I. **Erect** means to build, attach, hang, place, suspend, paint, affix, or otherwise bring into being.
- J. **Externally Illuminated Sign** is a sign illuminated by an exterior light source that is primarily designed to illuminate the sign.
- K. **Face** means any part of a sign arranged as a display surface substantially in a single plane.
- L. **Grade** means the surface of the ground at the point of measurement. Height shall be measured from the lowest point of the grade immediately below the sign or any sidewalk or street within 5 feet of the sign and the top of the sign.
- M. **Internally Illuminated Sign** shall mean a sign illuminated by an interior light source, which is primarily designed to illuminate only the sign.
- N. **Multiple Business Property** means a property used for business or commercial purposes under a single ownership or control and containing less than 40,000 square feet of land area and on which three or more separate businesses or commercial enterprises are located.
- O. **Painted** includes the application of colors directly on a wall surface by any means.
- P. **Person** means individuals, corporations, firms, partnerships, associations, and joint stock companies.
- Q. **Premise** means a lot, parcel, or tract of land.
- R. **Reader Board** is a sign designed so that the sign face may be physically or mechanically changed, but does not include electronic message signs.
- S. **Shopping Center** means any property used for business or commercial purposes under a single ownership or control having at least 40,000 square feet of land area and on which are located business or commercial improvements containing at least 20,000 square feet of floor space.

- T. **Sign** means any medium, including structure and component parts, which is used or intended to be used to display a message or to attract attention to a message or to the property upon which such sign is located.
1. **Electronic Message Sign** means a permanent sign consisting of text, symbolic imagery, or both, that uses an electronic display created through the use of a pattern of lights in a pixilated configuration allowing the sign face to intermittently change the image without having to physically or mechanically replace the sign face, including an LED (Light Emitting Diode) sign, as distinguished from a static image sign.
 2. **Freestanding Sign** means any sign permanently attached to the ground that is not affixed to any structure other than the sign structure.
 - a. **Pole Sign** means a freestanding sign that is mounted on a pole or other support that is not as wide as the sign.
 - b. **Monument Sign** means a freestanding sign in which the sign structure is at least as wide as the sign.
 3. **Mural Sign** means a sign that is painted directly on the wall of a building or retaining wall, without any sign structure or additional surface.
 4. **Portable Sign** means a sign that is not attached to the ground or any structure and is movable from place to place. "Portable sign" does not include any sign carried or held by an individual.
 5. **Projecting Sign** means a sign attached to the wall or roof of a building with a sign face that is not parallel to the wall or roof.
 6. **Roof Sign** means a sign attached to a roof of a building, or a sign attached to a wall of a building but extending above the top edge of the wall where the sign is located.
 7. **Temporary Sign** means any sign, regardless of construction materials, that is not permanently mounted and is intended to be displayed on an irregular basis for a limited period of time

8. **Wall Sign** means any sign attached to a wall of a building that does not extend above the wall of the building and is parallel to and within one foot of the wall.
9. **Window Sign** shall mean any sign placed inside or upon a window facing the outside and which is visible from the exterior.
- U. **Sign Business** means the business of constructing, erecting, operating, maintaining, leasing, or selling signs.
- V. **Sign Structure** means the supports, upright braces, and framework of the sign.

10.10.035 Application, Permits, and Compliance

- A. Except as exempted by this chapter, no person shall erect, replace, reconstruct, move, or remove any permanent sign without a sign permit, or place a temporary or portable sign without a sign permit. All signs shall comply with this chapter and any other applicable law. Any sign permit may be withdrawn for violation of this chapter or any other applicable law.
- B. Written applications on city forms are required. The applicant shall provide the following information:
 1. Name, address, and telephone number of the applicant.
 2. Proposed sign location, identifying the property and any building to which the sign will be attached.
 3. A sketch, plan, or design showing the method of attachment, structure, design, and such other information necessary to allow a determination of compliance. Nothing in this section requires the applicant to provide any information regarding the content of any message displayed on the sign.
 4. Grade, height, dimensions, construction materials, and specifications.
 5. Underwriter Laboratories certification in the case of an electrical sign.

6. Name and address of the person, firm, corporation, or other business association erecting the structure.
- C. The city shall issue a sign permit based on a determination that the proposed sign complies with this chapter and other applicable law. Construction of the sign must be completed within 90 days after issuance of the sign permit. An extension of the 90-day period may be granted. If a sign was partially constructed and not completed within the 90-day period or any extension, the partially completed work shall be removed. Permits shall specify the location, size, and type of sign, and any conditions applicable to the sign. Permits for temporary signs and portable signs in rights of way shall specify the duration of the permit and/or the times when the signs may be in place.
- D. When electrical permits are required, they shall be obtained and the installation approved prior to making connection to the electrical power source.
- E. Permit fees shall be established by resolution of the City council, and paid with submission of the sign permit application, as follows:
 1. For the erection, placement, replacement, reconstruction, or relocation of a sign. Such fee shall be supplemented by a surcharge for a mural sign that exceeds the maximum permissible size for a wall sign in the same location. Non-profit organizations are exempt from the requirement to pay the supplemental fee for a mural sign.
 2. For the repair, demolition, or removal of an existing sign and/or its supporting structure.
 3. For temporary signs placed in the right of way. Non-profit organizations are exempt from the requirement to pay this fee.
 4. For portable signs placed in the right of way. Such fee shall include a monthly charge for use of the public right-of-way. Non-profit organizations are exempt from the requirement to pay either fee required by this section.

10.10.040

Signs in Public Rights-of-Way

- A. Except as provided in this section, permanent signs wholly located within rights-of-way are prohibited. A sign permit does not allow a sign to project into any part of any public right-of-way unless expressly stated in the permit. Each applicant shall determine the location of the public right-of-way and whether any proposed permanent sign will project into any public right-of-way. Any sign permit that allows a sign projecting into any public right-of-way shall be revocable at any time by the city with or without cause.
- B. Permits are required for temporary or portable signs within rights-of-way and may be issued only if authorized in this section.
 1. Permits for temporary and/or portable signs in rights-of-way may be granted if the sign is to be in place for no more than five consecutive days and no more than 10 total days in a calendar year.
 2. Permits for portable signs within rights-of-way for more than five consecutive days and more than 10 total calendar days in a year may be granted if the portable sign is placed adjacent to a business location operated by the permittee, the sign is removed at all times when the business is not open, and the sign is within the following areas:
 - a. On SW Coast Highway between SW Angle Street and SW Fall Street.
 - b. On SW Bay Street between SW Naterlin Drive and SW Bay Boulevard. On Bay Boulevard between SW Bay Street and SE Moore Drive.
 - c. On Hurbert Street between SW 7th Street and SW 9th Street.
 - d. In the area bounded by Olive Street on the south, NW 6th Street on the north, SW High Street and NW Coast Street on the east and the Pacific Ocean on the west, including both sides of each named street. For purposes of this section, "Olive Street" means both Olive Street and the area that Olive Street would occupy if it continued straight to the Pacific Ocean west of SW Coast Street.

- e. On SE Marine Science Drive/SE OSU Drive between SE Pacific Way and Yaquina Bay.
- f. In that portion of the South Beach area of Newport, east of Highway 101, west of Kings Slough, south of the intersection of Highway 101 and 40th Street and north of the intersection of Highway 101 and 50th Street.

(Chapter 10.10.040(B.)(2.)(f.) was added by the adoption of Ordinance No. 2001, adopted on March 16, 2010; effective April 15, 2010.)

- 3. Permits may be granted under Subsections B.1 and B.2 of this section only if:
 - a. The sign is not within any vehicle travel lane;
 - b. The sign does not restrict clear vision areas at intersections and driveway access points; and
 - c. The sign does not prohibit pedestrian movement on a sidewalk.
- C. The following signs are exempt from the prohibitions and requirements of this section:
 - 1. Sign placed by the city or other governmental entity with responsibility for the right-of-way.
 - 2. Permanent signs placed in a location where allowed by a license or easement from the city to an adjacent property owner to occupy the right-of-way. Signs allowed by this exemption must comply with all other requirements of this chapter, and the display area of the signs will be included in the calculation of the maximum display area of the adjacent property.
 - 3. Signs not exceeding one square foot on a pole in the right-of-way placed on the pole by its owner.
- D. Signs placed in ODOT right-of-way may also require approval from ODOT.
- E. No permit may be issued for a sign in the right-of-way unless the applicant provides proof of liability insurance in an amount determined to be sufficient by the city manager.

(Section 10.10.045 amended by Ordinance No. 1986, adopted on September 8, 2009; effective October 8, 2009.)

10.10.045 Prohibited Signs

No sign shall be constructed, erected, or maintained:

- A. That uses lights unless effectively screened, shielded, or utilized so as not to direct light directly into the eyes of motorists traveling on any street or highway.
- B. That includes any single light bulb that creates more light than a 60 watt incandescent bulb.
- C. That uses neon tubing on the exterior surface of a sign for sign illumination where the capacity of such tubing exceeds 300 milliamperes rating for white tubing or 100 milliamperes rating for any other color of tubing.
- D. That uses flashing or intermittent light.
- E. That uses any type of rotating beacon light, zip light, or strobe light, or any light not directed to or part of the illumination of the sign.
- F. That uses wind-activated devices or devices which flutter in the wind, such as propellers, but excluding flags, banners, and pennants.
- G. That is flashing, blinking, fluctuating, or animated, that has parts that are flashing, blinking, fluctuating, or animated; or that includes similar effects.
- H. That uses a guy wire for support of a sign, except where there exists no other means of support for a sign otherwise conforming to the requirements of this chapter.
- I. That has any visible moving parts, visible revolving parts, visible mechanical movement of any description, or any other apparent visible movement achieved by electrical, electronic, or kinetic means, including intermittent electrical pulsations or movement or action by wind currents.
- J. That is erected at the intersection of any street that substantially obstructs free and clear vision of motorists, pedestrians and cyclists, or at any location where it may

interfere with, obstruct, or be confused with any authorized traffic sign.

- K. While subject to these prohibitions, this section shall not be construed to prohibit electronic message signs where expressly permitted elsewhere in this chapter.

10.10.050 Projection and Clearance

- A. Signs shall not project more than 3 feet over any public right-of-way, and in no case shall be within 2 feet of a traveled roadway.
- B. The minimum clearance of any sign over driveways, parking lots, or public right-of-ways is 16 feet, excepting that the minimum clearance of any sign over a sidewalk is 8 feet, unless the sidewalk is used as a driveway.

10.10.055 Exempt Signs

The following signs are exempt from regulation under this chapter:

- A. Signs erected or maintained by or on behalf of a federal, state, or local governmental body. This exemption shall not apply to signs that are otherwise prohibited under Section 10.10.045 except when the sign is placed in a public right-of-way by the entity responsible for managing the public right right-of-way as allowed under Section 10.10.040 (C)(1).
- B. Signs not visible from a public right-of-way or from property other than the property where the sign is located. For purposes of this section, "property where the sign is located" includes all property under common ownership," and "visible" means that the sign face is visible.

10.10.060 Partially Exempt Signs

- A. The following signs are exempt from the permit requirement and, except as expressly provided to the contrary, do not count towards maximum display area:
1. One sign not exceeding two square feet on each property with a separate street address, placed flat against the building.

2. In a residential zone on a property where a home occupation is legally conducted, a non-illuminated sign not exceeding two square feet in area, placed flat against the building.
 3. Signs placed on post boxes.
 4. Non-illuminated signs on private property oriented towards internal driveways and parking areas, not to exceed 3 square feet in area.
 5. Signs that are an integral part a building, including those cut into any masonry surface, as well as signs integrated into the structure of a building constructed of bronze or other non-combustible materials.
 6. Signs placed within a public right of way place by the public entity with responsibility for administering the right of way.
 7. Flags.
- B. Each religious institution is allowed to have, in addition to signage otherwise allowed, additional signage not to exceed 48 square feet in area, including each face of any multiple faced sign. No single sign face may exceed 24 square feet, except reader boards, which may not exceed 32 square feet and bulletin boards, which may not exceed 16 square feet. The sign(s) allowed by this subsection are exempt from the maximum total display area standard.
- C. Each community center and educational institution is allowed one reader board not exceeding 32 square feet in area in addition to other allowed signs. The sign allowed by this subsection is exempt from the maximum total display area standard.
- D. Temporary signs complying with all of the following are permitted in all zones without a permit, in addition to any other permitted signs:
1. The signs must be entirely on private property and outside of any vision clearance areas.
 2. The signs do not exceed 20 square feet of display area or any horizontal or vertical dimension of 8 feet.

3. The signs are not erected more than 90 days prior to the date of an election and they are removed within 30 days after the election.
 4. They are erected or maintained with the consent of the person or entity lawfully in possession of the premises and any structure to which they are attached.

E. One temporary portable sign per business placed on private property is permitted. Temporary portable signs shall be made of permanent, durable materials and shall be maintained in a good condition. Temporary signs (portable and attached) in the aggregate may not exceed 24 square feet for all display area surfaces on a single property. Temporary signs shall not be included in the calculation of total maximum display area. All portable signs shall be weighted, anchored, or constructed so that they will not move or collapse in the event of wind, or otherwise create a hazard.

(Chapter 10.10.070(E.) was added by the adoption of Ordinance No. 2001 on March 16, 2010; effective April 15, 2010.)

10.10.065 Signs at Subdivision Entrances

One permanent sign per subdivision entrance not to exceed 16 square feet in area is permitted. Signs at subdivision entrances may be illuminated but which shall not obstruct any required vision clearance area.

10.10.070 Vehicle Signs

Any sign attached to or imprinted upon a validly licensed motor vehicle operating legally upon the streets and highways of the State of Oregon is exempt from this chapter while the vehicle is traveling upon any street or highway, or while such vehicle is parked to carry out an activity incidental to interstate commerce, but is otherwise not exempt unless:

- A. The sign is painted or otherwise imprinted upon, or solidly affixed to, the surface of the vehicle, with no projection at any point in excess of 6 inches from the surface of the vehicle.
 - B. The vehicle, with the sign attached, complies with all applicable requirements of the Motor Vehicle Code required for the lawful operation thereof.

10.10.075**R-1, R-2, and R-3 Residential Districts**

In all R-1, R-2, and R-3 residential districts, the following signs are allowed:

- A. One non-illuminated sign not exceeding 2 square feet.
- B. One non-illuminated temporary sign not exceeding 8 square feet in area.
- C. One non-internally illuminated sign not exceeding 20 square feet in area placed flat against the building for each apartment complex.

10.10.080**R-4 Residential District**

In an R-4 residential district, the following signs are allowed:

- A. For residential uses, signs allowed in the R-1, R-2 and R-3 districts.
- B. For hotels, motels, recreational vehicle parks, and movie theaters, no more than two illuminated signs that do not exceed 100 square feet in total area. The signs may be internally or externally illuminated, but may not include electronic message signs.
- C. For all other uses, a maximum of 20 square feet of sign area per street frontage. The maximum area shall be a combination of wall and freestanding signs. Freestanding signs shall be set back a minimum of 10 feet from all property lines and shall not exceed 8 feet in height. No sign may be internally illuminated.

10.10.85**Commercial, Industrial, and Marine Districts**

In commercial, industrial, and marine zoning districts, the following signs are allowed:

- A. The maximum total area for roof and wall signs is two square feet of display area for each lineal foot of street frontage.
- B. The maximum total area for projecting and freestanding signs is one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs

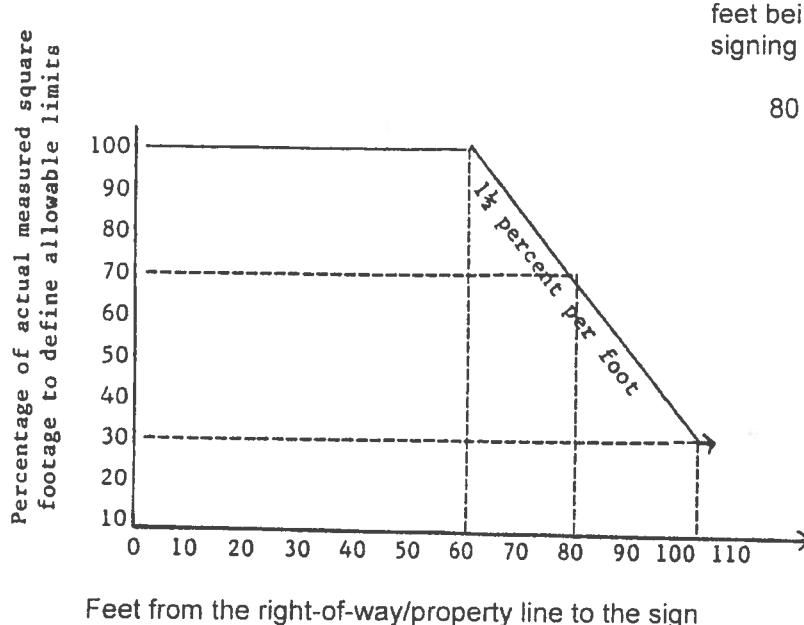
having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size.

- C. Each street frontage of a business shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than 200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.
- D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total display area.
- E. Except within marine zoning districts or the Historic Nye Beach Design Review District, electronic message signs on properties with no more than one freestanding sign of up to 20 feet in height, provided the electronic message sign:
 - 1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
 - 2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
 - 3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
 - 4. Is turned off between the hours of 11 p.m. and 6:00 a.m. unless the sign is associated with an on premise business that is open to the public, in which case the sign may stay illuminated until the business is closed.
 - 5. Does not contain or display animated, moving video, flashing, or scrolling messages.
 - 6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.

7. Automatically adjusts the intensity of its display according to natural ambient light conditions.
8. Adheres to a maximum night-time illumination standard of 0.3 foot-candles as measured from a distance, in lineal feet, from the sign that is equivalent to the square root of the display area, in square feet, multiplied by 100.

F. Mural signs.

- G. Each street frontage of a business shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.
- H. Notwithstanding any limitation on total sign area, each separate business is allowed at least 50 square feet of display area.
- I. The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:



E.g., 60 foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable signing area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable signing area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable signing area.

e.g., 60-foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable sign

area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable sign area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable sign area.

- J The maximum height of all signs other than mural signs shall be no greater than 30 feet above grade.
 - K. The maximum horizontal or vertical dimension of the display surface of any sign other than mural signs shall not exceed:
 1. Thirty feet for freestanding and roof signs on properties adjacent to Highways 101 or 20 that are located at least 125 feet from the center line of the highway and at least 76 feet from the center line of any other street.
 2. Fifty feet or the width of the wall for wall sign horizontal dimension.
 3. Except as otherwise provided by this chapter, the maximum horizontal or vertical dimension of any display surface shall not exceed 20 feet.

10.10.90 Signs in Shopping Centers

For shopping centers and multiple business properties, the number and size of signs are governed by this section.

- A. The maximum number of freestanding signs on shopping center properties is two and the maximum number of freestanding signs on multiple business properties is one.
 - B. The maximum number of wall signs for shopping centers and multiple business properties is one per street frontage.
 - C. For both shopping centers and multiple business properties, the maximum total area display area of all freestanding and wall signs and is one square foot for each lineal foot of street frontage, with a maximum of 200 square feet per sign. Only one side of a double-faced freestanding sign shall be including in the calculation of display area, provided that the sign faces are 180 degrees

opposed and separated by two feet or less.

- D. In addition to the signs allowed by subsections A through C, each individual business may erect wall signs on the premises controlled by the individual business of up to two square feet of display area for each lineal foot of frontage. For the purposes of this subsection, the term frontage means the distance, measured in a straight line, along any one wall of the business premises facing and providing public access to the separate premises of the business. Where a business has entrances allowing public access on more than one frontage, wall signs may be erected for each frontage, but the display area maximum shall be calculated separately for each frontage.
- E. The provisions of NMC 10.10.085 for signs in commercial, industrial, or marine districts apply to shopping centers and multiple business properties except as modified by this subsection.

10.10.095

P1, P-2, and P-3 Public Districts

In public zoning districts, the following signs are allowed:

- A. The maximum total area for roof and wall signs is two square feet of display area for each lineal foot of street frontage.
- B. The maximum total area for projecting and freestanding signs is one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size.
- C. Each street frontage of a property shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than 200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.
- D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total

display area.

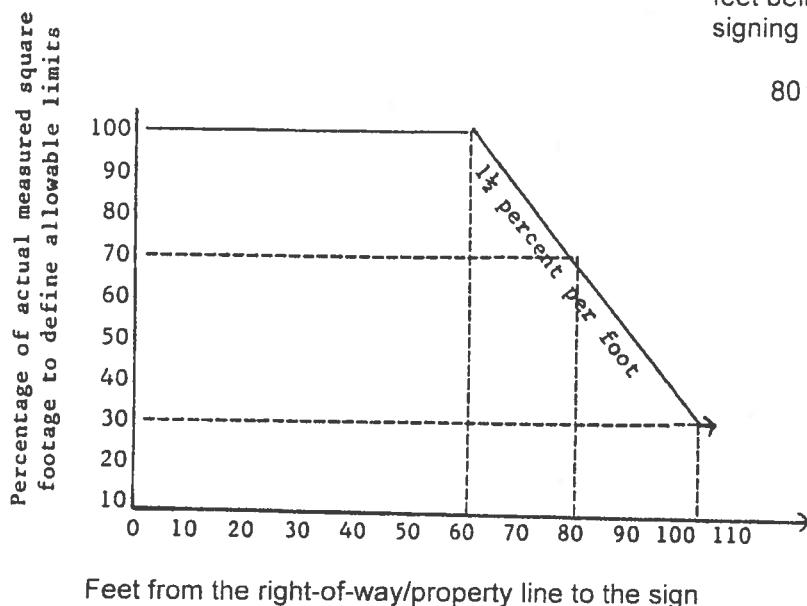
E. Electronic message signs on properties with no more than one freestanding sign of up to 20 feet in height, provided the electronic message sign:

1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
4. Is turned off between the hours of 11 p.m. and 6:00 a.m. unless the sign is associated with an on premise facility that is open to the public, in which case the sign may stay illuminated until the facility is closed.
5. Does not contain or display animated, moving video, flashing, or scrolling messages.
6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.
7. Automatically adjusts the intensity of its display according to natural ambient light conditions.
8. Adheres to a maximum night-time illumination standard of 0.3 foot-candles as measured from a distance, in lineal feet, from the sign that is equivalent to the square root of the display area, in square feet, multiplied by 100.

F. Mural signs.

- G. Each street frontage of a property shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.
- H. Notwithstanding any limitation on total sign area, each separate building is allowed at least 50 square feet of display area.

- I. The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:



E.g., 60 foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable signing area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable signing area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable signing area.

e.g., 60-foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable sign area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable sign area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable sign area.

J. The maximum height of all signs other than mural signs shall be no greater than 30 feet above grade.

K. The maximum horizontal or vertical dimension of the display surface of any sign other than mural signs shall not exceed:

2. Thirty feet for freestanding and roof signs on properties adjacent to Highways 101 or 20 that are located at least

125 feet from the center line of the highway and at least 76 feet from the center line of any other street.

2. Fifty feet or the width of the wall for wall sign horizontal dimension.
3. Except as otherwise provided by this chapter, the maximum horizontal or vertical dimension of any display surface shall not exceed 20 feet.

10.10.100 Construction and Safety Requirements

All signs shall be well constructed in accordance with all applicable codes and requirements of law and shall be maintained in a safe, neat, and clean condition. Signs that are not in good repair or condition through deterioration or other reasons are prohibited and shall be either repaired or removed. If not repaired or removed by the owner, signs that are not in good repair or condition may be abated as authorized by this code.

10.10.105 Dangerous and Abandoned Signs

- A. Any sign or structure that is a nuisance or a dangerous structure may be abated as provided by city ordinances governing nuisances and dangerous structures. If the city manager or building official determines that any sign or sign structure constitutes an immediate threat, danger, or hazard to life, health, or property, the city manager or building official take any action necessary to immediately abate the risk, pursuant to the police power of the City of Newport and without prior notice.
- B. Any sign that has been abandoned or reasonably appears to be abandoned constitutes a hazard and may be abated as provided in Subsection A.

10.10.110 Removal of Signs in Rights-of-Way

Any unauthorized sign in a public right-of-way may be removed immediately without notice by the city and removed to a place of storage. A notice of removal shall be sent to any owner of the sign known to the city, notifying the owner that the sign will be destroyed unless the owner claims the sign within 20 days of the notice. If the owner is unknown to the city, no notice is required and the sign may be destroyed if unclaimed after 20 days from the date of removal. No sign

removed from the right-of-way shall be returned to the owner unless the owner pays a removal fee to the city in an amount set by Council resolution. If the city reasonably estimates the value of the sign materials to be less than \$10.00, the city may immediately dispose of any sign left in the right-of-way without notice.

10.10.115 Remedies

A sign erected or maintained in violation of this chapter is a nuisance and a civil infraction. The city may pursue any one or more of the legal, equitable administrative and self-help remedies legally available to it. All remedies of the city, both as a governmental body and otherwise are cumulative.

10.10.120 Nonconforming Signs

- A. The purpose of this section is to discourage nonconforming signs and to work toward eliminating or removing nonconforming signs or bringing them into conformity with this chapter. Nonconforming signs shall not be enlarged, expanded or extended, nor used as grounds for adding other structures or signs otherwise prohibited.
- B. A nonconforming sign may not be altered as to size, message, or construction, except that common and ordinary maintenance to maintain the sign in a good and safe condition is allowed, including incidental structural repair or replacement.
- C. If a nonconforming sign is damaged or destroyed by any cause including normal deterioration to the extent that the cost of repair shall exceed 50% of the replacement value of the sign, the sign may not be repaired or restored, and may be replaced only by a sign conforming to the provisions of this chapter.

10.10.125 Content and Interpretation

This chapter and Chapter 10.15 do not regulate the content of signs and shall be interpreted as not regulating content. These chapters shall be interpreted if at all possible to be consistent with constitutional protection of expression, and any provision that unconstitutionally restricts expression shall not be enforced, and the remainder of the provisions shall continue to be applicable and shall be applied constitutionally.

10.10.130**Variance Requirements**

Any person may seek a variance to the numerical provisions of this chapter or of Chapter 10.15 by filing a written application. The procedure and process applicable to zoning adjustments and variances (including but not limited to the notification process, public hearing process, conditions of approval, time limitations, and revocation of permits as applicable for the type of adjustment or variance requested) shall be followed. The fee shall be the same as for a zoning adjustment or variance. The criteria for the sign variance shall be as specified below. In addition to the requirements for submitting a zoning adjustment or variance, a sign inventory including the location, type, and size of each sign on the property shall be submitted with the application.

- A. All sign variance applications that propose to increase the number or size of signs or propose a variance from any other numerical standard shall be determined by the Planning Commission using the zoning Type III Variance procedure, based on a determination that the proposed variance is the minimum necessary to alleviate special hardships or practical difficulties faced by the applicant and that are beyond the control of the applicant.
- B. All sign variance applications based on a change in a sign or signs that decreases but does not eliminate an existing nonconformity shall be determined by the community development (planning) director using a Type I Adjustment procedure, based on a determination that the proposal will result in a reduction of the nonconformity without increasing any aspect of nonconformity.

10.10.135**Violations**

A violation of this chapter or of Chapter 10.15 is a civil infraction, with a civil penalty not to exceed \$500. The penalty for a second or subsequent violation within two years may be up to \$1,000. A violation occurs on the date of the occurrence of the act constituting the violation. Each violation is a separate infraction, and each day in which a violation occurs or continues is a separate infraction.

(Chapter 10.10 was enacted by Ordinance No. 2037 on May 21, 2012; effective June 20, 2012.)

CHAPTER 10.10 SIGNS

10.10.005 Short Title

This chapter may be referred to as the Newport Sign Code.

10.10.010 Purpose

The purposes of the Newport Sign Code are:

- A. To protect and promote the health, safety, property, and welfare of the public, including but not limited to promotion and improvement of traffic and pedestrian safety.
- B. To improve the neat, clean, and orderly appearance of the city for aesthetic purposes.
- C. To allow the erection and maintenance of signs consistent with the restrictions of the Newport Sign Code.
- D. To prevent distraction of motorists, bicyclists and pedestrians.
- E. To allow clear visibility of traffic signs and signal devices, pedestrians, driveways, intersections, and other necessary clear vision areas.
- F. To provide for safety to the general public and especially for firemen who must have clear and unobstructed access near and on roof areas of buildings.
- G. To preserve and protect the unique scenic beauty and the recreational and tourist character of Newport.
- H. To regulate the construction, erection, maintenance, electrification, illumination, type, size, number, and location of signs.

10.10.015 Scope

All signs shall comply with this chapter. Provided however, that any signs in the Agate Beach area annexed in 1998 shall comply also comply with Chapter 10.15, and in the event of an inconsistency between the two chapters, Chapter 10.15 shall prevail as to any property within the Agate Beach area.

10.10.020 Prohibited Signs

No sign may be erected, maintained, or displayed except as expressly authorized by this chapter.

10.10.025 Conflicting Provisions

If any provisions of this chapter conflict with any law or regulation requiring a sign or notice, the law or regulation requiring the sign or notice shall prevail.

10.10.030 Definitions

The definitions in this section apply in this chapter.

- A. **Adjacent** means immediately next to and on the same side of the street.
- B. **Awning** includes any structure made of cloth, metal, or similar material with a frame attached to a building that may project outwards but can be adjusted to be flat against the building when not in use.
- C. **Building** shall include all structures other than sign structures.
- D. **Bulletin Boards**. A bulletin board is a surface for posting posters, cards, or notices, usually of paper, and not illuminated or electrical.
- E. **Business** means the premises where a duly licensed business is conducted. Multiple businesses conducted within the same premises shall be subject to the same limits as would a single business on the same premises.
- F. **Canopy** includes any structure made of cloth, metal, or similar material projecting out from a building that is fixed and not retractable.
- G. **Clearance** is the distance between the highest point of the street, sidewalk, or other grade below the sign to the lowest point of the sign. (See Exhibit A.)
- H. **Display Area** means the area of a regular geometric figure that encloses all parts of the display surface of the sign. Structural supports that do not include a display or message are not part of the display area.

- I. **Erect** means to build, attach, hang, place, suspend, paint, affix, or otherwise bring into being.
- J. **Externally Illuminated Sign** is a sign illuminated by an exterior light source that is primarily designed to illuminate the sign.
- K. **Face** means any part of a sign arranged as a display surface substantially in a single plane.
- L. **Grade** means the surface of the ground at the point of measurement. Height shall be measured from the lowest point of the grade immediately below the sign or any sidewalk or street within 5 feet of the sign and the top of the sign.
- M. **Internally Illuminated Sign** shall mean a sign illuminated by an interior light source, which is primarily designed to illuminate only the sign.
- N. **Multiple Business Property** means a property used for business or commercial purposes under a single ownership or control and containing less than 40,000 square feet of land area and on which three or more separate businesses or commercial enterprises are located.
- O. **Painted** includes the application of colors directly on a wall surface by any means.
- P. **Person** means individuals, corporations, firms, partnerships, associations, and joint stock companies.
- Q. **Premise** means a lot, parcel, or tract of land.
- R. **Reader Board** is a sign designed so that the sign face may be physically or mechanically changed, but does not include electronic message signs.
- S. **Shopping Center** means any property used for business or commercial purposes under a single ownership or control having at least 40,000 square feet of land area and on which are located business or commercial improvements containing at least 20,000 square feet of floor space.

- T. **Sign** means any medium, including structure and component parts, which is used or intended to be used to display a message or to attract attention to a message or to the property upon which such sign is located.
1. **Electronic Message Sign** means a permanent sign consisting of text, symbolic imagery, or both, that uses an electronic display created through the use of a pattern of lights in a pixilated configuration allowing the sign face to intermittently change the image without having to physically or mechanically replace the sign face, including an LED (Light Emitting Diode) sign, as distinguished from a static image sign.
 2. **Freestanding Sign** means any sign permanently attached to the ground that is not affixed to any structure other than the sign structure.
 - a. **Pole Sign** means a freestanding sign that is mounted on a pole or other support that is not as wide as the sign.
 - b. **Monument Sign** means a freestanding sign in which the sign structure is at least as wide as the sign.
 3. **Mural Sign** means a sign that is painted directly on the wall of a building or retaining wall, without any sign structure or additional surface.
 4. **Portable Sign** means a sign that is not attached to the ground or any structure and is movable from place to place. "Portable sign" does not include any sign carried or held by an individual.
 5. **Projecting Sign** means a sign attached to the wall or roof of a building with a sign face that is not parallel to the wall or roof.
 6. **Roof Sign** means a sign attached to a roof of a building, or a sign attached to a wall of a building but extending above the top edge of the wall where the sign is located.
 7. **Temporary Sign** means any sign, regardless of construction materials, that is not permanently mounted and is intended to be displayed on an irregular basis for a limited period of time

8. **Wall Sign** means any sign attached to a wall of a building that does not extend above the wall of the building and is parallel to and within one foot of the wall.
9. **Window Sign** shall mean any sign placed inside or upon a window facing the outside and which is visible from the exterior.
- U. **Sign Business** means the business of constructing, erecting, operating, maintaining, leasing, or selling signs.
- V. **Sign Structure** means the supports, upright braces, and framework of the sign.

10.10.035 Application, Permits, and Compliance

- A. Except as exempted by this chapter, no person shall erect, replace, reconstruct, move, or remove any permanent sign without a sign permit, or place a temporary or portable sign without a sign permit. All signs shall comply with this chapter and any other applicable law. Any sign permit may be withdrawn for violation of this chapter or any other applicable law.
- B. Written applications on city forms are required. The applicant shall provide the following information:
 1. Name, address, and telephone number of the applicant.
 2. Proposed sign location, identifying the property and any building to which the sign will be attached.
 3. A sketch, plan, or design showing the method of attachment, structure, design, and such other information necessary to allow a determination of compliance. Nothing in this section requires the applicant to provide any information regarding the content of any message displayed on the sign.
 4. Grade, height, dimensions, construction materials, and specifications.
 5. Underwriter Laboratories certification in the case of an electrical sign.

6. Name and address of the person, firm, corporation, or other business association erecting the structure.
- C. The city shall issue a sign permit based on a determination that the proposed sign complies with this chapter and other applicable law. Construction of the sign must be completed within 90 days after issuance of the sign permit. An extension of the 90-day period may be granted. If a sign was partially constructed and not completed within the 90-day period or any extension, the partially completed work shall be removed. Permits shall specify the location, size, and type of sign, and any conditions applicable to the sign. Permits for temporary signs and portable signs in rights of way shall specify the duration of the permit and/or the times when the signs may be in place.
- D. When electrical permits are required, they shall be obtained and the installation approved prior to making connection to the electrical power source.
- E. Permit fees shall be established by resolution of the City council, and paid with submission of the sign permit application, as follows:
 1. For the erection, placement, replacement, reconstruction, or relocation of a sign. Such fee shall be supplemented by a surcharge for a mural sign that exceeds the maximum permissible size for a wall sign in the same location. Non-profit organizations are exempt from the requirement to pay the supplemental fee for a mural sign.
 2. For the repair, demolition, or removal of an existing sign and/or its supporting structure.
 3. For temporary signs placed in the right of way. Non-profit organizations are exempt from the requirement to pay this fee.
 4. For portable signs placed in the right of way. Such fee shall include a monthly charge for use of the public right-of-way. Non-profit organizations are exempt from the requirement to pay either fee required by this section.

10.10.040

Signs in Public Rights-of-Way

- A. Except as provided in this section, permanent signs wholly located within rights-of-way are prohibited. A sign permit does not allow a sign to project into any part of any public right-of-way unless expressly stated in the permit. Each applicant shall determine the location of the public right-of-way and whether any proposed permanent sign will project into any public right-of-way. Any sign permit that allows a sign projecting into any public right-of-way shall be revocable at any time by the city with or without cause.
- B. Permits are required for temporary or portable signs within rights-of-way and may be issued only if authorized in this section.
 1. Permits for temporary and/or portable signs in rights-of-way may be granted if the sign is to be in place for no more than five consecutive days and no more than 10 total days in a calendar year.
 2. Permits for portable signs within rights-of-way for more than five consecutive days and more than 10 total calendar days in a year may be granted if the portable sign is placed adjacent to a business location operated by the permittee, the sign is removed at all times when the business is not open, and the sign is within the following areas:
 - a. On SW Coast Highway between SW Angle Street and SW Fall Street.
 - b. On SW Bay Boulevard Street between SW Naterlin Drive and SW Bay Boulevard. On Bay Boulevard between SW Bay Street and SE Moore Drive.
 - c. On Hurbert Street between SW 7th Street and SW 9th Street.
 - d. In the area bounded by Olive Street on the south, NW 6th Street on the north, SW High Street and NW Coast Street on the east and the Pacific Ocean on the west, including both sides of each named street. For purposes of this section, "Olive Street" means both Olive Street and the area that Olive Street would occupy if it continued straight to the Pacific Ocean west of SW Coast Street.

- e. On SE Marine Science Drive/SE OSU Drive between SE Pacific Way and Yaquina Bay.
- f. In that portion of the South Beach area of Newport, east of Highway 101, west of Kings Slough, south of the intersection of Highway 101 and 40th Street and north of the intersection of Highway 101 and 50th Street.

(Chapter 10.10.040(B.)(2.)(f.) was added by the adoption of Ordinance No. 2001, adopted on March 16, 2010; effective April 15, 2010.)

Staff: This change corrects an error in the description of the streets where portable signs are permitted.

- 3. Permits may be granted under Subsections B.1 and B.2 of this section only if:
 - a. The sign is not within any vehicle travel lane;
 - b. The sign does not restrict clear vision areas at intersections and driveway access points; and
 - c. The sign does not prohibit pedestrian movement on a sidewalk.
- C. The following signs are exempt from the prohibitions and requirements of this section:
 - 1. Sign placed by the city or other governmental entity with responsibility for the right-of-way.
 - 2. Permanent signs placed in a location where allowed by a license or easement from the city to an adjacent property owner to occupy the right-of-way. Signs allowed by this exemption must comply with all other requirements of this chapter, and the display area of the signs will be included in the calculation of the maximum display area of the adjacent property.
 - 3. Signs not exceeding one square foot on a pole in the right-of-way placed on the pole by its owner.
- D. Signs placed in ODOT right-of-way may also require approval from ODOT.
- E. No permit may be issued for a sign in the right-of-way

unless the applicant provides proof of liability insurance in an amount determined to be sufficient by the city manager.

(Section 10.10.045 amended by Ordinance No. 1986, adopted on September 8, 2009; effective October 8, 2009.)

10.10.045 Prohibited Signs

No sign shall be constructed, erected, or maintained:

- A. That uses lights unless effectively screened, shielded, or utilized so as not to direct light directly into the eyes of motorists traveling on any street or highway.
- B. That includes any single light bulb that creates more light than a 60 watt incandescent bulb.
- C. That uses neon tubing on the exterior surface of a sign for sign illumination where the capacity of such tubing exceeds 300 milliamperes rating for white tubing or 100 milliamperes rating for any other color of tubing.
- D. That uses flashing or intermittent light.
- E. That uses any type of rotating beacon light, zip light, or strobe light, or any light not directed to or part of the illumination of the sign.
- F. That uses wind-activated devices or devices which flutter in the wind, such as propellers, but excluding flags, banners, and pennants.
- G. That is flashing, blinking, fluctuating, or animated, that has parts that are flashing, blinking, fluctuating, or animated; or that includes similar effects.
- H. That uses a guy wire for support of a sign, except where there exists no other means of support for a sign otherwise conforming to the requirements of this chapter.
- I. That has any visible moving parts, visible revolving parts, visible mechanical movement of any description, or any other apparent visible movement achieved by electrical, electronic, or kinetic means, including intermittent electrical pulsations or movement or action by wind currents.

- J. That is erected at the intersection of any street that substantially obstructs free and clear vision of motorists, pedestrians and cyclists, or at any location where it may interfere with, obstruct, or be confused with any authorized traffic sign.
- K. While subject to these prohibitions, this section shall not be construed to prohibit electronic message signs where expressly permitted elsewhere in this chapter.

10.10.050 Height and Dimensional Requirements

- A. ~~The maximum height of all signs other than mural signs shall be no greater than 30 feet above grade.~~
- B. ~~The maximum horizontal or vertical dimension of the display surface of any sign other than mural signs shall not exceed:~~
 - 1. ~~Thirty feet for freestanding and roof signs on properties adjacent to Highways 101 or 20 that are located at least 125 feet from the center line of the highway and at least 76 feet from the center line of any other street.~~
 - 2. ~~Fifty feet or the width of the wall for wall sign horizontal dimension.~~
 - 3. ~~Except as otherwise provided by the chapter, the maximum horizontal or vertical dimension of any display surface shall not exceed 20 feet.~~

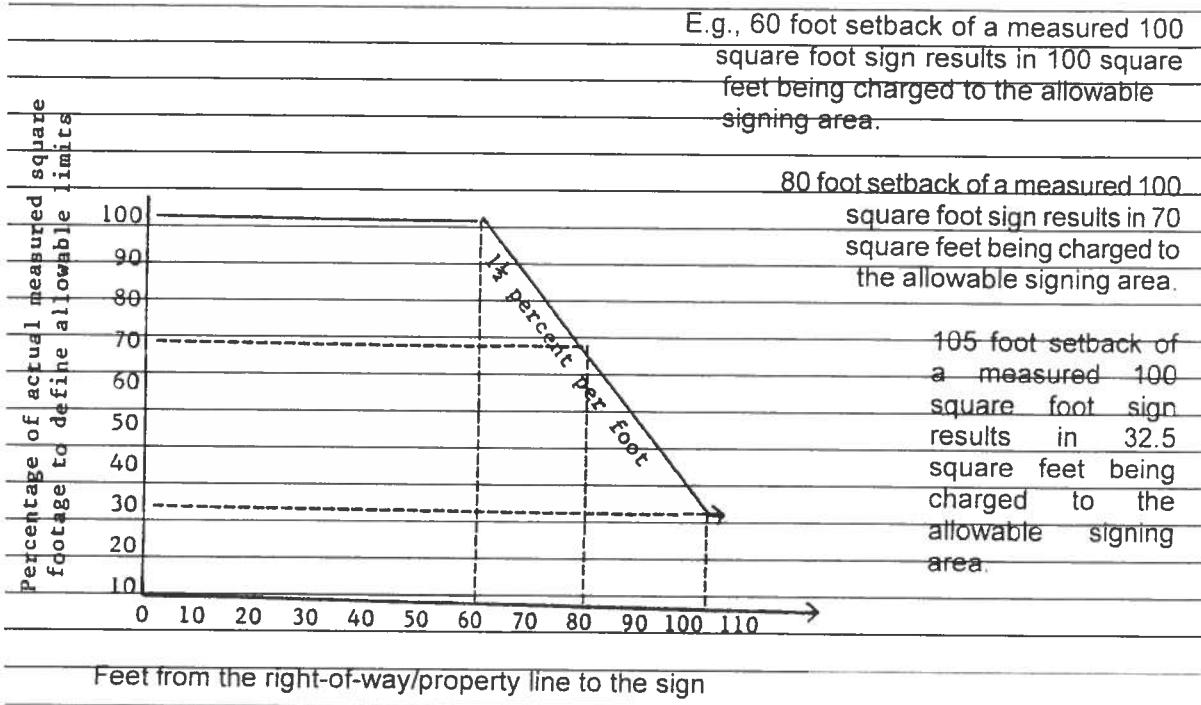
Staff: For ease of administration, these provisions have been incorporated into the standards that apply to commercial, industrial, and marine districts

10.10.055050 Projection and Clearance

- A. Signs shall not project more than 3 feet over any public right-of-way, and in no case shall be within 2 feet of a traveled roadway.
- B. The minimum clearance of any sign over driveways, parking lots, or public right-of-ways is 16 feet, excepting that the minimum clearance of any sign over a sidewalk is 8 feet, unless the sidewalk is used as a driveway.

10.10.060 Number and Area of Signs

- A. ~~Each right of way frontage of a business shall be limited to only one projecting or freestanding sign unless the frontage exceeds 200 lineal feet, in which case one additional freestanding or projected sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted. Other signs are not limited in number unless specifically limited or restricted elsewhere in this chapter.~~
- B. ~~Each street frontage of a business shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs. Freestanding and projecting signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size.~~
 - 1. ~~The maximum total area of wall signs is two square feet of sign area for each lineal foot of street frontage.~~
 - 2. ~~The maximum total area for freestanding and projecting signs is one square foot of display area for each lineal foot of street frontage.~~
- C. ~~Notwithstanding any limitation on total sign area, each separate business is allowed at least 50 square feet of display area.~~
- D. ~~The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:~~



e.g., 60 foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable sign area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable sign area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable sign area.

Staff: For ease of administration, these provisions have been eliminated as stand-alone regulations and instead have been incorporated into the standards that apply to commercial, industrial, and marine districts.

10.10.065055

Exempt Signs

The following signs are exempt from regulation under this chapter:

- A. Signs erected or maintained by or on behalf of a federal, state, or local governmental body. This exemption shall not apply to signs that are otherwise prohibited under Section 10.10.045 except when the sign is placed in a public right-of-way by the entity responsible for managing the public

right right-of-way as allowed under Section 10.10.040 (C)(1).

- B. Signs not visible from a public right-of-way or from property other than the property where the sign is located. For purposes of this section, "property where the sign is located" includes all property under common ownership," and "visible" means that the sign face is visible.

| **10.10.070060 Partially Exempt Signs**

- A. The following signs are exempt from the permit requirement and, except as expressly provided to the contrary, do not count towards maximum display area:
1. One sign not exceeding two square feet on each property with a separate street address, placed flat against the building.
 2. In a residential zone on a property where a home occupation is legally conducted, a non-illuminated sign not exceeding two square feet in area, placed flat against the building.
 3. Signs placed on post boxes.
 4. Non-illuminated signs on private property oriented towards internal driveways and parking areas, not to exceed 3 square feet in area.
 5. Signs that are an integral part a building, including those cut into any masonry surface, as well as signs integrated into the structure of a building constructed of bronze or other non-combustible materials.
 6. Signs placed within a public right of way place by the public entity with responsibility for administering the right of way.
 7. Flags.
- B. Each religious institution is allowed to have, in addition to signage otherwise allowed, additional signage not to exceed 48 square feet in area, including each face of any multiple faced sign. No single sign face may exceed 24 square feet, except reader boards, which may not exceed 32 square feet and bulletin boards, which may not exceed

16 square feet. The sign(s) allowed by this subsection are exempt from the maximum total display area standard.

- C. Each community center and educational institution is allowed one reader board not exceeding 32 square feet in area in addition to other allowed signs. The sign allowed by this subsection is exempt from the maximum total display area standard.
- D. Temporary signs complying with all of the following are permitted in all zones without a permit, in addition to any other permitted signs:
 1. The signs must be entirely on private property and outside of any vision clearance areas.
 2. The signs do not exceed 20 square feet of display area or any horizontal or vertical dimension of 8 feet.
 3. The signs are not erected more than 90 days prior to the date of an election and they are removed within 30 days after the election.
 4. They are erected or maintained with the consent of the person or entity lawfully in possession of the premises and any structure to which they are attached.
- E. One temporary portable sign per business placed on private property is permitted. Temporary portable signs shall be made of permanent, durable materials and shall be maintained in a good condition. Temporary signs (portable and attached) in the aggregate may not exceed 24 square feet for all display area surfaces on a single property. Temporary signs shall not be included in the calculation of total maximum display area. All portable signs shall be weighted, anchored, or constructed so that they will not move or collapse in the event of wind, or otherwise create a hazard.

(Chapter 10.10.070(E.) was added by the adoption of Ordinance No. 2001 on March 16, 2010; effective April 15, 2010.)

10.10.075 Roof Signs

~~One roof sign per business property is permitted.~~

Staff: Moved to section addressing signage in commercial, industrial and marine districts since the provision is specific to businesses.

10.10.080065

Signs at Subdivision Entrances

One permanent sign per subdivision entrance not to exceed 16 square feet in area is permitted. Signs at subdivision entrances may be illuminated but which shall not obstruct any required vision clearance area.

10.10.085070

Vehicle Signs

Any sign attached to or imprinted upon a validly licensed motor vehicle operating legally upon the streets and highways of the State of Oregon is exempt from this chapter while the vehicle is traveling upon any street or highway, or while such vehicle is parked to carry out an activity incidental to interstate commerce, but is otherwise not exempt unless:

- A. The sign is painted or otherwise imprinted upon, or solidly affixed to, the surface of the vehicle, with no projection at any point in excess of 6 inches from the surface of the vehicle.
- B. The vehicle, with the sign attached, complies with all applicable requirements of the Motor Vehicle Code required for the lawful operation thereof.

10.10.090075

R-1, R-2, and R-3 Residential Districts

In all R-1, R-2, and R-3 residential districts, the following signs are allowed:

- A. One non-illuminated sign not exceeding 2 square feet.
- B. One non-illuminated temporary sign not exceeding 8 square feet in area.
- C. One non-internally illuminated sign not exceeding 20 square feet in area placed flat against the building for each apartment complex.

10.10.095080

R-4 Residential District

In an R-4 residential district, the following signs are allowed:

- A. For residential uses, signs allowed in the R-1, R-2 and R-3 districts.

- B. For hotels, motels, recreational vehicle parks, and movie theaters, no more than two illuminated signs that do not exceed 100 square feet in total area. The signs may be internally or externally illuminated, but may not include electronic message signs.
- C. For all other uses, a maximum of 20 square feet of sign area per street frontage. The maximum area shall be a combination of wall and freestanding signs. Freestanding signs shall be set back a minimum of 10 feet from all property lines and shall not exceed 8 feet in height. No sign may be internally illuminated.

10.10.10085 Commercial, Industrial, and Marine Districts

In commercial, industrial, and marine zoning districts, the following signs are allowed:

- A. The maximum total area for roof and wall signs shall not exceed~~is~~ two square feet of display area for each lineal foot of street frontage~~of the street~~.
- B. The maximum total area for projecting and freestanding signs shall not exceed~~is~~ one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size. One projecting or freestanding sign is allowed for each 100 feet of street frontage, unless the property contains an electronic message sign, in which case only one freestanding sign is permitted.
- C. Each street frontage of a business shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than 100-200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.
- D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total display area.

- E. Except within marine zoning districts or the Historic Nye Beach Design Review District, electronic message signs on properties with no more than one freestanding sign of up to 20 feet in height, provided the electronic message sign:
1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
 2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
 3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
 4. Is not illuminated during hours the business is closed. Is turned off between the hours of 11 p.m. and 6:00 a.m. unless the sign is associated with an on premise business that is open to the public, in which case the sign may stay illuminated until the business is closed.

Staff: This language responds to Commission concerns that the prior language was inadequate to address circumstances where an electronic message sign was installed on property where it is not associated with an on premise business.

5. Does not contain or display animated, moving video, flashing, or scrolling messages.
6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.
7. Automatically adjusts the intensity of its display according to natural ambient light conditions.
8. Adheres to a maximum night-time illumination standard of 0.3 foot-candles as measured from a distance, in lineal feet, from the sign that is equivalent to the square root of the display area, in square feet, multiplied by 100.

Staff: Subsection 8 is new, and adds a night-time limit of 0.3 footcandles that is consistent with recommendations made by the International Sign Council in its publication titled "Recommended Night-time Brightness Levels for On-Premise Electronic Message Centers," dated April 2011. The City would need to purchase a light meter to verify compliance (approx. \$100). The automatic adjustment requirement, listed in Subsection 7, may be sufficient to address illumination concerns and is as far as some jurisdictions go in addressing the issue (e.g. Newberg). The City of Medford is in the process of adopting a comparable night-time illumination limit.

F. Mural signs.

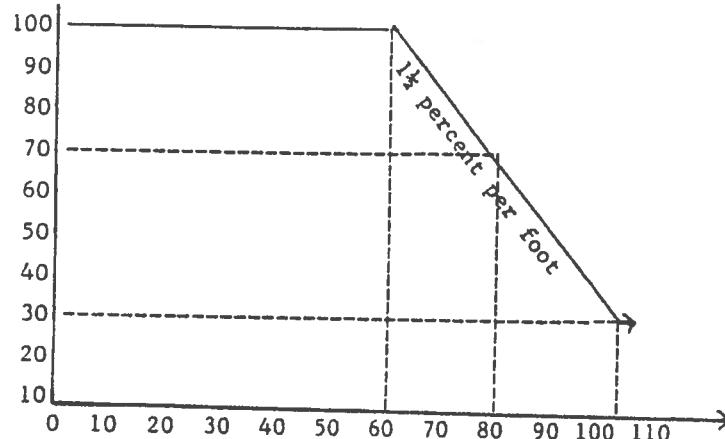
G. Each street frontage of a business shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.

H. Notwithstanding any limitation on total sign area, each separate business is allowed at least 50 square feet of display area.

I. The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:

November 20, 2014 MARKUP OF DRAFT AMENDMENTS TO TITLE X OF THE NEWPORT MUNICIPAL CODE RELATING TO SIGN STANDARDS FOR PUBLICLY OWNED PROPERTY

Percentage of actual measured square footage to define allowable limits



Feet from the right-of-way/property line to the sign

E.g., 60 foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable signing area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable signing area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable signing area.

e.g., 60-foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable sign area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable sign area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable sign area.

J. The maximum height of all signs other than mural signs shall be no greater than 30 feet above grade.

K. The maximum horizontal or vertical dimension of the display surface of any sign other than mural signs shall not exceed:

1. Thirty feet for freestanding and roof signs on properties adjacent to Highways 101 or 20 that are located at least 125 feet from the center line of the highway and at least 76 feet from the center line of any other street.

2. Fifty feet or the width of the wall for wall sign horizontal dimension.

3. Except as otherwise provided by this chapter, the maximum horizontal or vertical dimension of any display surface shall not exceed 20 feet.

Staff: This subsection has been amended to include provisions that had been listed separately under headings for "height and dimensional requirements," "number and area of signs," and "roof signs." Where standards conflicted, the stricter of the two has been used. This consolidation of standards is needed to avoid confusion if a new set of standards is to be put in place for publicly zoned properties.

10.10.10590 Signs in Shopping Centers

For shopping centers and multiple business properties, the number and size of signs are governed by this section, notwithstanding the provisions of the underlying zone.

- A. The maximum number of freestanding signs on shopping center properties is two and the maximum number of freestanding signs on multiple business properties is one.
- B. The maximum number of wall signs for shopping centers and multiple business properties is one per street frontage.
- C. For both shopping centers and multiple business properties, the maximum total area display area of all freestanding and wall signs and is one square foot for each lineal foot of street frontage, with a maximum of 200 square feet per sign. Only one side of a double-faced freestanding sign shall be including in the calculation of display area, provided that the sign faces are 180 degrees opposed and separated by two feet or less.
- D. In addition to the signs allowed by subsections A through C, each individual business may erect wall signs on the premises controlled by the individual business of up to two square feet of display area for each lineal foot of frontage. For the purposes of this subsection, the term frontage means the distance, measured in a straight line, along any one wall of the business premises facing and providing public access to the separate premises of the business. Where a business has entrances allowing public access on more than one frontage, wall signs may be erected for each frontage, but the display area maximum shall be

calculated separately for each frontage.

- E. ~~The permit, size, area, and number restrictions do not apply to any signs in shopping centers and multiple business properties that are not visible from the public right of way or adjacent property.~~
- E. The provisions of NMC 10.10.085 for signs in commercial, industrial, or marine districts apply to shopping centers and multiple business properties except as modified by this subsection.

Staff: language has been added to point out that the standards for commercial, industrial, or marine districts apply to shopping centers and multiple business properties except as modified by this subsection.

10.10.095

P1, P-2, and P-3 Public Districts

In public zoning districts, the following signs are allowed:

- A. The maximum total area for roof and wall signs is two square feet of display area for each lineal foot of street frontage.
- B. The maximum total area for projecting and freestanding signs is one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size.
- C. Each street frontage of a property shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than 200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.
- D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total display area.

E. Electronic message signs on properties with no more than one freestanding sign of up to 20 feet in height, provided the electronic message sign:

1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
4. Is turned off between the hours of 11 p.m. and 6:00 a.m. unless the sign is associated with an on premise facility that is open to the public, in which case the sign may stay illuminated until the facility is closed.

Staff: This new language for subsection 4 responds to concerns raised by the Commission that the original language referred to a business, which is not applicable to a public zone. It also puts in place fixed hours for when signs must be turned off. Such language would pick-up signs that are not associated with an on premise facility. The language continues to provide an outlet for facilities to keep signs on when they are open to the public past 11 pm. The shut-off hours listed are the same as those used in Newberg. They can be adjusted if the Commission feels that alternate hours are appropriate.

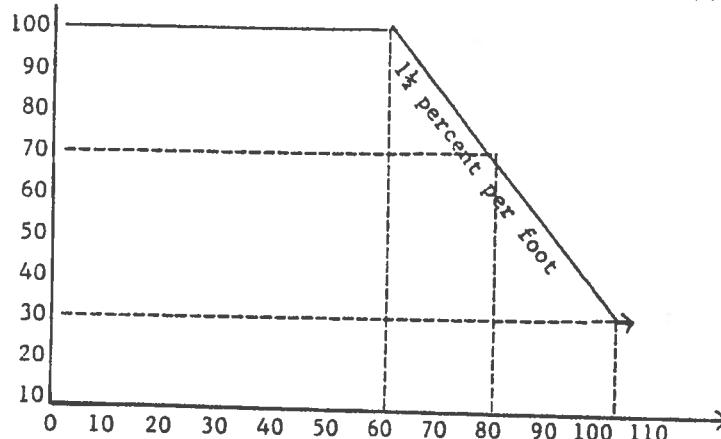
5. Does not contain or display animated, moving video, flashing, or scrolling messages.
6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.
7. Automatically adjusts the intensity of its display according to natural ambient light conditions.
8. Adheres to a maximum night-time illumination standard of 0.3 foot-candles as measured from a distance, in lineal feet, from the sign that is equivalent to the square root of the display area, in square feet, multiplied by 100.

Staff: Subsection 8 is new, and adds a night-time limit of 0.3 footcandles that is consistent with recommendations made by the International Sign Council in its publication titled "Recommended Night-time Brightness Levels for On-Premise Electronic Message Centers," dated April 2011. The City would need to purchase a light meter to verify compliance (approx. \$100). The automatic adjustment requirement, listed in Subsection 7, may be sufficient to address illumination concerns and is as far as some jurisdictions go in addressing the issue (e.g. Newberg). The City of Medford is in the process of adopting a comparable night-time illumination limit.

F. Mural signs.

- G. Each street frontage of a property shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.
- H. Notwithstanding any limitation on total sign area, each separate building is allowed at least 50 square feet of display area.
- I. The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:

Percentage of actual measured square
footage to define allowable limits



Feet from the right-of-way/property line to the sign

E.g., 60 foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable signing area.

80 foot setback of a measured 100 square foot sign results in 70 square feet being charged to the allowable signing area.

105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable signing area.

e.g., 60-foot setback of a measured 100 square foot sign results in 100 square feet being charged to the allowable sign area.

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105 foot setback of a measured 100 square foot sign results in 32.5 square feet being charged to the allowable sign area.

J. The maximum height of all signs other than mural signs shall be no greater than 30 feet above grade.

K. The maximum horizontal or vertical dimension of the display surface of any sign other than mural signs shall not exceed:

2. Thirty feet for freestanding and roof signs on properties adjacent to Highways 101 or 20 that are located at least 125 feet from the center line of the highway and at least 76 feet from the center line of any other street.

2. Fifty feet or the width of the wall for wall sign horizontal dimension.

3. Except as otherwise provided by this chapter, the maximum horizontal or vertical dimension of any display surface shall not exceed 20 feet.

Staff: This new subsection for signs on public zone properties incorporates provisions that had been listed separately under headings for "height and dimensional requirements," "number and area of signs," and "roof signs," which have been interpreted to apply to publicly zoned land. It also includes complementary standards that currently apply only to commercial, industrial, and marine districts, including provisions for electronic message signs.

This is a starting point for a discussion about the sign standards that should apply to public lands. Electronic message signs within commercial and industrial zones are prohibited along the bay front and South Beach peninsula (i.e. marine zoning districts) and in the Historic Nye Beach Design Review District. This language does not extend that same restriction to public zoned lands. In other words, the Performing Arts Center would be eligible for an electronic message sign because it is situated on public zoned property even though it is situated within the Historic Nye Beach Design Review District.

10.10.110100 Construction and Safety Requirements

All signs shall be well constructed in accordance with all applicable codes and requirements of law and shall be maintained in a safe, neat, and clean condition. Signs that are not in good repair or condition through deterioration or other reasons are prohibited and shall be either repaired or removed. If not repaired or removed by the owner, signs that are not in good repair or condition may be abated as authorized by this code.

10.10.115105 Dangerous and Abandoned Signs

- A. Any sign or structure that is a nuisance or a dangerous structure may be abated as provided by city ordinances governing nuisances and dangerous structures. If the city manager or building official determines that any sign or sign structure constitutes an immediate threat, danger, or hazard to life, health, or property, the city manager or building official take any action necessary to immediately

abate the risk, pursuant to the police power of the City of Newport and without prior notice.

- B. Any sign that has been abandoned or reasonably appears to be abandoned constitutes a hazard and may be abated as provided in Subsection A.

| **10.10.120110**

Removal of Signs in Rights-of-Way

Any unauthorized sign in a public right-of-way may be removed immediately without notice by the city and removed to a place of storage. A notice of removal shall be sent to any owner of the sign known to the city, notifying the owner that the sign will be destroyed unless the owner claims the sign within 20 days of the notice. If the owner is unknown to the city, no notice is required and the sign may be destroyed if unclaimed after 20 days from the date of removal. No sign removed from the right-of-way shall be returned to the owner unless the owner pays a removal fee to the city in an amount set by Council resolution. If the city reasonably estimates the value of the sign materials to be less than \$10.00, the city may immediately dispose of any sign left in the right-of-way without notice.

| **10.10.125115**

Remedies

A sign erected or maintained in violation of this chapter is a nuisance and a civil infraction. The city may pursue any one or more of the legal, equitable administrative and self-help remedies legally available to it. All remedies of the city, both as a governmental body and otherwise are cumulative.

| **10.10.130120**

Nonconforming Signs

- A. The purpose of this section is to discourage nonconforming signs and to work toward eliminating or removing nonconforming signs or bringing them into conformity with this chapter. Nonconforming signs shall not be enlarged, expanded or extended, nor used as grounds for adding other structures or signs otherwise prohibited.
- B. A nonconforming sign may not be altered as to size, message, or construction, except that common and ordinary maintenance to maintain the sign in a good and safe condition is allowed, including incidental structural repair

or replacement.

- C. If a nonconforming sign is damaged or destroyed by any cause including normal deterioration to the extent that the cost of repair shall exceed 50% of the replacement value of the sign, the sign may not be repaired or restored, and may be replaced only by a sign conforming to the provisions of this chapter.

10.10.135125

Content and Interpretation

This chapter and Chapter 10.15 do not regulate the content of signs and shall be interpreted as not regulating content. These chapters shall be interpreted if at all possible to be consistent with constitutional protection of expression, and any provision that unconstitutionally restricts expression shall not be enforced, and the remainder of the provisions shall continue to be applicable and shall be applied constitutionally.

10.10.140130

Variance Requirements

Any person may seek a variance to the numerical provisions of this chapter or of Chapter 10.15 by filing a written application. The procedure and process applicable to zoning adjustments and variances (including but not limited to the notification process, public hearing process, conditions of approval, time limitations, and revocation of permits as applicable for the type of adjustment or variance requested) shall be followed. The fee for a variance shall be the same as for a zoning adjustment or variance. The criteria for the sign variance shall be as specified below. In addition to the requirements for submitting a zoning adjustment or variance, a sign inventory including the location, type, and size of each sign on the property shall be submitted with the variance application.

- A. All sign variance applications that propose to increase the number or size of signs or propose a variance from any other numerical standard shall be determined by the Planning Commission using the zoning Type III Variance procedure, based on a determination that the proposed variance is the minimum necessary to alleviate special hardships or practical difficulties faced by the applicant and that are beyond the control of the applicant.
- B. All sign variance applications based on a change in a sign or signs that decreases but does not eliminate an existing

nonconformity shall be determined by the community development (planning) director using a Type II Variance Adjustment procedure, based on a determination that the proposed proposal variance will result in a reduction of the nonconformity without increasing any aspect of nonconformity.

Staff: Revisions account for changes the City made to the zoning variance standards and procedures in 2010 (Ord. No. 1992). An adjustment process was put in place at that time. These changes do not materially alter how a sign variance would be evaluated; rather, they largely clarify the process that would be followed.

10.10.145135

Violations

A violation of this chapter or of Chapter 10.15 is a civil infraction, with a civil penalty not to exceed \$500. The penalty for a second or subsequent violation within two years may be up to \$1,000. A violation occurs on the date of the occurrence of the act constituting the violation. Each violation is a separate infraction, and each day in which a violation occurs or continues is a separate infraction.

(Chapter 10.10 was enacted by Ordinance No. 2037 on May 21, 2012; effective June 20, 2012.)

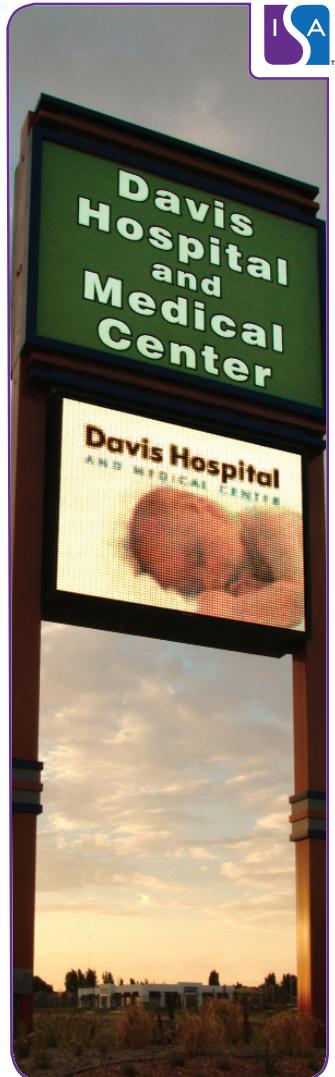
Recommended *Night-time* *Brightness Levels* for On-Premise Electronic Message Centers (EMC's)



INTERNATIONAL
SIGN ASSOCIATION

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ISA INTERNATIONAL
SIGN ASSOCIATION

Introduction

Electronic Message Centers (EMC's)



One of the more interesting types of signage that is becoming increasingly popular is on-premise electronic message centers, or EMCs. You may have heard EMCs being referred to as changeable message displays or digital signs.

EMCs are *not* digital billboards, which advertise a good or service that is located away from where the sign is located. Rather, EMCs are digital signs that are located *on the premises* of the business, and that advertise goods and services that are provided at the location.



Digital billboard/off-premise sign advertising an automobile business away from where the sign is located



Electronic Message Center (EMC)/on-premise sign advertising an automobile business that is located at the place of business

There is often confusion regarding on and off-premise digital signs. However, EMCs and digital billboards have very distinct capabilities and purposes, each targets a specific audience and each has traditionally been treated under separate legal and regulatory regimes. For the purposes of this publication, *we are focusing solely and exclusively on EMCs*.

EMCs that are too bright at night can be offensive and ineffective. EMC brightness at night is an issue where sign users, the sign industry, and the planning community have a common goal: ensuring that EMCs are appropriately legible. We know the messages that these signs convey can be rendered unattractive and perhaps even unreadable if they are programmed too bright.



That's why many sign companies recommend to their customers that in order for these signs to be most effective, their brightness be set at such a level to be visible, readable and conspicuous.

In 2008, the International Sign Association (ISA) retained Dr. Ian Lewin of Lighting Sciences to help the industry develop scientifically-researched, understandable recommendations for EMC brightness. Dr. Lewin is a past chair of the Illuminating Engineering Society of North America (IES), and is greatly respected within the lighting field. His work for ISA was conducted with the input of experts within the sign industry. Dr. Lewin's full report can be found at www.signs.org.

As a result of this research, the recommended night-time brightness level for on premise EMCs is 0.3 foot candles above ambient light conditions when measured at an appropriate distance. This is a lighting level that works in theory and in practice.

The research and the recommendations contained in this report pertain only to EMCs, not traditionally internally illuminated signs, such as these channel letter and neon signs below. EMC's use a different lighting technology than most of these types of signs, and as such the scientific approach differs.



You can rest assured that the information contained in this publication is relevant, appropriate and workable for determining night-time EMC brightness levels.

We have provided six short steps to help guide the process and recommended statutory language. If you need further assistance, feel free to contact ISA at (703) 836-4012 to answer any of your EMC brightness questions.

EMCs and digital billboards have very distinct capabilities and purposes, each targets a specific audience and each has traditionally been treated under separate legal and regulatory regimes.

Executive Summary

ISA Electronic Message Display Brightness Recommendations



This summary has been developed to assist stakeholders concerned with development of brightness standards for large-format, electronic displays used for on-premise sign applications. This summary comprises:

- 1) *an overview of the importance of ensuring appropriate brightness,*
- 2) *technology utilized to ensure appropriate brightness,*
- 3) *recommended brightness standards, and*
- 4) *brightness measurement methodology.*

1. Overview of the importance of ensuring appropriate night-time brightness.

Electronic displays that are too bright at night can be offensive and ineffective. There are significant advantages to ensuring than an electronic display is not overly bright. These advantages include:

- » Conservation of energy
- » Increased life expectancy of the electronic display components
- » Building goodwill with the community
- » Ensuring the legibility of the display

It is in the best interest of all stakeholders to ensure that electronic displays are sufficiently bright to ensure clear legibility, while at the same time avoiding a display that is overly bright.

2. Technology utilized to ensure appropriate brightness.

Most electronic displays are designed to produce sufficient brightness to ensure clear legibility during daylight hours. However, daytime brightness settings are usually inappropriate for night-time viewing. The following general methods are used to dim an electronic display for appropriate night-time viewing:

1. *Manual Dimming.* Using this method, the sign operator dims the display in response to changing ambient light conditions.
2. *Scheduled Dimming.* Sunset-sunrise tables allow an electronic display to be programmed to dim at the same time that the sun sets and rises. This method is generally acceptable, but is more effective when used as a backup to automatic dimming controls capability, such as photocell technology.
3. *Photocell Technology.* An electronic display that utilizes photocell technology can automatically dim as light conditions change. A photocell sensor alerts the display to adjust brightness according to ambient light conditions.



Most electronic displays are designed to produce sufficient brightness to ensure clear legibility during daylight hours.

However, daytime brightness settings are usually inappropriate for night-time viewing.

3. Recommended brightness standards.

ISA commissioned Dr. Ian Lewin of Lighting Sciences, Inc. to develop brightness criteria for on-premise electronic displays. Dr. Lewin is a leading lighting expert with over thirty years experience in the lighting industry.

Dr. Lewin recommended the development of brightness criteria based on the Illuminating Engineering Society's (IES) well-established standards pertaining to light trespass, IES Publication TM-11-00. The theory of light trespass is based on the concept of determining the amount of light that can spill over (or "trespass") into an adjacent area without being offensive.

As a result of his research, Dr. Lewin recommended two different brightness settings based on whether the EMC was located in an area of high or low ambient light. After field testing and utilizing Dr. Lewin's recommendations, it was determined that using the more conservative recommendation is appropriate in areas of both low and high ambient light. In order to simplify Dr. Lewin's recommendations, and to take a more reasonable approach to ensure that EMC's are sufficiently visible but not overly bright, it is recommended that EMC's not exceed 0.3 footcandles over ambient lighting conditions when measured at the recommended distance, based on the EMC size.

...it is recommended that EMC's not exceed 0.3 footcandles over ambient lighting conditions when measured at the recommended distance, based on the EMC size.



4. Brightness measurement methodology.

There are two generally accepted measures of brightness in the sign industry; illuminance and luminance. Illuminance, the preferred method, is a measure of the amount of light intercepting an object at a given distance from a light source and is measured in footcandles or its metric equivalent, lux. Illuminance can be measured with a footcandle meter (also known as a luxmeter), which are relatively inexpensive (\$100-1000) and commonly available. The footcandle meter should be accurate to two decimal points for accurate measurements. The second method, luminance, is an absolute measure of the amount of brightness that is being emitted from a light source and is usually measured in candelas per square meter, also known as "nits." Luminance can be measured by use of a "nit gun", which are expensive (~\$3,000) and difficult to procure. The preferred method of measurement is illuminance using a footcandle meter because a measure of luminance fails to account for ambient light conditions.



Recommended Legislative Language



“

1. **Electronic Message Center (EMC) Criteria:** The night-time illumination of an EMC shall conform with the criteria set forth in this section.
 - A. **EMC Illumination Measurement Criteria:** The illuminance of an EMC shall be measured with an illuminance meter set to measure footcandles accurate to at least two decimals. Illuminance shall be measured with the EMC off, and again with the EMC displaying a white image for a full color-capable EMC, or a solid message for a single-color EMC. All measurements shall be taken perpendicular to the face of the EMC at the distance determined by the total square footage of the EMC as set forth in the accompanying Sign Area Versus Measurement Distance table.
 - B. **EMC Illumination Limits:** The difference between the off and solid-message measurements using the EMC Measurement Criteria shall not exceed 0.3 footcandles at night.
 - C. **Dimming Capabilities:** All permitted EMCs shall be equipped with a sensor or other device that automatically determines the ambient illumination and programmed to automatically dim according to ambient light conditions, or that can be adjusted to comply with the 0.3 footcandle measurements.
 - D. **Definition of EMC:** A sign that utilizes computer-generated messages or some other electronic means of changing copy. These signs include displays using incandescent lamps, LEDs, LCDs or a flipper matrix.
- ”

SIGN AREA VERSUS MEASUREMENT DISTANCE

AREA OF SIGN sq. ft.	MEASUREMENT Distance (ft.)
10	32
15	39
20	45
25	50
30	55
35	59
40	63
45	67
50	71
55	74
60	77
65	81
70	84
75	87
80	89
85	92
90	95
95	97
100	100
110	105
120	110
130	114
140	118
150	122
160	126
170	130
180	134
190	138
200	141
220	148
240	155
260	161
280	167
300	173

* For signs with an area in square feet other than those specifically listed in the table (i.e., 12 sq ft, 400 sq ft, etc), the measurement distance may be calculated with the following formula: Measurement Distance = $\sqrt{\text{Area of Sign Sq. Ft.} \times 100}$

Six STEPS: EMC Brightness Levels

How to Measure the Brightness of an Electronic Message Center (EMC)

STEP 1

OBTAI AN ILLUMINANCE METER.

Purchase or otherwise procure an illuminance meter. Most city/county traffic departments have an illuminance meter, which are also referred to as lux or footcandle meters (lux is the metric measure of illuminance; footcandles is the English measure of illuminance). The illuminance meter must have the ability to provide a reading up to two decimal places and must be set to read footcandles. It is preferred to have an illuminance meter with a screw-mount that allows the sensor to be mounted on a tripod. A tripod ensures that the highly sensitive sensor is held perfectly still; otherwise it may be difficult to obtain an accurate reading.

If you do not have an illuminance meter, the Konica Minolta T-10 is a high quality illuminance meter that works well. However, other less expensive illuminance meters may also provide adequate results. The International Sign Association has no affiliation with Konica Minolta.

STEP 2

DETERMINE SQUARE FOOTAGE.

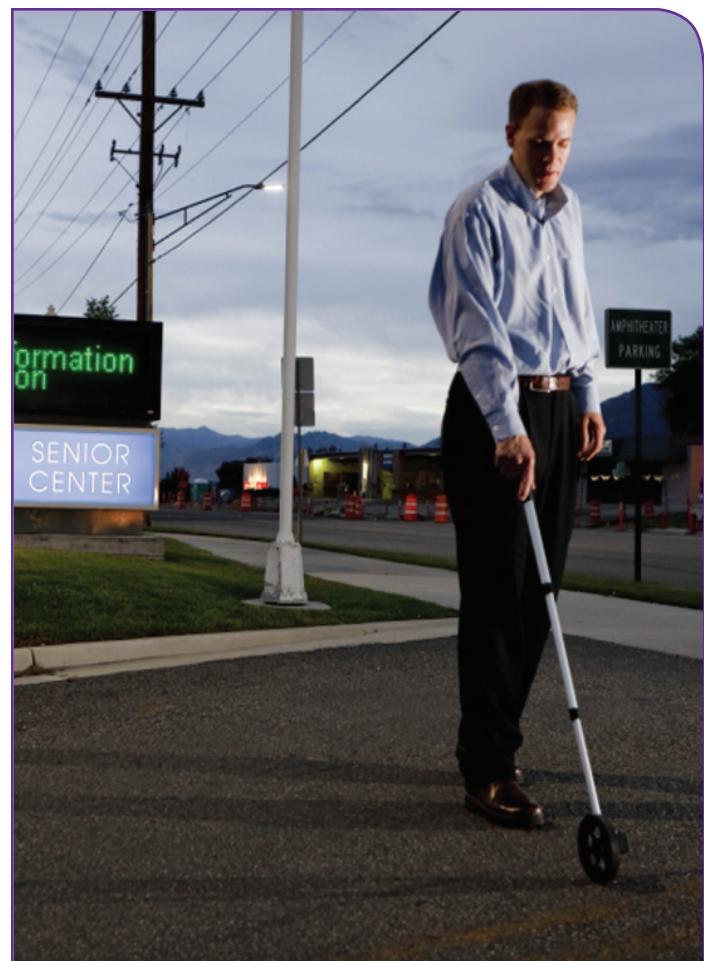
Determine the square footage of the face of the electronic message sign (EMC) by multiplying the height and width of the EMC. This information may be available in a permit application, or can be determined by physically measuring the height and width of the EMC. Do not include the sign face square footage attributable to any additional static signs associated with the EMC (if applicable).



STEP 3

DETERMINE THE MEASUREMENT DISTANCE.

Using the total square footage found in Step 2, look up the measurement distance in the table provided in the Recommended Legislative Language on page 6, to determine the distance to measure the brightness of the EMC. The distance should be measured perpendicular to the EMC sign face. The use of a measuring wheel is the most convenient way to measure the distance.



How to Measure the Brightness of an Electronic Message Center

STEP 4

PREPARE THE DISPLAY FOR TESTING.

Ensure that the EMC is programmed to alternate between a solid white (or in the case of a monochrome display – the solid color of the display) message and a blank message. You may wish to have a requirement that the sign owner cooperate with testing by programming the EMC for testing upon written notice.

STEP 5

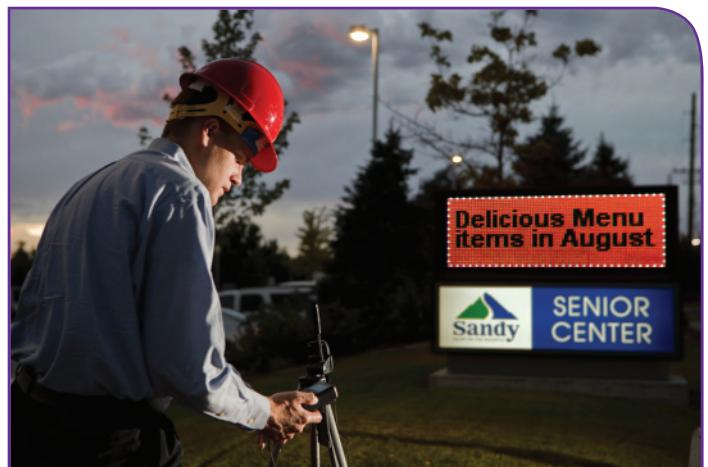
USE AN ILLUMINANCE METER TO MEASURE THE BRIGHTNESS OF THE EMC.

Mount the sensor of your illuminance meter to a tripod and orient the sensor directly towards the face of the EMC at the measurement distance determined in Step 2.



STEP 5 [CONTINUED]

Ensure that the illuminance meter is set to measure footcandles up to two decimal places. As the display alternates between a solid white message and an “off” message, note the range of values on the illuminance meter. If the difference between the readings is less than 0.3 footcandles, then the brightness of the display is in compliance. If not, the display will need to be adjusted to a lower brightness level using the manufacturer’s recommended procedures.



STEP 6

ENSURE THAT THE DISPLAY CAN ADJUST TO DIFFERENT AMBIENT CONDITIONS.

Inspect the sign to ensure that it incorporates a photocell or other technology to ensure that the display can adjust according to ambient lighting conditions.

As the display alternates between a solid white message and an “off” message, note the range of values on the illuminance meter. If the difference between the readings is less than 0.3 footcandles, then the brightness of the display is in compliance.



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RECOMMENDED NIGHT-TIME BRIGHTNESS LEVELS FOR ON-PREMISE ELECTRONIC MESSAGE CENTERS

CITY OF NEWBURY DRAFT

EXHIBIT A DRAFT CODE AMENDMENT DCA-13-090 - ELECTRONIC MESSAGE SIGNS

Article V

1. Changes to Section 10.764 to provide a night-time maximum permitted illumination of 0.3 foot candles for electronic message signs in order to regulate brightness, and to provide a clear method for measuring illumination. Both the night-time maximum and the method for measuring are recommended by the International Sign Association¹. Measuring illumination during day-time hours is fraught with challenges and the equipment to do so is expensive. For electronic message signs with automatic dimming as required by this Code, there is not a need for day-time brightness limitations since the sign will automatically adjust to changing conditions. Therefore, we propose to only regulate night-time brightness levels on electronic message signs. If the City Council is concerned with night sky protections, further work will need to be done to this section to create maximum permitted illumination standards for commercial and industrial properties (a night-time residential standard already exists). Such work exceeds the scope of this amendment. Other changes include additional exceptions to illumination standards and a certification requirement to ensure compliance.

10.764 Glare.

~~In all districts, any operation or activity producing glare shall be so conducted that direct or indirect light from the source shall not have a maximum permitted illumination in excess of 0.5 footcandles on any property in a residential district, other than the lot on which the glare is generated. This section is not intended to apply to public street lighting.~~

(+)A. Definitions.

~~Candlepower: The amount of light that will illuminate a surface one (1) foot distant from a light source to an intensity of one (1) footcandle. Maximum (peak) candlepower is the largest amount of candlepower emitted by any lamp, light source, or luminaire.~~

~~Foot candle: A foot candle is a unit of illumination produced on a surface, all points of which are one (1) foot from a uniform point source of one (1) candle by a source of one candle at a distance of one foot and equal to one lumen incident per square foot. A foot candle is measured with a foot candle meter (also known as a lux meter).~~

~~Glare: The brightness of a light source which causes eye discomfort, momentary blindness, disability or discomfort to person(s) on adjacent properties or driving~~

¹ International Sign Association, *Recommended Night-time Brightness Levels for On-Premise Electronic Message Centers (EMC's), A Compilation Summary with Extracts from Industry Reports*, April 2011.

by. The maximum permitted illumination standards are intended to prevent glare.

Lumen: A lumen is a measure of the amount of visible light emitted per second by an object. More lumens mean it is a brighter light. Fewer lumens mean it is a dimmer light.

Maximum Permitted Illumination: The maximum illumination—amount of light permitted as measured in foot candles—at the interior buffer yard line at ground level in accordance with the standards of Subsection 4 below.

Night-time: At least 30 minutes past sunset shall be considered night-time.

Post Height: The distance measured from the grade at the base of the light post to the top of the light fixture.

B. Maximum Permitted Illumination Standards.

1. **All Zoning Districts.** In all zoning districts, any operation or activity producing glare shall be so conducted that direct or indirect light from the source shall not have a maximum night-time illumination in excess of 0.5 foot candles on any property in a residential district, other than the property on which the glare is generated.
2. **Electronic Message Signs.** In zoning districts where electronic message signs are permitted per Sections 10.1200–10.1800 such signs shall not exceed a maximum night-time illumination of 0.3 foot candles above ambient light conditions when measured at an appropriate distance as specified in 10.764(E)(4) below.

C. Exceptions to Illumination Standards. The standards contained in this section shall not apply to:

1. **Public street lighting or traffic signals.**
2. **(2) Exemption for Specified Outdoor Recreational Uses.** Because of their unique requirements for night-time visibility and their limited hours of operation, lighting for ball diamonds, playing fields, and tennis courts is exempted from the exterior lighting standards of Subsection (4) below this section. Exterior lighting for other outdoor recreational uses must meet all other applicable requirements of this section and of this code.
3. **Airport Lighting.** Required navigational lighting at airports is exempt from the standards in this section. All other outdoor lighting at airport facilities shall comply with this section.
4. **Construction and Renovation.** All temporary outdoor lighting used for construction or major renovation of buildings, structures, and facilities is exempt from the standards in this section.

(3) Maximum Lighting Height for Specified Outdoor Recreational Uses. Notwithstanding height limitations elsewhere in this code, exterior lighting for the outdoor recreational uses specified in (2) above shall be permitted a maximum post height of ninety (90) feet. When a Conditional Use Permit is required for the specified outdoor recreational uses, additional height limitations may be imposed to meet approval criteria.

(4) D. Additional Glare Regulations. Notwithstanding any other provision of this section to

the contrary:

1. No flickering or flashing lights shall be permitted.
2. Light sources or luminaires shall not be located within bufferyards (Sections 10.790 and 10.801–10.802) areas—except on pedestrian walkways (Sections 10.772–10.776).

(5)E. Measuring Illumination.

1. **Lighting Certification.** ~~When required, the measurement of lighting levels shall be conducted by the developer and certified by a licensed engineer that the After installation is complete, illumination shall be measured as described below and the sign owner or installer shall provide a signed agreement (provided by the Planning Department) confirming that the lighting is in compliance. Such agreement shall be submitted to the Planning Department. measurements have been conducted as per the following:~~
- (a) 2. **Metering Equipment.** Lighting levels shall be measured in foot candles with a ~~direct reading, portable light meter. The meter shall have a color and cosine corrected sensor with multiple scales and shall read within an accuracy of plus or minus five (5) percent. It shall have been tested, calibrated, and certified by an independent commercial photometric laboratory or the manufacturer within one (1) year of the date of its use.~~ foot candle/lux/illuminance meter. The meter must have the ability to measure foot candles down to zero and provide a reading up to two decimal places. Place the meter on a fixed mount or tripod.
- (b) 3. **Determine Square Footage.** Multiply the height and width of the light source to be measured.
4. **Method of Measurement.** ~~The meter sensor shall be mounted not more than six (6) inches above ground level in a horizontal position. Readings shall be taken by qualified personnel only after the cell has been exposed long enough to provide a constant reading. Measurements shall be made after dark with the light sources in question on, then with the same sources off. The difference between the two readings shall be compared to the maximum permitted illumination and property line at ground level. This procedure eliminates the effects of moonlight and other ambient light.~~ Determine the Measurement Distance. Multiply the area of the light source from step (3) above by 100 and then take the square root of that number to determine your measurement distance in feet. For example, if the total area of the light source is 12 square feet, you would multiply $12 \times 100 = 1200$ and then take the square root of $1200 \sqrt{1200} -$ which is 34.6. Your measuring distance would be 35 feet. The distance should be measured perpendicular to the light source. The use of a measuring wheel is the most convenient way to measure the distance on the ground.
5. **Method of Illumination Measurement.**

- (i) For electronic message signs, measure at night-time as defined in this section.
 - (ii) Ensure that the light source to be measured can alternate between lighted and not lighted (or in the case of an electronic message sign can alternate between a solid white message and an "off" message).
 - (iii) From the distance determined in Step 4 above, orient your meter so that it is aimed at the center of the light source to be measured.
 - (iv) As the light source alternates between lighted and not lighted (or solid white and "off") note the range of values on the meter.
 - (v) For electronic message signs if the difference between the readings is less than 0.3 foot candles, then the brightness of the light source is in compliance. If not, the sign will need to be adjusted to a lower brightness level using the manufacturer's recommended procedures.
- (6)F. Exterior Lighting Plan.** At the time any exterior lighting is installed or substantially modified an exterior lighting -plan shall be submitted in order to determine whether the requirements of this section have been met. The lighting plan shall identify:
- (a)1. Location of light fixtures.
 - (b)2. Type of luminaire.
 - (c)3. Height of luminaire.
 - (d)4. Maximum illumination.
 - (e)5. Cut-off angle.
 - 6. Hooding/shielding device(s)

ARTICLE VI

2. Changes to Section 10.1010 to add definitions for new terms and to revise definitions.

10.1010 Sign Definitions.

Indirect Illumination. A source of illumination directed toward a sign so that the beam of light falls upon the exterior surface of the sign.

* * *

Scintillating. To sparkle or shine brightly. To emit flashes of light.

* * *

Sign, animated. Any sign or part of a sign which changes physical position by any movement or which gives the illusion of movement via video, text or images that appear to move or change in size or are revealed sequentially rather than all at once. This definition does not include static displays or rotating panels which are integrated within the sign.

* * *

~~Sign, flashing. A sign incorporating that incorporates an intermittent, electrical impulses to a source of illumination or revolving in a manner blinking or flashing light source which creates the illusion of flashing, or which changes colors or intensity of illumination. This definition is not to include electronic message signs where the same displayed message is constantly repeated at extremely fast intervals.~~

* * *

Sign, illuminated. A sign illuminated by an internal or external light source. The illumination is "external" when the light source is separate from the sign surface and is directed to shine upon the sign and "internal" when the light source is contained within the sign, but does not include signs where the message or image is composed of dot matrix or LEDs. External illumination is "direct" when the source of light is directly seen by the public, such as a floodlight, and "indirect" when the source of light is not directly seen by the public, such as cove lighting.

* * *

Static display. Any sign or part of a sign where the text or image has no movement.

Transition. A visual effect used on an electronic message sign to change from one message to another.

Transitions, types of. The following are different types of transitions used between message changes on electronic message signs:

Dissolve. Dissolve is a non-animated mode of message transition accomplished by varying the light intensity or pattern, where the first message gradually and uniformly appears to dissipate and lose legibility simultaneously with the gradual, uniform and legible appearance of the second message.

Fade. Fade is a non-animated mode of message transition accomplished by varying the light intensity, where the first message gradually and uniformly reduces intensity to the point of not being legible and the subsequent message gradually and uniformly increases to the point of legibility.

Scroll. Scrolling is a form of animated message transition where the message appears to move vertically across the display surface.

Travel. Travel is an animated mode of message transition where the message appears to move horizontally across the display surface.

3. Change to Section 10.1022(7) is a housekeeping revision. Change of face in Historic Districts requires Minor Historic Review (done administratively, over-the-counter) so it is not exempt from permit requirements.

| 10.1022 Exceptions to Sign Permit Requirements.

The provisions of Article VI shall not apply to:

* * *

- (8) Change of face. Where an existing sign is modified by change of message or design on the sign face, without any change to size or shape of the sign framework or structure. ~~In Historic Preservation Overlay Zoning Districts, only the message may be changed without Historic Review.~~

* * *

4. Section 10.1046 to clarify that conversion of a nonconforming sign to an electronic message sign is prohibited.

| 10.1046 Definition of Nonconforming Signs.

All signs that do not conform to the specific standards of this Code may be considered legal nonconforming pursuant to Section 10.032, if the sign was erected in conformance with a valid permit and complied with all applicable laws at the time of the sign's installation. **Except for the conversion to an electronic message sign, all** nonconformities shall be subject to the requirements of Sections 10.033 through 10.037.

5. Section 10.1100(3) lists sign effects that are prohibited. Animation is permitted. Other types of blinking and flashing lights are prohibited because they are distracting to drivers.

| 10.1100 Prohibited Signs For All Districts.

The following signs are prohibited for all zoning districts:

- (1) Signs on a truck, bus, car, boat, trailer, or other motorized vehicle and equipment are prohibited, except as provided in Section 10.1022(23).

* * *

- (3) ~~Animated, Scintillating, flashing, blinking, strobing, undulating, pulsing, scrolling and traveling lights; and explosion and fireworks effects or any design created to give the illusion of motion~~ are prohibited. This prohibition does not include electronic message signs.

* * *

6. New section added to include sign standards applicable to all signs in all zoning districts. Such standards to include: 1) compliance with the clear view of intersecting streets standards, 2) signs on state roadways must obtain a sign permit from ODOT before applying for a sign permit with the City of Medford.

10.1140 Sign Standards for All Districts.

The following standards shall apply to all signs in all zoning districts.

- A. Signs shall comply with the clear view of intersecting street standards in Section 10.735.
- B. A sign proposed to be located along a state roadway (Highway 99, Crater Lake Highway 62, and Interstate 5) shall first receive an Outdoor Advertising Sign permit (or in the case of an electronic message sign a Digital Display permit) from the Oregon Department of Transportation (ODOT). Evidence of such permit shall be submitted with a sign permit application. In situations where Medford's sign standards conflict with ODOT's standards, the stricter standards shall prevail.

7. New section added to include the electronic message sign standards that apply to such signs in all zoning districts, including: 1) requiring compliance with the glare standards, 2) slowing down the rate that messages change, 3) prohibiting flashing, blinking and other distracting effects on animated signs, 4) requiring photocell technology so signs auto-dim, and 5) requiring existing electronic message signs to comply with standards 1-4 within 180 days after the effective date of this ordinance. This requirement does not apply to the size of the existing signs, nor the location of existing signs.

10.1150 Electronic Message Sign Standards for All Districts.

The following standards shall apply to Electronic Message Signs in all zoning districts:

- A. Comply with the glare standards in Section 10.764 including the lighting certification.
- B. The displayed message shall not change more frequently than once every five seconds before transitioning to another message.
- C. For animated electronic message signs, the message and transitions shall not appear to flash, blink, strobe, undulate, pulse, or portray explosions, fireworks, flashes of light, blinking, or have scintillating or travelling lights.
- D. Such signs shall contain photocell technology that will automatically dim the brightness of the sign according to changing light conditions.
- E. In order to ensure that electronic message signs do not impede the visibility of traffic signs and signals, nor distract drivers from such signs and signals, the height of a sign located adjacent to a signalized intersection shall be limited to eight feet. The height may increase one foot for each additional foot in setback from the property line up to the maximum height permitted in the zoning district.
- F. The conversion of an existing conforming ground or wall sign to an electronic message sign is permitted.

- G. The conversion of an existing nonconforming ground or wall sign to an electronic message sign is prohibited.
 - H. Any electronic message signs in existence on the date that these standards become effective shall be required to comply with Section 10.1150(A-D) within 180 days from the effective date. This requirement does not apply to the size or the location of existing signs.
8. Changes to Sections 10.1200–10.1810: 1) removing repetitive language and consolidating it into new Section 10.1150, 2) reducing the maximum square footage of animated electronic message signs in commercial and industrial zones in response to concerns that existing animated signs are too large, and 3) housekeeping revisions.

10.1200 Signs in Single-Family Residential Zoning Districts (SFR-00, SFR-2, SFR-4,SFR-6, and SFR-10).

Signs shall be permitted only as follows in the single-family residential zoning districts:

- (1) Undeveloped Subdivision/Planned Unit Development Signs: Two non-illuminated ground signs, not exceeding 50 square feet in area, and 14 feet in height and setback a minimum of 20 feet from any property line are permitted within an undeveloped subdivision/ planned unit development. Such signs may be installed on the undeveloped subdivision/planned unit development property after approval of the tentative plat by the Planning Commission. However, the sign must be removed no later than **2–two** years after installation, unless the Planning Commission, upon due application prior to expiration of the **2–two-year** period, determines that the continued maintenance of the sign is consistent with the purpose of this code, in which case an extension for an additional year may be granted. Electronic message signs are prohibited.
 - (2) Institutional uses, as defined in Section 10.012, are permitted 40 square feet of signage per street frontage....*
- * * *
- (a) Ground Signs:
 - (i) Maximum Size: 20 square feet per sign.
 - (ii) Maximum Height: **5–Five** feet.
 - (iii) Minimum Setback: 15 feet from any property line.
 - (iv) Exempt Signs: Ground signs ~~within public parks, schools, or stadiums~~ that are placed and located so as not to be viewed from the street are exempt from these provisions.
 - (b) Wall Signs:
 - (i) Maximum Size: 20 square feet per sign.
 - (ii) Maximum Height: No part of any wall sign shall be higher than the building height as defined in Section 10.705.
 - (iii) Exempt Signs: Wall signs ~~within public parks, schools, or stadiums~~ which are placed and located so as not to be viewed from the street are exempt from these provisions.

- (c) Electronic Message Signs: Electronic message signs are a conditional use. A Conditional Use Permit may authorize institutional uses to have one electronic message sign as a permitted ground or wall sign. Regardless of the number of street frontages, one of the permitted ground or wall signs may be an electronic message sign, provided it complies with the following provisions:
- (i) Electronic message signs shall apply for and receive approval for a Conditional Use Permit pursuant to Section 10.250.
 - a. The electronic message sign shall be considered as an element of the CUP for the use.
 - b. Existing conditional uses shall apply for an amendment to their existing approved CUP to request an electronic message sign, pursuant to Section 10.250.
 - c. The expiration of a CUP shall require the removal of the electronic message sign.
 - (ii) Maximum SizeSquare Footage: 20 square feet.
 - (iii) Maximum Height: Five~~5~~ feet if a ground sign. If a wall sign, shall not be higher than the building height as defined in Section 10.705.
 - (iv) Comply with the standards in Section 10.1150.
 - (iv) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
 - (v) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night, consistent with Section 10.764, Glare.~~
 - (vi) ~~The conversion of an existing, conforming ground or wall sign to an electronic message sign is permitted.~~
 - (vii) ~~The conversion of any existing, nonconforming ground or wall sign to an electronic message sign is prohibited.~~
- (3) Planned Unit Development Signs: Residential Planned Unit Developments are permitted two ~~(2)~~ non-illuminated ground signs, subject to the following limitations:
- (a) Maximum Height: 4-Four feet.
 - (b) Maximum Square Footage: 20 square feet per sign.
 - (c) Minimum Setback: 5-Five feet from any public right-of-way.
 - (d) Such signs may be installed after approval of the signs, and the Planned Unit Development by the Planning Commission.
 - (e) Electronic Message Signs are prohibited.
- (4) Signs permitted in single-family residential zoning districts shall comply with Section 10.1140.

10.1300 Signs in Multiple-Family Residential Districts {MFR-15}, {MFR-20} and {MFR-30}.
Signs shall be permitted only as follows in the ~~MFR-15, MFR-20 and MFR-30~~ multi-family residential zoning districts:

* * *

- (2) Multiple-family Dwelling Sign: For multiple-family dwellings containing four or more dwelling units, one sign not more than 10 square feet in area, either affixed to the building or free-standing is permitted. If free-standing, the sign shall not be located in any required yard area and shall not exceed ~~4~~four feet in height and shall be mounted within a landscaped area or decorative planter. If affixed to the building, the sign may not project into a required yard area more than 18 inches. No part of any such sign shall be higher than the building height as defined in Section 10.705. Electronic Message Signs are prohibited.
- (3) Institutional uses, as defined in Section 10.012.... * * *
- (a) Ground Signs:
- (i) Maximum ~~Size~~Square Footage: 20 square feet per sign.
 - (ii) Maximum Height: ~~5~~Five feet.
 - (iii) Minimum Setback: 15 feet from any property line.
 - (iv) Exempt Signs: Ground signs ~~within public parks, schools, or stadiums~~ that are placed and located so as not to be viewed from the street are exempt from these provisions.
- (b) Wall Signs:
- (i) Maximum ~~Size~~Square Footage: 20 square feet per sign.
 - (ii) Maximum Height: No part of any wall sign shall be higher than the building height as defined in Section 10.705.
 - (iii) Exempt Signs: Wall signs ~~within public parks, schools, or stadiums~~ which are placed and located so as not to be viewed from the street are exempt from these provisions.
- (c) Electronic Message Signs: Electronic message signs are a conditional use. A Conditional Use Permit may authorize institutional uses to have one electronic message sign as a permitted ground or wall sign. Regardless of the number of street frontages, one of the permitted ground or wall signs may be an electronic message sign, provided it complies with the following provisions:
- (i) Electronic message signs shall apply for and receive approval for a Conditional Use Permit pursuant to Section 10.250.
 - a. The electronic message sign shall be considered as an element of the CUP for the use.
 - b. Existing conditional uses shall apply for an amendment to their existing approved CUP to request an electronic message sign, pursuant to Section 10.250.
 - c. The expiration of a CUP shall require the removal of the electronic message sign.
 - (ii) Maximum ~~Size~~Square Footage: 20 square feet.
 - (iii) Maximum Height: ~~Five~~5 feet if a ground sign. If a wall sign, shall not be higher than the building height as defined in Section 10.705.
 - (iv) Comply with the standards in Section 10.1150.
 - (iv) All text displayed on an electronic message sign must be static for a

- ~~minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
- (v) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night, consistent with Section 10.764, Glare.~~
- (vi) ~~The conversion of an existing, conforming ground or wall sign to an electronic message sign is permitted.~~
- (vii) ~~The conversion of any existing, nonconforming ground or wall sign to an electronic message sign is prohibited.~~
- (4) Planned Unit Development Signs: Residential Planned Unit Developments are permitted two (2) non-illuminated ground signs, subject to the following limitations.
- (a) Maximum Height: ~~4~~-Four feet.
- (b) Maximum Square Footage: 20 square feet per sign.
- (c) Minimum Setback: ~~5~~-Five feet from any public right-of-way.
- (d) Such signs may be installed after approval of the signs, and the Planned Unit Development by the Planning Commission.
- (e) Electronic Message Signs are prohibited.
- (5) **Signs permitted in multi-family residential zoning districts shall comply with Section 10.1140.**

10.1400 Signs in Service Commercial and Professional Offices (C-S/P); Basic Regulations.
Signs shall be permitted only as follows in the C-S/P district:

- (1) Ground Signs: Each parcel of land is permitted one ~~(1)~~ ground sign per street frontage, subject to the following limitations:
- (a) Maximum Height: ~~Nine~~ 9 feet.
- (b) Maximum Square Footage: 32 square feet per sign.
- (c) Minimum Setback: ~~Five~~ 5-feet from any lot in a residential zoning district or from a street right-of-way.
- (d) Electronic Message Signs are permitted as a ground sign subject to the following limitations:
- (i) Each parcel of land is permitted one ~~(1)~~ electronic message sign if the sign is 150 feet or farther from any residential zoning district or GLUP Map designation. An electronic message sign located less than 150 feet from any lot in a residential zoning district or GLUP Map designation shall require the approval of a Conditional Use Permit. Such sign must meet the other provisions of this section.
- (ii) **Comply with the standards in Section 10.1150.**
- (iii) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~

- (iii) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
 - (iv) The conversion of an existing, conforming ground sign to an electronic message sign is permitted.
 - (v) The conversion of an existing, nonconforming ground sign to an electronic message sign is prohibited.
- (2) Wall Signs: Wall signs are permitted subject to the following limitations:
- * * *
- (c) Electronic Message Signs are permitted as a primary or secondary facade wall sign subject to the following limitations:
 - (i) The electronic message sign or electronic reader board must be 150 feet, or farther, from any lot in a residential zoning district or GLUP Map designation. An electronic message sign located less than 150 feet from any lot in a residential zoning district or GLUP Map designation shall require the approval of a Conditional Use Permit. Such sign must meet the other provisions of this section.
 - (ii) Comply with the standards in Section 10.1150.
 - (iii) All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.
 - (iv) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
 - (v) The conversion of an existing, conforming wall sign to an electronic message sign is permitted.
 - (vi) The conversion of an existing, nonconforming wall sign to an electronic message sign is prohibited.
- * * *
- (5) Signs permitted in C-S/P zoning districts shall comply with Section 10.1140.
- * * *

10.1410 Service Commercial and Professional Office (C-S/P: Additional Special Signs). Additional special signs shall be permitted as follows in the C-S/P district:

- * * *
- (3) Additional special signs permitted in C-S/P zoning districts shall comply with Section 10.1140.

10.1500 Signs In Neighborhood Commercial District (C-N): Basic Regulations.

Signs shall be permitted as follows in the C-N district:

- (1) Ground Signs: Not more than one ground sign may be placed on each lot or parcel

subject to the following limitations:

- (a) Maximum Height: Nine~~9~~ feet.
- (b) Maximum Square Footage: 36 square feet per sign.
- (c) Minimum Setback: 10 feet from a lot in a residential zone or from a street right-of-way.
- (d) Electronic Message Signs are permitted subject to Sections 10.248 through 10.250, and the following criteria:
 - (i) Each parcel of land is permitted one (1) electronic message sign if the sign is 150 feet or farther from any residential zoning district or GLUP Map designation.
 - (ii) **Comply with the standards in Section 10.1150.**
 - (iii) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
 - (iv) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.~~
 - (v) ~~The conversion of an existing, conforming ground sign to an electronic message sign is permitted.~~
 - (vi) ~~The conversion of an existing, nonconforming ground sign to an electronic message sign is prohibited.~~

(2) Wall Signs: Wall signs are permitted subject to the following limitations:

* * *

- (c) Electronic Message Signs are permitted as a primary or secondary facade wall sign subject to Sections 10.248 through 10.250, and the following criteria:
 - (i) The electronic message sign must be 150 feet, or farther, from any residential zoning district or GLUP Map designation.
 - (ii) **Comply with the standards in Section 10.1150.**
 - (iii) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
 - (iv) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.~~
 - (v) ~~The conversion of an existing, conforming wall sign to an electronic message sign is permitted.~~
 - (vi) ~~The conversion of an existing, nonconforming wall sign to an electronic message sign is prohibited.~~

(3) Projecting Signs: Prohibited.

* * *

- (6) Shopping Center Sign: In the case of shopping areas which are developed as a unit with common parking areas, one ground sign per vehicular access on a public street is permitted on the premises of a shopping center. One ~~1~~-ground sign may be up to 100 square feet in area and 20 feet in height. Each additional ground sign shall not exceed 30 square feet in area and ~~4~~-four feet in height. The shopping center ground signs allowed by this subsection (6) are in lieu of all other ground signs permitted in the zoning district, as listed under the Basic Regulations in Subsection (1) of this section. Such signs shall not project into public right-of-way.
- (7) **Signs permitted in C-N zoning districts shall comply with Section 10.1140.**

10.1510 Neighborhood Commercial District (C-N): Additional Special Signs.

Additional Special Signs shall be permitted as follows in the C-N district:

- (1) Freeway Signs: Prohibited.
- (2) Fueling Station Signs: One additional ground sign per street frontage, not exceeding 30 square feet in area and ~~9~~-nine feet in height is permitted on each parcel of land occupied by a fueling station. Such signs may not project into public right-of-way.
* * *
- (5) Temporary Sign: One temporary sign on each street frontage is allowed for each separate business. Display period is limited to 30 days and is renewable upon application, but shall not exceed four ~~4~~-permits in one ~~1~~-calendar year. The area of each temporary sign shall not exceed 32 square feet. No part of any sign shall be higher than the building height as defined in Section 10.705.
- (6) **Additional special signs permitted in C-N zoning districts shall comply with Section 10.1140.**

10.1600 Central Business Overlay (CB): Basic Regulations.

Signs shall be permitted as follows in the CB district:

- (1) Ground Signs: Each parcel of land is permitted one ground sign per street frontage, subject to the following limitations:
 - (a) Maximum Height: 20 feet.
 - (b) Maximum Square Footage: 150 square feet per sign.
 - (c) Minimum Setback: May not project into public right-of-way.
 - (d) Electronic Message Signs are permitted, except where within the Historic Overlay District, as a ground sign subject to the following limitations:
 - (i) Each parcel of land is permitted one ~~1~~-electronic message sign if the sign is 150 feet or farther from any residential zoning district or GLUP Map designation.
 - (ii) **Electronic message ground signs that are animated shall have a maximum square footage of 75 square feet.**
 - (iii) **Electronic message ground signs with static displays shall have a maximum square footage of 150 square feet.**
 - (iv) **Comply with the standards in Section 10.1150.**

- (iii) All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.
 - (iv) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
 - (v) The conversion of an existing, conforming ground sign to an electronic message sign is permitted.
 - (vi) The conversion of an existing, nonconforming ground sign to an electronic message sign is prohibited
- (2) Wall Signs: Wall signs are permitted, subject to the following limitations:
- * * *
- (d) Electronic Message Signs are permitted, except where within the Historic Overlay District, as a primary or secondary façade wall sign subject to the following limitations:
- (i) The electronic message sign or electronic reader board must be 150 feet, or farther, from any residential zoning district or GLUP Map designation.
 - (ii) Comply with the standards in Section 10.1150.
 - (iii) All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.
 - (iv) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
 - (v) The conversion of an existing, conforming wall sign to an electronic message sign is permitted.
 - (vi) The conversion of an existing, nonconforming wall sign to an electronic message sign is prohibited.
- * * *

(5) Signs permitted in the CB district shall comply with Section 10.1140.

10.1610 Central Business Overlay (CB): Additional Special Signs.

Additional special signs shall be permitted as follows in the CB district:

- 1) Fueling Station Signs: One additional ground sign per street frontage, not exceeding 30 square feet in area and 9-nine feet in height is permitted on each parcel of land occupied by a fueling station. Such signs may not project into public right-of-way.
- (2) Drive-up Window Signs: One additional ground sign not to exceed 32 square feet in area and 6-six feet in height is permitted on each parcel of land occupied by a drive-up window. Such signs may not project into public right-of-way.

- (3) Temporary Sign: One temporary sign on each street frontage is permitted for each separate business. Display period is limited to 30 days and is renewable upon application, but shall not exceed four (4) permits in one (1) calendar year. The area of each sign shall not exceed 32 square feet. No part of any sign shall be higher than the building height as defined in Section 10.705.
- (4) Portable Signs: One additional portable sign not to exceed 12 square feet in area for each business entrance is permitted. Such signs shall not be located within public right-of-way. The portable signs shall only be displayed when the business is open.
- (5) **Additional special signs permitted in the CB district shall comply with Section 10.1140.**

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10.1700 Signs in Community Commercial District (C-C) and Heavy Commercial District (C-H, and Regional Commercial District (C-R): Basic Regulations.

Signs shall be permitted as follows in the C-C, C-R, and C-H districts:

- (1) Ground Signs: Each parcel of land is permitted one ground sign per street frontage, subject to the following limitations:
 - (a) Maximum Height: 20 feet.
 - (b) Maximum Square Footage: 150 square feet per sign.
 - (c) Minimum Setback: Shall not project into public right-of-way.
 - (d) Electronic Message Signs are permitted as a ground sign subject to the following limitations:
 - (i) Each parcel of land is permitted one (1) electronic message sign if the sign is 150 feet or farther from any residential zoning district or GLUP Map designation.
 - (ii) Electronic message ground signs that are animated shall have a maximum square footage of 75 square feet.
 - (iii) Electronic message ground signs with static displays shall have a maximum square footage of 150 square feet.
 - (iv) Comply with the standards in Section 10.1150.
 - (v) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
 - (vi) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.~~
 - (vii) ~~The conversion of an existing, conforming ground sign to an electronic message sign is permitted.~~
 - (viii) ~~The conversion of an existing, nonconforming ground sign to an electronic message sign is prohibited.~~
- (2) Wall Signs: Wall signs are permitted, subject to the following limitations:

* * *

- (c) Electronic Message Signs are permitted as a primary or secondary facade wall sign subject to the following limitations:
- (i) The electronic message sign must be 150 feet, or farther, from any residential zoning district or GLUP Map designation.
 - (ii) **Comply with the standards in Section 10.1150.**
 - (iii) ~~All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.~~
 - (iv) ~~All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.~~
 - (v) ~~The conversion of an existing, conforming wall sign to an electronic message sign is permitted.~~
 - (vi) ~~The conversion of an existing, nonconforming wall sign to an electronic message sign is prohibited.~~

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(6) Signs permitted in the C-C, C-R, and C-H districts shall comply with Section 10.1140.

10.1710 Community Commercial District (C-C) Heavy Commercial District (C-H) and Regional Commercial (C-R): Additional Special Signs:

Additional special signs shall be permitted as follows:

- (1) Freeway Signs:
 - (a) Freeway signs shall be permitted only on parcels or portions thereof that are located within the Freeway Overlay District per Section 10.365, and as shown on the official zoning map of the City of Medford.
 - (b) One ~~(1)~~ sign not exceeding 250 square feet in area and 50 feet in height, shall be permitted on a parcel located within the Freeway Overlay District. Each parcel is also permitted one ~~(1)~~ sign not exceeding 150 square feet in area and 20 feet in height. Such signs are permitted in lieu of all ground signs permitted in the underlying zoning district, as listed under the Basic Regulations.
- (2) Fueling Station Signs: One additional ground sign per street frontage, not exceeding 30 square feet in area and ~~9-nine~~ feet in height for any single parcel of land occupied by a fueling station. Such signs may not project into public right-of-way.
- (3) Drive-up Window Business Sign: One ground sign not to exceed 32 square feet in area and six ~~(6)~~ feet in height for any single parcel of land occupied by a drive-up window business. Such signs may not project into public right-of-way.
- (4) Construction Sign: Up to two additional non-illuminated signs may be installed after a building permit has been obtained for a construction project and must be removed not later than two years after issuance of the building permit for the project or upon completion of the project, whichever is sooner. Each sign shall have an area not exceeding 100 square feet, and the top of the sign shall not be more than 20 feet

above the general surface of the ground. Not more than two such signs shall be erected for each construction project and such signs shall be subject to the same setback requirements as are imposed for structures in this zone.

- (5) Temporary Sign: One temporary sign on each street frontage is allowed for each separate business. Display period is limited to 30 days and is renewable upon application, but shall not exceed four (4) permits in one (1)-calendar year. The area of each temporary sign shall not exceed 32 square feet. No part of any sign shall be higher than the building height as defined in Section 10.705.
- (6) Portable Sign: One additional portable sign not to exceed 12 square feet in area for each business entrance is permitted. Such signs shall not be located within public right-of-way. The portable signs shall only be displayed when the business is open.
- (7) Miles Field/Professional Baseball Park Signs: One (1)—additional freestanding scoreboard sign, not to exceed 630 square feet in area and 30 feet in height; one (1) time of day/display sign located above the right field fence, not to be visible from outside the stadium after June 1, 1997, and not to exceed 30 square feet in area and 25 feet in height; one (1)-ground sign not exceeding 150 square feet in area and 20 feet in height; one (1)-wall sign identifying the facility, not to exceed 50 feet in area; and other additional ground signs located above the outfield fence, not to exceed a total of 3000 square feet and 20 feet in height. These outfield billboard signs shall be permitted until June 1, 1997, at which time they must either be removed or enclosed so that they cannot be viewed from outside the ball park. Signs permitted in subsection (8) are in lieu of signs permitted in the underlying zoning district, as listed under the basic regulations.
- (8) **Additional special signs permitted in the C-C, C-R, and C-H districts shall comply with Section 10.1140.**

10.1800 Signs in Light Industrial (I-L), General Industrial (I-G), and Heavy Industrial (I-H): Basic Regulations.

Signs shall be permitted as follows in the I-L, I-G, and I-H districts:

- (1) Ground Signs are subject to the following limitations:
 - (a) Maximum Height: 24 feet.
 - (b) Maximum Square Footage: 200 square feet per sign.
 - (c) Minimum Setback: Sign shall not project into public right-of-way.
 - (d) Maximum Number: No more than one free-standing sign shall be permitted on any single lot, except under the following conditions:
 - (i) The lot has more than one street frontage, then a lot may be allowed one ground sign for each frontage over 120 linear feet, and
 - (ii) No sign shall project into the public right-of-way.
 - (e) Electronic Message Signs are permitted as a ground sign subject to the following limitations:

- (i) Each parcel of land is permitted one (1) electronic message sign if the sign is 150 feet or farther from any residential zoning district or GLUP Map designation.
- (ii) Electronic message ground signs that are animated shall have a maximum square footage of 100 square feet.
- (iii) Electronic message ground signs with static displays shall have a maximum square footage of 200 square feet.
- (iv) Comply with the standards in Section 10.1150.
- (v) All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.
- (vi) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
- (vii) The conversion of an existing, conforming ground sign to an electronic message sign is permitted.
- (viii) The conversion of an existing, nonconforming ground sign to an electronic message sign is prohibited.

(2) Wall Signs:

* * *

(c) Electronic Message Signs are permitted as a primary or secondary facade wall sign subject to the following limitations:

- (i) The electronic message sign must be 150 feet, or farther, from any residential zoning district or GLUP Map designation.
- (ii) Comply with the standards in Section 10.1150.
- (iii) All text displayed on an electronic message sign must be static for a minimum of two (2) seconds. The continuous scrolling of text is prohibited. This restriction shall not apply to animated images and images which move, or give the appearance of movement.
- (iv) All electronic message signs shall have automatic dimming capabilities that adjust the brightness to the ambient light at all times of day and night.
- (v) The conversion of an existing, conforming wall sign to an electronic message sign is permitted.
- (vi) The conversion of an existing, nonconforming wall sign to an electronic message sign is prohibited.

* * *

(5) Signs permitted in I-L, I-G, and I-H districts shall comply with Section 10.1140.

10.1810 Light Industrial (I-L), General Industrial (I-G) and Heavy Industrial (I-H): Additional Special Signs.

Additional special signs shall be permitted as follows in the I-L, I-G, and I-H districts:

- (1) Fueling Station Signs: One ground sign per street frontage, not exceeding 32 square feet in area and ~~6-six~~ feet in height for any single parcel of land occupied by a fueling station. Such signs shall not project into public right-of-way.
- (2) Drive-up Window Signs: One ground sign not to exceed 32 square feet in area and ~~6-six~~ feet in height for any single parcel of land occupied by a drive-up window business. Such signs shall not project into public right-of-way.
- (3) Temporary Sign: One sign on each street frontage for each separate business. Display period is limited to 30 days and is renewable upon application, but shall not exceed four ~~(4)~~ permits in one ~~(1)~~-calendar year. The area of each sign shall not exceed 32 square feet. No part of any sign shall be higher than the building height as defined in Section 10.705.
- (4) Construction Signs: Such a sign may be installed after a building permit has been obtained for a construction project and must be removed not later than two years after issuance of the building permit for the project or completion of the project, whichever is sooner. The non-illuminated sign shall have an area not exceeding 100 square feet, and the top of the sign shall not be more than 20 feet above the general surface of the ground. Not more than two such signs shall be erected for each construction project and such sign shall be subjected to the same setback requirements as are imposed for structures in this zone.
- (5) **Additional special signs permitted in I-L, I-G, and I-H districts shall comply with Section 10.1140.**