City of Newport

Community Development Department

Memo

To: Newport Planning Commission/Commission Advisory Committee

From: Derrick Tokos, Community Development Director

Date: September 6, 2012

Re: Oregon Land Use Planning Online Training – Round 2

For the September 10th work session, I'll have video equipment setup to run through Chapters 4 through 6 of the online training materials for local officials put together by the Department of Land Conservation and Development (DLCD). They cover land use decision making, the Coastal Management Program, and estuarine resources. That will leave land use planning policies related to coastal shorelands, beaches and dunes, and ocean resources for a future meeting. The training information is available on the web at www.coastalatlas.net/training. Please feel free to explore the materials in advance.

The Commission reviewed Chapters 1 through 3 of the training back in May of this year. Attached are the minutes from that meeting.

I have not asked DLCD staff to attend this session, but am happy to follow-up with them if any of you have questions about the materials that are presented.

Thanks, and see you on Monday!

MINUTES
City of Newport
Planning Commission Work Session
City Hall Conference Room "A"
Monday, May 14, 2012

Planning Commissioners Present: Jim Patrick, Mark Fisher, Glen Small, and Rod Croteau.

Planning Commissioners Absent: Melanie Sarazin, Jim McIntyre, and Gary East *(excused)*.

Citizens Advisory Committee Members Present: Lisa Mulcahy, Bob Berman, and Bill Branigan.

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

DLCD Staff Present: Patrick Wingard and Matt Spangler.

Chair Patrick called the Planning Commission work session to order at 6:00 p.m. and turned the meeting over to CDD Tokos. Tokos introduced Patrick Wingard who is replacing Matt Spangler as our new DLCD regional representative and noted that Matt Spangler is now doing coastal land use planning things.

A. New Business.

1. DLCD Training: Oregon Land Use System – part 1. Tonight's work session was dedicated to part one of online land use training. The web training is titled "Understanding Oregon's Land Use Planning Program". The web site is www.coastalatlas.net/training. Tokos explained that this is a brand new product that DLCD put out that has coastal emphasis. He noted that there are review scenarios that would be skipped for the work session; but the Commissioners can do them on their own if they choose. The purpose of this training program is to provide a greater understanding of Oregon's Statewide Planning and Coastal Management programs and how they relate to local government planning efforts.

Chapter 1 provided an overview of the Oregon Land Use Planning program. It explained that the purpose of land use planning is to efficiently manage land uses and activities to meet the needs of today while conserving resources for future generations. Planning protects natural systems from adverse effects of unregulated development and promotes development that enhances livability through man-made systems. In Oregon, this is accomplished by coordinated local government comprehensive plans and implementing measures that reflect state policies while meeting local needs and conditions. A comprehensive plan is a generalized, coordinated land use map and policy statement of the governing body of a city or county. It relates to all man-made and natural systems as well as activities relating to the use of lands and establishes the community's vision and identifies the type, location, and intensity of future development. It must address local conditions and priorities consistent with the applicable requirements of the Statewide Planning Goals. In compliance with statewide goals, cities and counties adopt their comprehensive plans and implement them through ordinances, codes, and regulations. It has the force of law and is the guiding land use document for each local jurisdiction. Local comprehensive plans and implementing land use regulations are reviewed and "acknowledged" by the state.

Oregon land use planning dates back to 1973 with the adoption of Senate Bill 100. Oregon has nineteen statewide planning goals that can be clustered into four groups: Goals 1 and 2 are the process goals of comprehensive planning; Goals 3 through 8, 13, and 15 express natural resource conservation goals; Goals 9 through 12 and 14 are concerned with housing, transportation, urban growth, and economic development; and the remaining Goals 16 through 19 apply specifically to the unique resources of the Oregon coast.

Chapter 2 dealt with urban, rural, and resource planning. Cities have the primary responsibility to plan for and manage urban-scale development and provide appropriate services for areas within their UGBs. Cities and counties must maintain a 20-year supply of land within the UGB to meet projected needs. Land use goals require cities to maintain an adequate supply of suitable sites that meet their community's economic development needs, policies, and objectives; to assure adequate opportunities for a variety of housing types, locations, and densities that meet the community's housing needs based on coordinated population projections and other factors related to local housing and employment trends; and to plan for and develop timely, orderly, and efficient sewer, water, transportation, and other infrastructure that support existing and proposed land uses. Each local government with more than 2,500 people must adopt a Public Facilities Plan for water, sewer, and transportation facilities. Local governments are required to follow a specific planning process for protection of natural resources.

Goal 12 guides transportation planning in the state and requires many communities to adopt a TSP and coordinate land use decisions and local transportation planning with ODOT. The TSP is a major tool for guiding the location, timing, and scale of

development. The TPR implements Goal 12 by integrating decisions about land use and transportation; and local governments must ensure that their comprehensive plans and land use regulations are consistent with and support their TSPs. They also must take appropriate action to resolve any transportation impacts on new development.

The purpose of Goal 7 is to protect people and property from natural disasters and hazards by limiting or prohibiting certain developments in hazard areas. As components of their comprehensive plans, local governments are required to include inventories, policies and implementing measures to reduce risks to people and property due to natural hazards and disasters. Communities should require a site evaluation report when considering approving new development in known or potential hazard areas. Development within a floodway is prohibited, while development within a floodplain generally is allowed. Coastal areas are subject to unique hazards; and coastal cities and counties have developed comprehensive plan provisions and zoning ordinances to address these hazards consistent with the state coastal goals.

Chapter 3 covered implementing measures and land development in practice. The process to prepare a comprehensive plan requires several steps: identifying current conditions and issues; collecting data; setting goals; and preparing the plan. Adoption of the comprehensive plan is a legislative action and follows public hearings and final approval by the city council or county commission. After state review and acknowledgment, the comprehensive plan becomes the community's guiding policy statement regarding land use and development. State law establishes procedures for periodic review of comprehensive plans and land use regulations. This process is mandatory for some more-populated jurisdictions and is optional for others.

The purpose of a zoning ordinance is to carry out the policies and designations contained in the comprehensive plan. Zoning ordinances divide a community into various land use zoning districts. The zoning map is a visual planning tool that implements the comprehensive plan. The map shows the location and boundaries of base zones and overlay zones covering all geographical areas of the city or county. Basic zone designations typically include general categories of uses such as residential, commercial, industrial, public, farm, forest, and rural residential. Overlay zones modify the regulations in a base zone by allowing or limiting uses or adding specific requirements. Overlay zones typically apply to floodplain and natural hazard areas; specific natural resource areas; or special use areas such as airports. Often several more specific zones are included within the basic zone categories; such as subcategories of residential that include single-family, multi-family, medium-density, and high-density.

Local governments may allow certain uses in a zone subject to review and special conditions. Conditional use provisions generally apply to uses or activities that have potential adverse impacts or compatibility issues and therefore require review. In many cases, adverse impacts and compatibility issues can be resolved or minimized by the application of conditions or limitations. Zoning ordinances specifically list the types of uses and activities that may be authorized through the conditional use review process.

A variance allows a local government to modify some requirements to account for unique circumstances based on standards outlined in the zoning ordinance. Variances may reduce lot size requirements or coverage standards, off-street parking requirements, or structural setbacks. Variances are subject to specific and rigorous approval standards outlined in the zoning ordinance. Decisions require evidence and findings demonstrating the standards are met. Variances do not allow uses not otherwise authorized in a zoning category.

Euclidian Zoning is the most common zoning ordinance framework used in the United States. The term "Euclidian" is from the 1926 US Supreme Court case, Village of Euclid, Ohio vs Ambler Realty Co. This style of zoning segregates land uses into use categories based on the type and intensity of allowed uses and activities. Over time, many communities have chosen to abandon this tiered approach in favor of more specific and exclusive zoning categories. Local governments also are increasingly considering "Performance Zoning," also known as "Effects-Based Planning," and "Incentive Zoning." Both establish goals and criteria for development and are considered more flexible than more conventional zoning. Another alternative, "Mixed-Use Zoning," allows compatible but different types of uses in a single area. A mix of housing, retail, and offices often results in a compact pedestrian-friendly development pattern. Mixed-use areas can be included within "Form-Based Codes," which regulate development form rather than land use.

Minimum lot size is the smallest area allowed for a lot or parcel. In cities, this is the smallest area of land in a particular zone on which a structure may be built and is typically expressed in square feet. The minimum lot size in an area determines the density of allowable development.

Partitions and subdivisions undergo two stages of review and approval. A tentative or preliminary plan is a proposal that is reviewed by local officials to ensure conformance with code or ordinance requirements and identify planning issues or problems. After it is approved, the tentative or preliminary plan becomes a final plat with accurate survey lines and dimensions of lots, streets, utilities, and other physical features. This final plat is officially recorded with the county.

B. <u>Adjournment</u>. Having no further time, the work session meeting adjourned at 7:00 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

AGENDA & NOTICE OF PLANNING COMMISSION MEETING

The Planning Commission of the City of Newport will hold a meeting at **7:00 p.m. Monday, September 10, 2012**, 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, September 10, 2012, 7:00 p.m.
AGENDA

A. Roll Call.

B. Approval of Minutes.

1. Approval of the Planning Commission work session and regular session meeting minutes of August 27, 2012.

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. Public Hearings.

Quasi-Judicial Actions:

1. File No. 2-CUP-12. A request submitted by Yaquina Bay Baptist Church (Darrin Goodrick, authorized representative) (Newport Elks Lodge BPOE 2105, owner (Bill Bain, authorized representative)) per NMC Chapter 14.03.50(D)(8)/"Residential Uses" for approval of a conditional use permit in order for The Yaquina Bay Baptist Church to conduct their church operation in the lower level of the Newport Elks Lodge building located at 45 SE John Moore Rd. (Lincoln County Assessor's Map 11-11-09-BB, Tax Lot 100), which is located in an R-1 zoning district where a church use is allowed pursuant to approval of a conditional use permit.

Legislative Actions:

1. File No. 3-CP-11. Proposed legislative amendment is to the "Economy" section of the Newport Comprehensive Plan. The update serves to: (1) update the City's economic data, (2) develop a cohesive economic strategy and vision for the community, and (3) better define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures.

F. New Business.

G. Unfinished Business.

H. Director Comments.

I. Adjournment.

Please Note: ORS197.763(6): "Unless there is a continuance, if a participant so requests before the conclusion of the initial evidentiary hearing, the record shall remain open for at least seven days after the hearing." (applicable only to quasi-judicial public hearings)

***Draft* MINUTES**
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room 'A'
Monday, August 27, 2012

Planning Commissioners Present: Jim Patrick, Gary East, Mark Fisher, Glen Small, and Bill Branigan.

Planning Commissioners Absent: Jim McIntyre and Rod Croteau *(excused).*

Citizens Advisory Committee Members Present: Lisa Mulcahy and Bob Berman.

EOA TAC Members Present: Lorna Davis, Caroline Bauman, Bonnie Serkin, and Will Emery.

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

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

A. New Business.

1. Review of the Economic Opportunities Analysis. Tokos noted that he had provided in the packets minutes from the TAC's last meeting, a roster of the TAC members, and the update of the Economy section of the Comprehensive Plan. He noted that there are two other documents he didn't provide in the packets, but the Economy section is a compilation of the full buildable lands document and the economic development strategy, which has all the policies and actions. Tokos wanted to walk through a PowerPoint presentation he had prepared and then open up the meeting for questions.

Tokos said the purpose of the study was to determine whether Newport has enough employment land. The other big piece was developing a strategy to guide economic development policies and actions in Newport. With the PowerPoint, Tokos presented a summary of the process. $30,000 was budgeted, with half from the State. A consultant, ECONorthwest, was hired. He noted that the Economy section of the Comprehensive Plan needs to meet the requirements of Statewide Planning Goal 9 and its Administrative Rule (OAR 660-009). There was basically a timeline of 12 months. Outreach involved a 15-member TAC. The resulting products were a buildable lands inventory, an EOA, an economic development strategy, and an updated Comprehensive Plan Economy section. The plan will go through a legislative process to adopt it into the Comprehensive Plan. The PowerPoint showed a list of the TAC members, the TAC meeting schedule, and what was covered at the six meetings. The first meeting was held in December 2011, and the last meeting was in June 2012. Tokos showed a list of the key economic partners, and noted that when looking at the goals, policies, and actions, not all of them are the City's. He said that they need to be drawn up in such a manner that we are not committing these partners; but just giving their role and how we should coordinate. Tokos next showed Newport's vision for economic development that the TAC came up with. Tokos explained that the EOA explains what the City should actually be doing as their support role in economic development. It notes that the City should have a land use program that provides a 20-year supply of commercial and industrial sites. The City provides and maintains infrastructure to support development. The City has limited staff and financial resources that can be invested to support economic development activities. Tokos talked about using Urban Renewal funds, and mentioned room tax, from SDCs, and a portion of the general fund for grant matches. The EOA notes that the City is not the appropriate organization to coordinate business recruitment and retention activities or to house staff that coordinates those activities. The City is a partner and financial contributor for those activities, but doesn't want to be into business recruitment.

Getting into the data, Tokos explained that the employment lands are broken out in acres by classification and plan designation. The acreage is broken down by zone designation and then, vacant and partially vacant. The consultant looked at developed and constrained acres, and what is left is developable. Then that can be broken down further into different categories of what is developable and suitable for industrial, commercial, shoreland, and public. Tokos showed Table 11, giving commercial and industrial land needs. He said that shows that the City has sufficient lands. We don't need to bring in commercial and industrial lands; we have enough in the UGB. Tokos noted that we do have a deficiency of larger commercial sites. One thing that came out of this study is just how much underdeveloped commercial property the City has that are prime areas for redevelopment. Newport has a low improvement-to-land value ratio. Tokos showed Map 2.1 from the study. He said that some of these are too small or have bad access. Patrick thought the colors on the map were confusing and that "0" and "no land value" was confusing. Tokos said maybe the "0" should go away, he will get that fixed.

Job growth generally gets into recommended goals and actions. It talks about independent actions. The goal is to create conditions that are attractive to the growth of existing businesses and attract new businesses to create new jobs. The action is to create and staff a business growth and recruitment coordinator function. The rationale explains what the business growth

and recruitment coordinator will do. Then it explains who does it. There will be follow-up work by the TAC on this function. Possible funding sources are listed. When to initiate is within the first year, continuing through a five-year period. Bench marks will be development of a work plan, hiring a coordinator, and implementation of the work plan. Tokos said that this is the standard format in place for all of the goals. In the PowerPoint, he just included it for one so that the group could see it. Tokos noted that the business growth and recruitment coordinator is a function. It could be contracted with a consulting firm; or it could become a position.

Policy 1 under Job Growth is that the City shall facilitate employment growth in the marine and ocean observing research and education cluster. There are several actions that will do that. Action 1.1 is to identify a person or organization responsible for coordinating. Action 1.2 is to update the strategic and business plan to guide growth of this cluster. Action 1.3 is to identify opportunity sites for growth of the cluster. Action 1.4 is to hold stakeholder workshops.

Job Growth Policy 2 is that the City shall encourage growth of tourism-related employment. Action 2.1 is to develop tourism-related amenities and facilities. Action 2.2 is to work with the Port and the Chamber to study opportunities to make Newport a destination for cruise ships and other recreational activities. Action 2.3 is to maintain meaningful tourism marketing, which is done through funds.

Policy 3 under Job Growth relates to imports, exports, and fishing. It states that the City shall coordinate with the Port on shared economic development objectives. The action is to evaluate opportunities to expand the goods shipped via the Port. The City has the infrastructure.

Policy 4 says that the City shall encourage growth of businesses involved with fishing and value-added seafood. The action is to coordinate relationships with the Port, fishing businesses, and other business interests.

Tokos explained that these target industries came out as the strongest area for development in the community. They came out of the SWOT (strengths, weaknesses, opportunities, and threats) list. These were the focus areas. Some of these generate a lot of jobs. A lot were the observations of the TAC.

The next topic was Work Force Availability and Quality. Policy 5 says the City shall support workforce development. Tokos said the general sense was that there is not a whole lot the City can do on this effort. The action is to provide strategic contributions in staff or dollars to partners to support workforce development. The City can support workforce development through the Community College to provide appropriate workforce and entrepreneurial training opportunities to meet the needs of the target industries.

The next topic is the Supply of Commercial and Industrial Land. The goal is to provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities. Policy 6 is that the City shall encourage better use of underutilized and/or blighted commercial sites. The City will have to put together tools to help, and the Urban Renewal Agency can do that. Action is to evaluate the creation of an Urban Renewal District north of the bridge.

Policy 7 states that the City shall ensure an adequate supply of commercial and industrial sites. Action 7.1 is to develop strategies to prioritize target industry uses on opportunity sites. The City can work with property owners and enter into development agreements to help market their properties. Action 7.2 is to develop an annexation strategy for commercial and industrial properties in South Beach. This project will result in an Urban Growth Management Agreement (UGMA) with Lincoln County. Patrick thought the City needs a “carrot”. Tokos said we will need resources; and that is where Urban Renewal comes into it. He thought maybe this is something to have outside the plan proper.

The next topic was Infrastructure and Public Facilities. The goal is to make investments in infrastructure and public facilities to support target industries. Policy 8 says the City shall ensure that adequate infrastructure is available. Action 8.1 is to identify and make infrastructure investments on opportunity sites; Action 8.2, coordinate provision of infrastructure to the International Terminal; Action 8.3, develop and maintain infrastructure used by visitors; Action 8.4, develop infrastructure needed to support fishing and seafood processing; and Action 8.5, work with ODOT on upgrades to or replacement of the bridge. Tokos said that we don’t have enough funds to ensure infrastructure is adequate for all potential future users that may want to come to Newport; so we have to be strategic with investments. He noted that the more policies we can have the bridge in, the more leverage we have.

The final topic is Implementation. Tokos said there are timelines woven in for each of these strategies. With the PowerPoint, he presented Figure 1 from the end of the document that shows the timeline.

Tokos asked the Commissioners to let him know if there should be adjustments one way or another before this goes to hearing. He said that the next step is a City Council work session on September 4th to review this same material. The Planning

Commission hearing is scheduled for the first September meeting date. The City Council will hear this on October 1st tentatively.

Fisher said that on Action 8.5, he would say the bridge is the "only connection" between north and south. Tokos said he will change it to say the "only viable connection".

Tokos said that he had covered what was in the document. He noted that several TAC members were present, and gave them an opportunity to say something if they wanted. Emery agreed with Tokos that resources are limited and have to be targeted. Fishing, tourism, and lumber were identified. He said that economic development can be broken down into two categories; it's either new development or redevelopment. Redevelopment property already has a lot of permitting in place. In terms of redevelopment, what is already there has potential. He noted that here, the value of improvements to land value is low. He said that the City should in preparation at least think of a strategy of how to use resources effectively. When talking about new construction, there should be some forethought and discussion about how that could be incentivized to attract jobs here. If we are looking for private enterprise employers, this should be discussed. Serkin said that it makes sense to focus on those things that already make Newport strong. Branigan asked if we could go with service industries like call centers that don't require a large amount of space. Serkin believed that what the TAC was stressing doesn't preclude those things. Tokos noted that from time to time, Business Oregon will kick those out. They do statewide business recruitment and align businesses looking at the Pacific Northwest with what would be an attractive location for them; and call centers come up now and then. He said that typically they are looking for larger acreage than what we have, and sometimes for buildings already in place. An obstacle for us is that we don't have larger buildings on properties that are vacant. Fisher asked if there is a system to forgive SDCs. Tokos said SDCs can be deferred, but not forgiven. Patrick added that the City gives credits on redevelopment. Tokos mentioned that there is the enterprise zone where there is a tax break. He said that the City could pursue potential rate reduction where, if the business is a higher water user, as an incentive we could give a lower rate for a time. Emery said that one thing that came up is that Newport is where the college central campus is located, and why we couldn't encourage home offices for whatever services. For example, a pest control company that covers Lincoln City to Waldport putting their central office here in Newport. There could be something to encourage businesses to put their home office here. Tokos noted that one shortcoming of Business Oregon is that they are I-5 focused. Newport needs to apply some resources to try to recruit businesses based on our relative competitive strengths. Small agreed that focus needs to be on those areas that don't rely on I-5; those things that stand alone and don't rely on I-5. Bauman said that Newport's desirability that draws tourists also draws the entrepreneurial folks that don't need the I-5 corridor. She thought that the desire of small business people that want to live here first and foremost and develop their own business was taken into consideration and is found in here. But the big thing for considering these targeted industries as having potential was because of the proximity to the ocean.

B. <u>Adjournment</u>. Having no further discussion, the work session meeting adjourned at 6:57p.m.

Respectfully submitted,

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Wanda Haney
Executive Assistant

***Draft* Minutes**
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, August 27, 2012

Commissioners Present: Jim Patrick, Glen Small, Mark Fisher, Bill Branigan, and Gary East.

Commissioners Absent: Jim McIntyre and Rod Croteau *(excused)*.

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

A. Roll Call. Chair Patrick called the meeting to order in the Council Chambers of Newport City Hall at 7:00 p.m. On roll call, Small, Patrick, Fisher, East, and Branigan were present. McIntyre and Croteau were absent but excused.

B. Approval of Minutes.

1. Approval of the Planning Commission work session and regular session meeting minutes of July 9, 2012, and the work session minutes of July 23, 2012.

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

C. Citizen/Public Comment. No comments on non-agenda items.

D. Consent Calendar. Nothing on the consent calendar.

E. Public Hearings.

Patrick opened the public hearing portion of the meeting at 7:02 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, bias, ex parte contact, or site visits; which none were declared. Patrick called for challenges to any of the Planning Commissioners or the Commission as a whole hearing these matters; and no objections were raised.

Legislative Actions:

1. File No. 2-CP-11. Legislative amendment to continue the update to the Transportation System Plan (TSP) element of the Comprehensive Plan by focusing the effort on US 101 in South Beach between the Yaquina Bay Bridge and SE 62nd Street setting out policy framework in support of an alternative mobility standard. The update includes zoning ordinance amendments establishing a trip budget program for South Beach, citywide traffic impact analysis requirements, and citywide transportation improvement requirements for infill development by updating the Zoning Code chapter of the Newport Municipal Code with the addition of Chapter 14.43 (South Beach Transportation Overlay Zone), Chapter 14.44 (Transportation Standards), and Chapter 14.45 (Traffic Impact Analysis). Functional classification maps and project priorities/estimates are also updated.

Patrick opened the hearing for File No. 2-CP-11 at 7:03 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos noted that this is a large comprehensive package of changes that the City has worked on for a very long time. He had prepared a brief PowerPoint presentation that was a synopsis of the meeting packet. He noted that the packet included the staff report with fairly detailed findings on how the request complies with the Transportation Planning Rule (TPR). This will be rolled into an actual ordinance should the Commission decide to forward it to the City Council with a recommendation that it should be adopted. The packet also included the full draft of the amendments that would go into the TSP element of the Comprehensive Plan; Chapters 14.43, 14.44, and 14.45 of the Municipal Code, a copy of the Commission's July work sessions where the document was reviewed and comments were provided, and the notice of the public hearing that was provided. Also, as the staff report mentions, Tokos had with him a copy of the Coho/Brant Infrastructure Plan that was developed separately but is incorporated into the TSP element.

Tokos began the PowerPoint presentation by giving the elements of the proposal; the TSP amendment to the Comprehensive Plan and three Zoning Ordinance chapters. He gave a quick overview of the process which started in 2005-06 as an update to the 1997 TSP. The first products of that effort were the North Side Local Street Improvement Plan and the Bicycle and Pedestrian Plan in 2008-09. Work then shifted to development of alternative mobility standards for South Beach. There are technical memos reflected in several documents. Three public open houses were held. Direct mailing notice was provided to South Beach residents. There were press releases. A stakeholders list was developed, and they were kept informed of the open houses and the

hearing tonight. The Planning Commission held numerous work sessions, and in July reviewed a draft. Given the length of time for the update, several refinement plans have developed. One was the South Beach Peninsula Plan in 2010 because the City needed to facilitate access to NOAA's development site. Another was the Coho/Brant Refinement Plan just completed and will be adopted by reference into the TSP. Next, Tokos covered the elements of the TSP amendment. It sets an alternative mobility standard for 101 in South Beach; we will be tracking trips, and there are a series of improvements to improve traffic flow, adds traffic impact analysis (TIA) requirements citywide, adds policy language for improvements citywide, and updates maps and tables. It emphasizes the need for ODOT to begin planning for replacement of the bridge. The reason why the alternative mobility standard is justified is because the State recognizes that nothing will be done with the bridge as it obstructs traffic flow. In planning, ODOT recognizes what can be done short of replacing the bridge and that they need to loosen the congestion limit and allow more congestion to happen on 101. Tokos noted that there have been some changes to the overlay zone since the work session. With the PowerPoint, he showed the map that was included during the Commission work session on July 9th. It was cleared up to line up with property boundaries. He showed the amended overlay map and noted that area B was adjusted a bit. Some properties outside the UGB were removed. It was extended a little to the south to correspond with property boundaries. Area J was enlarged to include the entire city-owned industrial properties. The changes were basically to align with the boundaries on the ground. Next, Tokos showed the functional classification maps and noted that there are basically three; north side, downtown, and south side. Copies of these were included in the packet materials as well. These show the principal arterials, minor arterials, and collector roadways and the local system. They correspond with the standard street system. We do have standards for that. He explained that the planned future improvements were shown with dotted lines. He noted that these do not have to be in place before trips can be consumed. He talked about the trip budget program. He noted that there are potential TSP changes prior to the City Council hearing. We might want to make changes to the TSP element post-Planning Commission recommendation. This comes from review by our legal counsel, and some of this may require more back and forth with the attorney to get exactly right. One gets at how the baseline system analysis was conducted. Another is how to describe the specific alternative mobility standards south of the bridge and how that standard provides for additional development. Another was to consider narrowing the area where payment in lieu can be utilized so that they are more closely tied to the development they generate by fee payment. Tokos said they need to figure out how to fine tune that language.

Tokos showed the alternative mobility standard table that was presented at the last open house. The vehicle capacity limit on 101 under the Oregon Highway Plan is now a volume to capacity ratio based on PM peak hour traffic. The recommendation is to use average annual PM peak hour.

Tokos discussed the Zoning Code changes. Chapter 14.43 is the South Beach Overlay Zone from the bridge south to 62nd Street. It is a tracking tool. The trip budget assumes realistic growth within the 20-year planning period. Trips are allocated by Transportation Analysis Zones (TAZ) and are tracked ministerially. 10% of trips are held in flexible trip reserve but can be added back. That pool is accessed through application to the Planning Commission. If 65% of trips are utilized in a particular zone, or within ten years, program review is required.

Chapter 14.44 contains the transportation standards. It authorizes the City to require frontage improvements for new development or redevelopment. It identifies the standards the City applies to determine the type of needed improvements. It authorizes payment of fee in lieu of frontage requirements. It identifies the process by which public rights-of-way are created. There currently are no requirements for infill as there are for new development; and this fills in that gap.

Chapter 14.45 covers the TIA requirements. It sets the threshold for when a TIA is needed and how analysis should be performed; what the City should use to evaluate it; and the criteria for evaluating. It includes the fee in lieu of option for certain circumstances (maybe there are no roads in the area, or in the event that something is planned to be coming on line in the area). There is a cross-reference of the payment in lieu option included in the subdivision ordinance. Tokos noted that Chapter 14.45 Applicability section may need to be amended before the City Council hearing. He said we need to delve into it further under what circumstances the state can require a TIA. Right now reference crosses over to the OARs. He said that we need to look at it a little more carefully to be sure we can be as clear as possible.

Testimony: Patrick opened the hearing to testimony. First to speak was Bonnie Serkin of Landwaves, 2712 SE 20th, Portland, OR 97202. She noted that they are developing the Wilder Community in South Beach. As a developer, she said that she wanted to give credit to Tokos and deTar and their consultants who put together a remarkable piece of work. She said that will help South Beach achieve its place as the future of Newport. She said that the process was complex and involved a lot of balancing, but these folks did a masterful job. She thanked them for allowing Landwaves' own traffic engineer to participate. Serkin said there is one thing that doesn't appear in the ordinance, and that is that several years ago when the annexation of Wilder took place, there was a problem with compliance with the TPR. As a result of that, Landwaves and other neighbors along 40th Street entered into a settlement agreement that set out temporary trip count on development that would result in traffic coming down 40th to 101. The idea was when the TSP was adopted, that agreement would disappear and be replaced. She just wanted to get into the record that this should be handled once the ordinance is adopted. She said that once the State Commission gets this revision, that agreement needs to be torn up because the new rules will substitute for it. She seconded Tokos' request that the criteria for a TIA be clarified to the extent possible under

local and state law even though she didn't think Wilder will need a TIA for a while. She said this makes it pretty clear, but it would be nice to clarify that for surety.

Dennis Bartoldus, PO Box 1510, Newport, represents GVR (the Tryon Family). He echoed what Serkin had said about the settlement agreement; only he would like to see it go further. He would like it noted that the previous agreement entered into by those parties would no longer be in effect. He would like to see it annulled by the Planning Commission and the City Council if this matter goes forward. Tokos thought the Planning Commission could make a recommendation that upon adoption, the City Council take whatever steps are necessary to rescind that agreement.

John deTar of ODOT said that it is their intent to rescind that agreement and nullify the 40th Street settlement agreement at the conclusion of this process. He said that when this is adopted, the settlement agreement would be immediately rescinded. Bartoldus said he would like to have that occur simultaneously at the time the final ordinance is adopted. Tokos noted that after the City adopts it, the State has to as well. He said it would go sequentially. Using whatever is the appropriate language, the Planning Commission can make a recommendation to the City Council that they take action following this adoption to make sure that takes place. Patrick agreed that it can't be done at the same time. Tokos said that the Commission can ask that the City Council follow up to make sure it's taken care of as soon as it can be done.

Patrick closed the public hearing at 7:34 p.m. for Commissioner deliberation. Branigan had nothing to say. East thought the Planning Commission should move forward and make the necessary recommendations to the City Council and to terminate the 40th Street settlement agreement. Fisher concurred. Small thought the TSP is a good body of work in that it does everything it can to improve traffic flow and not minimize development south of the bridge short of what is really the problem (the limitation of the bridge). He appreciates that the Comprehensive Plan itself mentions that the bridge is a significant factor in the flow of traffic. Small said that Tokos did a great job in describing alternative mobility standards and why it is a necessary piece to development south of the bridge. He noted, however, that an alternative mobility standard will not move traffic across the bridge any faster. He said it is a temporary solution. But, he thinks this does everything that can be done to address that impact. Patrick agreed. He liked the 10-year and 65% review so that when we get close, we have to do something else. He said that he would entertain a motion to approve the action with additional instruction to the City Council to take a look at removing the settlement agreement as soon as possible.

MOTION was made by Commissioner Small, seconded by Commissioner Fisher, to forward the proposal in File No. 2-CP-11 along with the proposed changes to the TSP to the City Council with a recommendation that they adopt language to clarify when a TIA takes place and a recommendation to revisit the previous agreement as has been discussed. The motion carried unanimously in a voice vote.

F. New Business. No new business to discuss.

G. Unfinished Business. No unfinished business to discuss.

H. Director's Comments. Tokos noted that in the packets was a notice of a training opportunity for Planning Commissioners. He asked that if any of the Commissioners were interested, to please let the department know so that we can get them enrolled.

Fisher asked about South Beach Urban Renewal money that has been collected over a number of years, and if it can be used for infrastructure improvements. He asked if there were some dates when sewer and water will be improved down there. Tokos said that there is a current budgeted program for the extension of sewer from 40th to 50th Streets. Public Works is moving forward on that; but he had no specific date of when work will start. It should be completed this fiscal year. Ash Street surfacing is budgeted and is substantially designed and moving forward as well. Funds have been budgeted for acquisition of rights-of-way at 35th and 101 for the future signalized intersection. That is part of an enhancement project we are sending out for a 2015 state grant; and it is important to hit that window because that is when the City will be able to fund on our end through Urban Renewal. He said that might be the highest of Phase 2 Urban Renewal projects. He said he will take an amendment package to the City Council shortly to update the Urban Renewal Plan to adjust dollars based on the Council's last budget decision and to put in Coho/Brant projects now that those have been identified. Fisher asked if there was any Urban Renewal money used for Safe Haven Hill, and Tokos said a couple hundred thousand dollars were budgeted for that project and the City is working with FEMA to finalize that work. East asked about coordination with OMSI. Tokos said OMSI's window of development for their youth camp is 2016-17. They have been supportive of the Coho/Brant plan. Work on rights-of-way is the first piece. Certain rights-of-way will be vacated, and others acquired to get it lined up with what the planned course is. Tokos thought that would go fairly smoothly.

I. Adjournment. Having no further business to discuss, the meeting adjourned at 7:45 p.m.

Respectfully submitted,

_____

Wanda Haney, Executive Assistant

PLANNING STAFF REPORT

Case File No. 2-CUP-12

A. **APPLICANT:** Yaquina Bay Church (Darrin Goodrick, authorized representative), PO Box 2213, Newport OR 97365.

B. **OWNER:** Newport Elks Lodge BPOE 2105 (Bill Bain, authorized representative), PO Box 966, Newport OR 97365.

C. **REQUEST:** Approval of a Conditional Use Permit, per Chapter 14.03.050(D)(8)/"Residential Uses" of the Newport Municipal Code, in order for the Yaquina Bay Baptist Church to conduct their church operation in the lower level of the Newport Elks Lodge building.

D. **LOCATION:** 45 SE John Moore Road.

E. **LEGAL DESCRIPTION:** Lincoln County Assessor's Map 11-11-09-BB, Tax Lot 100.

F. **LOT SIZE:** Approximately 1.72 acres per the Assessor's records.

G. **STAFF REPORT**

1. **REPORT OF FACT**

a. **Plan Designation:** Low Density Residential.

b. **Zone Designation:** R-1/"Residential-Low Density Single-Family."

c. **Surrounding Land Uses:** Single-family residential to the east and southeast. A church resides to the west, school to the south, and heavy commercial exists to the north on the opposite side of US 20.

d. **Topography and Vegetation:** The property slopes gradually to south and west. The site is fully developed and landscaped.

e. **Existing Structures:** Elks Lodge building.

f. **Utilities:** All are available to the site.

g. **Development Constraints:** None known.

h. **Past Land Use Actions:** None known.

i. **Notification:** Notification to surrounding property owners and to city departments/public agencies was mailed on August 16, 2012; and the notice of public hearing was published in the Newport News-Times on August 31, 2012.

j. **Attachments:**

Attachment "A" – Applicant's Written Findings of Fact
Attachment "A-1" – Aerial Photograph of Property (serves as Site Plan)
Attachment "A-2" – Photographs of Property
Attachment "B" – Public Hearing Notice
Attachment "C" – Assessment Printouts of Property
Attachment "D" – Assessment Map of the Property
Attachment "E" – Zoning Map of the Area

2. **Explanation of the Request:** Pursuant to Chapter 14.03.050(D)(8)/"Residential Uses" of the Newport Municipal Code, a church is a type of community service use that may be permitted in an R-1/"Residential-Low Density Single-Family" zoning district if it satisfies the approval criteria for a conditional use permit. With this application, the Yaquina Bay Baptist Church is seeking approval of a conditional use permit to occupy the lower floor of the Elks Lodge building as illustrated on the applicant's site plan (Attachment "A-1"). Lincoln County Assessment records indicate that this is about 33% of the buildings total floor area, or 5,867 sq. ft. (Attachment "D").

The applicant notes that the aerial image of the site shows the existing building and site improvements. They are not proposing to make any changes to the property in conjunction with this request. Parking for the church is available from the lower parking lot, which is estimated to contain 22 spaces. The lot is accessed from SE 1st Street. An additional 85 spaces are available in the upper parking area which serves the Elks Lodge. This lot is accessed from SE John Moore Road and SE 1st Street.

Church services will be held on Sundays, with small group and office activities occurring on other days. No fascia or freestanding signage is proposed.

3. **Evaluation of the Request:**

a. **Comments:** All surrounding property owners and affected city departments and public utilities were notified on August 16, 2012. The notice was published in the Newport News-Times on August 31, 2012. No comments have been received in response to these notices.

b. **Conditional Use Criteria (Section 2-5-3.025):**

(1) The public facilities can adequately accommodate the proposed use.

(2) The request complies with the requirements of the underlying zone or overlay zone.

(3) The proposed use does not have an adverse impact greater than existing uses on nearby properties; or impacts can be ameliorated through imposition of conditions of approval.

(4) A proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

c. **Staff Analysis:**

In order to grant the permit, the Planning Commission must find that the applicant's proposal meets the following criteria.

(1) The public facilities can adequately accommodate the proposed use.

Public facilities are defined in the Zoning Ordinance as sanitary sewer, water, streets and electricity. The applicant's findings indicate that streets, water, and sewer can adequately accommodate the proposed use, as the use is no more intense than the previous use pattern in the lower level. The modest increase in use of the building associated with the church use is on days that do not conflict with other activities at the Elks Lodge, so it should not be a burden on facilities or public services.

The applicant has not provided hours of operation for the church use, so there is nothing in the record to indicate that the two uses will not overlap nor are there conditions proposed to prevent the uses from overlapping at some point in time. With that said, it isn't necessary that the Commission look to prevent an overlap if it can find the public facilities to be adequate to serve the uses should they occur concurrently.

The subject property adjoins SE John Moore Road and is accessed directly from this road or via SE 1st Street, which is an intersecting local street. SE John Moore Road has been designed and constructed to serve as a minor arterial, with two 14 foot paved travel lanes, 8 foot parking/bike lanes and sidewalk. A minor arterial roadway is intended to handle large volumes of traffic from connecting residential, shopping, employment and

recreational areas.[1] Traffic associated with these uses, when considered in isolation or collectively, is consistent with what is envisioned for this type of facility. Water, sewer, and electric service have been extended to the site. They are scaled for a fraternal organization, with spaces for large group gatherings. A church use has a similar footprint in terms of how the space and services are utilized.

Given the above, it is reasonable for the Planning Commission to find that the public facilities can adequately accommodate the church use. Availability of off-street parking may necessitate the imposition of occupancy limitations; however, such parking areas are not public facilities so it would be inappropriate to address that issue under this criterion.

(2) The request complies with the requirements of the underlying zone or overlay zone.

There are no special requirements in the underlying zone that apply to this application.

Given the above, it is reasonable for the Planning Commission to find that this criterion has been satisfied.

(3) The proposed use does not have an adverse impact greater than existing uses on nearby properties; or impacts can be ameliorated through imposition of conditions of approval.

This criterion relates to the issue of whether or not the proposed use has potential "adverse impacts" greater than existing uses and whether conditions may be attached to ameliorate those "adverse impacts." Impacts are defined in the Zoning Ordinance as the effect of nuisances such as dust, smoke, noise, glare, vibration, safety, and odors on a neighborhood.

The applicant states that the proposed use does not have any adverse impact greater than the existing use on nearby properties, either by any traffic generation or by any noise, dust or loss of air quality.

Nearby uses, include a church, school, single family homes, and heavy commercial uses opposite US 20. Proposed activities will occur within an enclosed structure and are not of a nature that generates dust, smoke, noise, glare, vibration or odors at levels different then what is typical of adjoining uses.

[1] Definition of Functional Classification System, City of Newport Transportation System Plan, prepared by Parsons Brinkerhoff, dated June 1997.

The issue of safety though requires more careful evaluation, specifically as it relates to the adequacy of off-street parking. Nearby uses provide off-street parking appropriate to the use. This ensures that there is not excessive congestion and reduces the chance of traffic conflicts which can create safety hazards for vehicles, bicyclists and pedestrians.

Assessment records indicate that the Elks Lodge is 17,780 square feet in size considering both floors. Unlike many uses though, which have an off-street parking ratio that keys off of square footage, the City of Newport's parking code requires that church or fraternal organizations provide 1 off-street space for every 4 seats in the main auditorium (NMC 14.14.030(36)). There are no prior land use decisions that speak to parking for this property. The upper floor of the Elks Lodge includes a lounge, dining room, bar, and ballroom. The Newport Fire Department has set maximum occupancies for each of these areas; however, the ballroom would constitute the "main auditorium" for purposes of determining needed parking spaces. The maximum occupancy for the ballroom is 364 persons if the area is setup for chairs only. Applying the parking ratio requires that 91 off-street spaces be made available. The applicant's site plan notes that approximately 85 spaces exist in the upper lot and 22 in the lower lot, so there appears to be an adequate number of off-street spaces for the fraternal organization.

Unlike the upper floor, that has distinct usable areas, the lower floor is one large space. The Fire Department has set a maximum occupancy for this area at 435 persons if it is setup with chairs only. Applying the parking ratio requires that 109 off-street spaces be made available. The applicant's site plan shows that they have approximately 107 and given the size of the property it is not unreasonable to assume that a couple of additional spaces could be added if needed. Therefore, when considering both the upper and lower lots, the amount of off-street parking available for the church use, by itself, appears to be in line with City of Newport requirements. It is relevant to note that if both floors of the building were occupied by the Elks Lodge, then the lower floor area would be the "main auditorium" for purposes of determining required off-street parking.

With this application, occupancy of the building is split into two separate uses. The Newport Fire Department provides lower occupancy limits if auditorium spaces are setup with tables and chairs (170 for the upper floor and 203 for the lower). It is also unlikely that maximum use of both the upper and lower floors would occur at the same time. However, the information above points out that the capacity for use of the auditorium space on both floors and corresponding demand that it places on available off-street parking is great enough that it is reasonable for the Planning Commission to require the Yaquina Bay Baptist Church and the Elks Lodge define how the parking will be shared. This can be as simple as a letter describing how the hours of operation of the respective uses will not overlap,

or if they do how occupancy will be managed to ensure that there will be a sufficient number of off-street spaces available to both uses. Such an approach is consistent with the City's requirements for shared parking arrangements (NMC 14.14.080) and can be readily incorporated as a condition of approval of a final order. In fact, this approach may be the only way to ensure that the City's off-street parking standards are met in terms of available spaces.

The Newport Municipal Code describes how parking stalls and drive isles need to be sized, including the provision of handicapped spaces (NMC 14.14.050, 060 and 090). This ensures that it is safe to maneuver in and out of the parking spaces and, in the case of persons with disabilities, that individuals can reasonably and safely access the building. Striping for the lower parking area is so faded that it is very difficult to identify the locations of the drive isles and stalls. The applicant can remedy this by restriping the area and it is reasonable for the Commission to require this occur as a condition of occupancy.

The applicant indicates that they have no plans to make modifications to the structure. An occupancy permit is required though under the Oregon Structural Specialty Code and it is unclear at this time whether or not that will necessitate changes. It would be appropriate for the Commission to impose a condition of approval requiring the applicant comply with building, fire, zoning and other public health and safety regulations should renovations be needed or desired. That would ensure that the use will not have a detrimental impact on the surrounding neighborhood.

Given the above, it is reasonable for the Planning Commission to find that this criterion has been satisfied with the conditions outlined.

(4) A proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

The applicant states that no building modifications are proposed.

Given the above, it is reasonable for the Planning Commission to find that a church use of the lower floor of the Elks Lodge will be consistent with the overall development character of the neighborhood.

4. **Conclusion:** If the Planning Commission finds that the applicant has met the criteria established in the Zoning Ordinance for granting a conditional use permit, then the Commission should approve the request. The Commission can attach reasonable conditions that are necessary to carry out the purposes of the Zoning Ordinance and the Comprehensive Plan. If the Commission finds that the request

does not comply with the criteria, then the Commission should deny the application.

G. **STAFF RECOMMENDATION:** As outlined in this report, this application to authorize a church use for the lower floor of the Elks Lodge can satisfy the approval criteria for a conditional use provided conditions are imposed as outlined below. Accordingly, the Commission should approve this request, subject to the following:

1. Approval of this land use permit is based on the submitted written narrative and plans listed as Attachments to this report. No work shall occur under this permit other than that which is specified within these documents. It shall be the responsibility of the property owner to comply with these documents and the limitations of approval described herein.

2. The applicant/owner shall comply with all applicable building codes, fire codes, and other public health and safety regulations to ensure that the use will not be detrimental to the safety and health of persons in the neighborhood. The applicant is responsible for obtaining the necessary approvals and permits pertaining to the proposed use.

3. The applicant and owner shall put together a written agreement for how the off-street parking areas will be shared that satisfies the City's parking requirement that 1 off-street space for every 4 seats be made available in the lower floor meeting space, and the ballroom on the upper floor. Such an agreement can be in the form of a letter signed by both parties describing how the hours of operation of the respective uses will not overlap, or if they will overlap how occupancy will be managed to ensure that there will be a sufficient number of off-street spaces available to persons using these areas.

4. The applicant and/or owner shall stripe the lower parking lot in a manner consistent with Newport Municipal Code requirements for sizing parking stalls and drive isles (NMC 14.14.060 and 14.14.090), and with the accessibility requirements of the Oregon Structural Specialty Code to ensure adequate access for disabled persons (NMC 14.14.050). The parking lot work shall be completed prior to issuance of an occupancy permit for the church use.

Derrick I. Tokos AICP
Community Development Director
City of Newport

September 6, 2012

August 12, 2012

Director, Planning and Community Development
City of Newport
169 SW Coast Highway
Newport, OR 97365

Enclosed are a Land Use Application and supporting documents for your consideration.

The list of requirements is met in the following manner:

An aerial map of the property is furnished as the required site plan, which shows the existing building and site improvements; there are no changes in the building or site improvements being requested. The number of spaces of parking on the lower level was estimated based on the number of spaces that can be clearly observed on the upper level, but would not exceed 22 spaces as indicated. There is only access from SE 1st Street to that level, and the existing accesses from John Moore Rd and SE 1st Street for the upper level.

Two elevation photographs are provided to show the building elevations.

There is no signing plan, as no additional signing is required.

A current 18" x 24" Assessor's tax map is provided as required to provide information on all owners within 200' of the existing property and improvements.

A print out of all property owners identified on that map (10 properties total) is provided.

As the property use being applied for is a church, the proposed plan of business is regular church services on Sundays, and prayer and small group activities typically on Wednesdays, with low-intensity office matters other days, unspecified.

The findings for this application are as follows:

- The public facilities, streets, water, sewer can adequately accommodate the proposed use, as the proposed use is no more intense than the previous use pattern. The modest increase in traffic generation is on days other than the current use traffic generation, and is therefore not a burden on facilities or public services.

- The request complies with the underlying zone requirements as a conditional use as allowed for in the specified zone in the current Newport Zoning Code.

- The proposed use does not have any adverse impact greater than the existing use on nearby properties, either by any traffic generation or by any noise, dust or loss of air quality.

- There is no building modification involved in this proposed use.

The request of the property owner and the lessee is that the approval of Conditional Use as a church for the lower level of the Newport Elks Lodge Building located at 45 SE John Moore Road, Newport, Oregon, be approved, as indicated in the Land Use Application form accompanying this letter. The purpose of this Conditional Use is to allow the Assessor to approve the property tax exemption for the church as being in compliance with the Zoning requirement, as the property tax exemption for the fraternal order that owns the parcel is in a separate statute which does not extend to church use, and similarly a church use does not extend to use by a fraternal organization named in that statute.

A check in the amount of $611 has been requested and will be supplied as required by the filing instructions.

Please advise if you have any further questions.

For the property owner:

William D. Bain
C/o Newport Elks
P.O. Box 966
Newport, OR 97365
541-961-0600

a la mode, inc.

ATTACHMENT "A-1"
Aerial Photograph of Property
(serves as site plan)
File No. 2-CUP-12

ATTACHMENT "A-2"
Photographs of Property
File No. 2-CUP-12

CITY OF NEWPORT
NOTICE OF A PUBLIC HEARING[1]

NOTICE IS HEREBY GIVEN that the Planning Commission of the City of Newport, Oregon, will hold a public hearing to consider the following Conditional Use Permit request:

File No.: 2-CUP-12

Applicant and Owner: Yaquina Bay Baptist Church (Darrin Goodrick, authorized representative), PO Box 2213, Newport, OR 97365 (Newport Elks Lodge BPOE 2105 (Bill Bain, authorized representative), PO Box 966, Newport, OR 97365.

Request: Approval of a request per Chapter 14.03.50(D)(8)/"Residential Uses" of the Newport Municipal Code, for a conditional use permit in order for The Yaquina Bay Baptist Church to conduct their church operation in the lower level of the Newport Elks Lodge building, which is located in an R-1 zoning district where a church use is allowed pursuant to approval of a conditional use permit.

Location: 45 SE John Moore Rd. (Lincoln County Assessor's Map 11-11-09-BB, Tax Lot 100).

Applicable Criteria: NMC Chapter 14.34.050: (1) The public facilities can adequately accommodate the proposed use; 2) the request complies with the requirements of the underlying zone or overlay zone; 3) the proposed use does not have an adverse impact greater than existing uses on nearby properties, or impacts can be ameliorated through imposition of conditions of approval; and 4) a proposed building or building modification is consistent with the overall development character of the area with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

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

Reports/Application Material: The staff report may be reviewed or a copy purchased for reasonable cost at the Newport Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, Oregon, 97365, seven days prior to the hearing. The application materials (including the application and all documents and evidence submitted in support of the application), the applicable criteria, and other file material are available for inspection at no cost; or copies may be purchased for reasonable cost at this address.

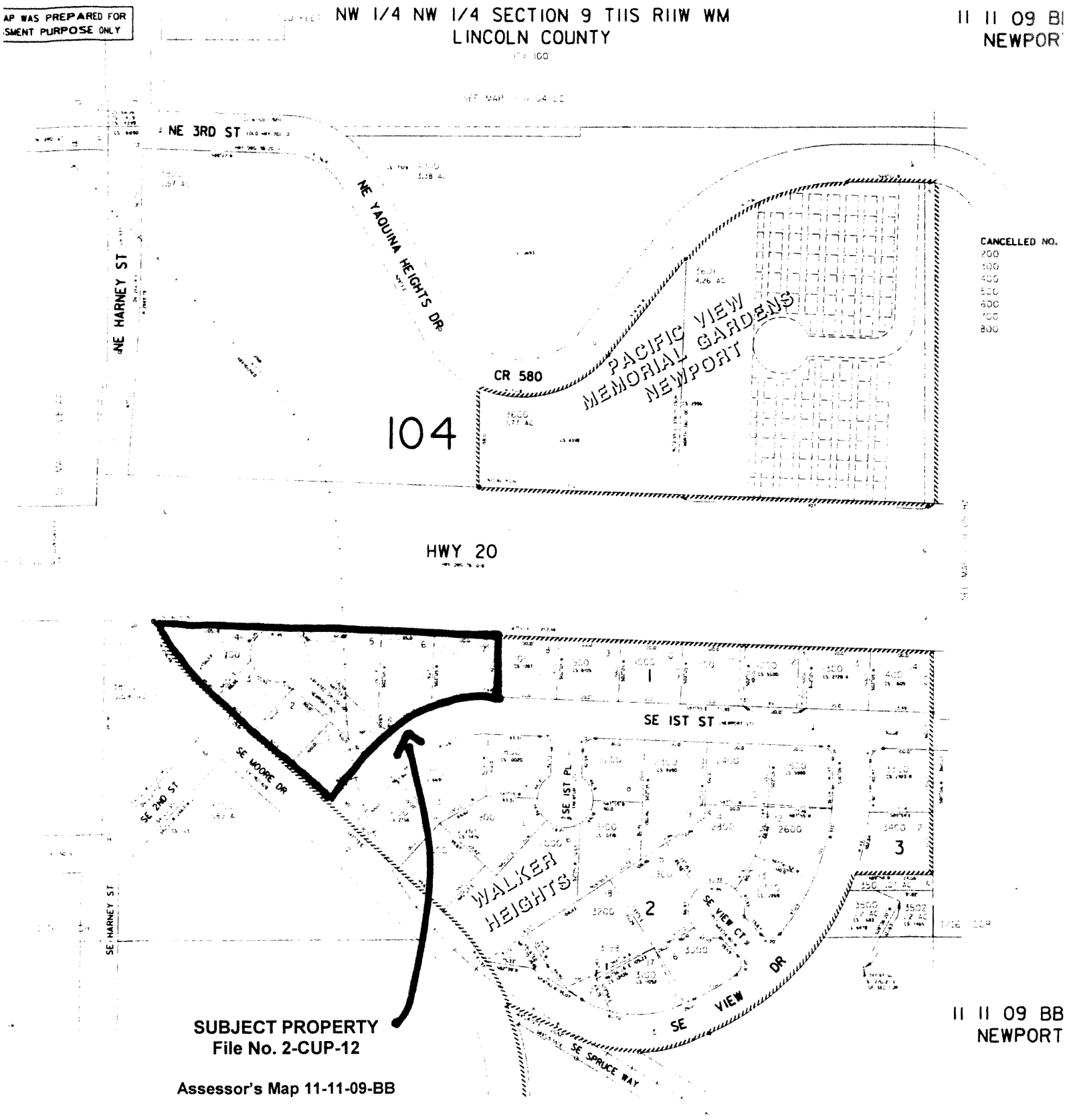
Contact: Derrick Tokos, Community Development Director, (541) 574-0626, (address above in "Reports/Application Material").

Time/Place of Hearing: Monday, September 10, 2012; 7:00 p.m.; City Hall Council Chambers (address above in "Reports/Application Material").

MAILED: August 16, 2012.

PUBLISHED: August 31, 2012/News-Times.

[1]Notice of this action is being sent to the following: (1) Affected property owners within 200 feet of the subject property (according to Lincoln County tax records); (2) affected public/private utilities/agencies within Lincoln County; and (3) affected city departments.


AP WAS PREPARED FOR
SMENT PURPOSE ONLY
NW 1/4 NW 1/4 SECTION 9 T11S R11W WM
LINCOLN COUNTY
11 11 09 BI
NEWPOR
NE 3RD ST
NE YAQUINA HEIGHTS DR
NE HARNEY ST
CR 580
PACIFIC VIEW
MEMORIAL GARDENS
NEWPORT
104
CANCELLED NO.
HWY 20
SE IST ST
SE MOORE DR
SE 2ND ST
SE IST PL
WALKER
HEIGHTS
SE VIEW CT
SE VIEW DR
SE SPRUCE WAY
SE HARNEY ST
11 11 09 BB
NEWPORT
SUBJECT PROPERTY
File No. 2-CUP-12
Assessor's Map 11-11-09-BB

Lincoln County Property Report

Account # & LEGAL DESCRIPTION	ACCOUNT DETAILS	OWNER AND ADDRESS
Account #: R396978 **Map Taxlot:** 11-11-09-BB-00100-00 Map: 11s11w09BB **Legal:** WALKER HEIGHTS, BLOCK 1, LOT 1-7, DV253-0200 **TaxCode:** 104 **Acres:**	**Neighborhood:** NWM6 **PropertyClass:** 981	**Owner:** LODGE 2105 B P O E **Address:** PO BOX 966 NEWPORT, OR 97365 **Situs:** 45 SE MOORE DR

IMPROVEMENTS

Description	Area	Yr Built	Foundation	Heat	Plumbing	BDMS	Value
...NoInventory							

VALUE AND SALES HISTORY

Value Year	Imp.	Land	Total Market	Total Assessed
2011	0	414,000	414,000	0
2010	0	413,500	413,500	0
2009	0	314,710	314,710	0
2008	0	324,410	324,410	0
2007	0	292,100	292,100	0

SaleDate	Price	Document	Type	Code
NoSales				

LAND

Description	Acres	Market Value	Special Use Value
COMMERCIAL DEV SITE	1.72	406,000	
COMMERCIAL DEV SITE		8,000	

RELATED ACCOUNTS

No Related Accounts

DISCLAIMER

This report was produced using the Lincoln County assessment information. This information is maintained by the county to support its governmental activities. The County is not responsible for errors, omissions, misuse or misinterpretation. Report created:9/4/2012 using tax data exported 10/2011-12/2011

- - General Appraisal Information - -

Property ID : R396978 (Real Estate) 11-11-09-BB-00100-00
Owners Name : LODGE 2105 B P O E
Legal Desc : WALKER HEIGHTS, BLOCK 1, LOT 1-7, DV253-0200

1. Last Apprsd: 08/20/12
2. Appraiser : MW, MW
3. Next Apprsl:
4. Next Reason:
5. Maint Area : 5-10

Number Improvements : 1
Number Land Segments: 2

Building Permits :

6. Utilities : SEW,CW,EL,GAS,TV
7. Topography :
8. Access : PVD,CB,SW
9. Other : 12YES,TENANT
10. Zone : R-1

11. Remarks : NEWPORT ELKS ;33% IS LEASED TO YAQUINA BAY BAPTIST CHURCH

Enter 'RM' for remarks or <RET> To Return:

- - Improvement Maintenance - -

Property ID: R396978 11-11-09-BB-00100-00 Imp 1 Of 1
Owners Name: LODGE 2105 B P O E Nbhd: NWM6
Living Area/Value : 17,780 / $796,110

1. Type Imp : C
2. Description : COMMERCIAL
3. Bldg Type : 400 (COMMERCIAL - MISCELL
4. Cmplx/Bldg :
5. M/S Zip Code:
6. Comment : NEWPORT ELKS; VALUE NOT ENTERED
7. Appr Method :
8. Cost Value : $796,110
9. Income Value: $0
10. Trend Adj% :

RMV Imprv: $796,110

- - Improvement Segments - -

Seg ID	Type - Description.....	Class	Area	Mthd	RMV Total
S1	MA - MAIN AREA		17780+	FR	$796,110
	Totals:		17780		$796,110

T-Trend | CM-Comment | SK-Sketch | N-NextPg | (.) More

Enter Seg ID or <RET> to Exit: __

Screen Print from AbleTerm session(OAA) 10:35 AM 09/04/201

- - Modify Sale and Deed History Screen - -

Deed/Sale ID : 28873
Property IDs : R396978

Last Change:
Nbhd: N416

Code Area: 104

1. Deed Type: WARRANTY DEED (WD)
2. Sale : Yes
3. Buyer ID : CITY OF NEWPORT
   107248 810 S W ALDER ST
   NEWPORT OR 97365
4. Seller ID : NPT OR LODGE #2105 BPO
   107247

5. Instrument No : MF206-1058
6. Deed Date :
7. Comment :
8. Consideration :
9. Assigned To :
10. Assigned Date :
11. Confirm Status:
12. Sale Type : 3
13. Include Ratio:
14. Sale Date : 06/29/89
15. Sale Price : $7,500
16. Ratio Screen :
17. Realtor :
18. Finance Code :
19. Fin Comment :
20. Interest Rate:

(R)atio Screen | (T)racking Screen | (A)dd. Names | (.) More

Enter option from above, field number to change, or <RET> to exit: __

* - - Property Data Selection Menu - -

Prop ID : R396978 (Real Estate)
Map Tax Lot: 11-11-09-BB-00100-00
Legal : WALKER HEIGHTS, BLOCK 1, LOT 1-7, DV253-0200

Owner: LODGE 2105 B P O E
(25597) PO BOX 966
NEWPORT, OR 97365

Situs : 45 SE MOORE DR

Year Built : 1971
Living Area: 17780

Name(s) :
Area : 104
Sale Info : 06/29/89 $7,500
Deed Type : WD
Instrument: MF206-1058
2011 Tax Status * No Taxes Due *
Current Levied Taxes : 0.00
Special Assessments :

2011 Roll Values			
RMV Land	$	414,000	(+)
RMV Improvements	$	0	(+)
RMV Total	$	414,000	(=)
Total Exemptions	$	414,000	
M5 Net Value	$	0	
M50 Assd Value	$	0	

---

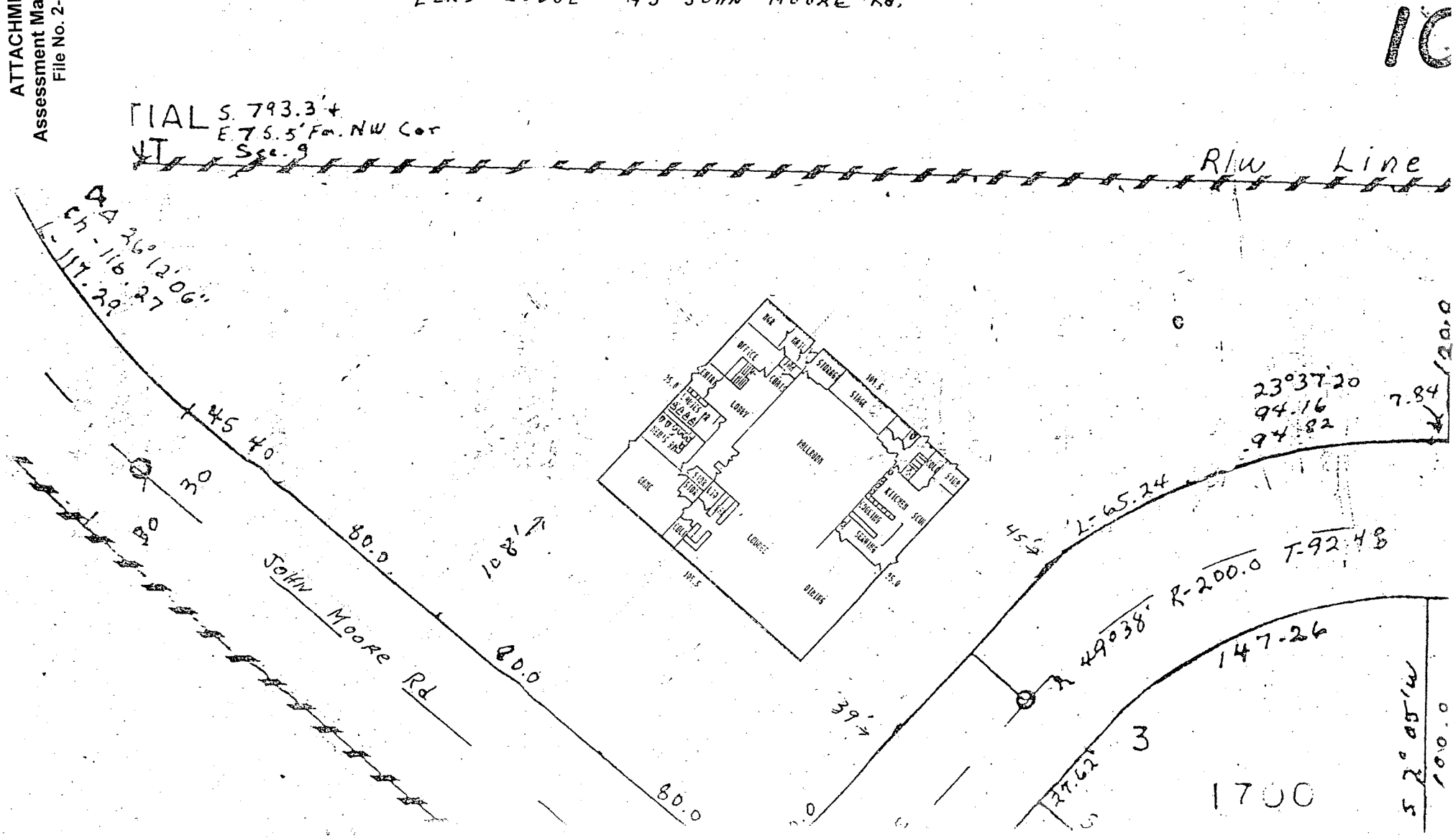
(1) Alt Disp (AD) | (2) Primary (Y) | (4) Land/Impr (L)
(5) Gen Appr (G) | (6) Ownership (O) | (.) More

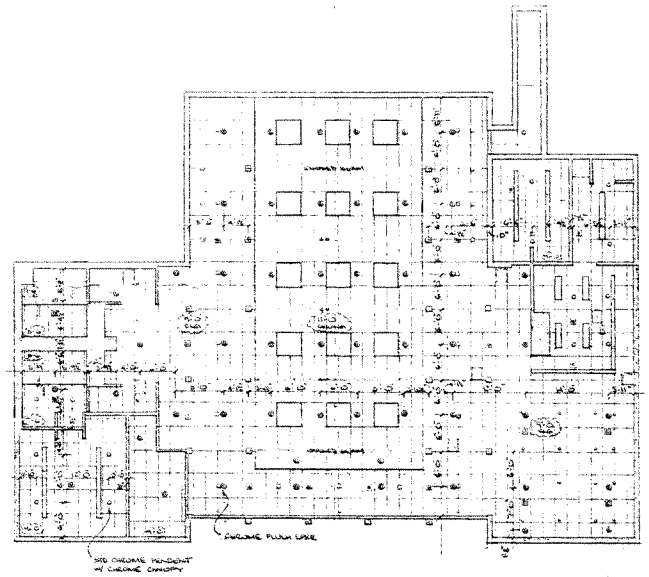
Enter Option from Above or <RET> to Exit: __

ATTACHMENT "D"
Assessment Map of Property
File No. 2-CUP-12

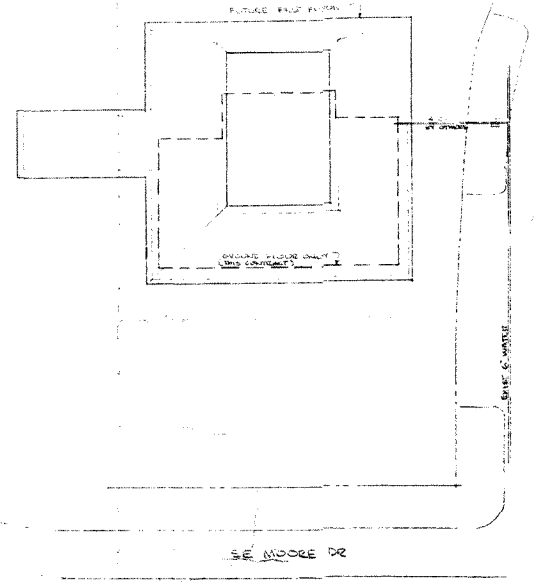
ELKS LODGE - 45 JOHN MOORE Rd.

1C





REFLECTED CEILING PLAN
1/8" = 1'0"



PLOT PLAN
1" = 20'-0"

REVISIONS	FOREMAN'S NOTES

HANGER LEGEND
"Y" HOOKS LENGTH AS DESIGNATED
3 – FIG. 116 CEILING RCL, ROD & RING
4 – FIG. 153 CEILING FLG., ROD & RING
7 – COACH SCREW, ROD & RING
8 – CONC. INSERT, ROD & RING
9 – SUPPRESSION CASE, ROD & RING
10 – EYE ROD & RING
11 – "C" CLAMP, ROD & RING
12 – "Z" ROD ANGLE CLIP, ROD & RING
13 – ANGLE IRON CLIP, ROD & RING

DEVICES –			
SPRINKLERS	TYPE	DEGREE	QTY.

STANDARD SYMBOLS	STANDARD SYMBOLS	SPRINKLER HEAD SYMBOLS
– POST INDICATOR VALVE	– ALARM CHECK VALVE	– UPRIGHT ON 16" OUTLET
– KEY VALVE	– RISER w/ALARM VALVE	– PENDENT ON 16" OUTLET
– FIRE HYDRANT	– RISER w/DRY VALVE	– UPRIGHT ON 1" STUB-UP
– FIRE DEPT. CONNECTION	– RISER w/ELEC. FLOW SWITCH	– PENDENT ON 1" DROP
– O.S. & Y GATE VALVE	– RISER w/DELUGE VALVE	– PEND. ON 1" DROP BELOW CEILING
– SWING CHECK VALVE	– WATER MOTOR BELL	– UPRIGHT AND PEND. ON DROP
– NEW UNDERGROUND	– ELECTRIC BELL	– SIDEWALL ON 16" OUTLET
– EXIST UNDERGROUND	– FLUSH FIRE DEPT. CONN.	– SIDEWALL ON 1" OUTLET

APPROVALS & INSPECTION	PHONE	CONTRACT WITH
1		
2		ADDRESS
3		CITY
4		PHONE
WATER DEPT.		ARCHITECT
ADDRESS		ADDRESS
CITY		CITY
PHONE		PHONE

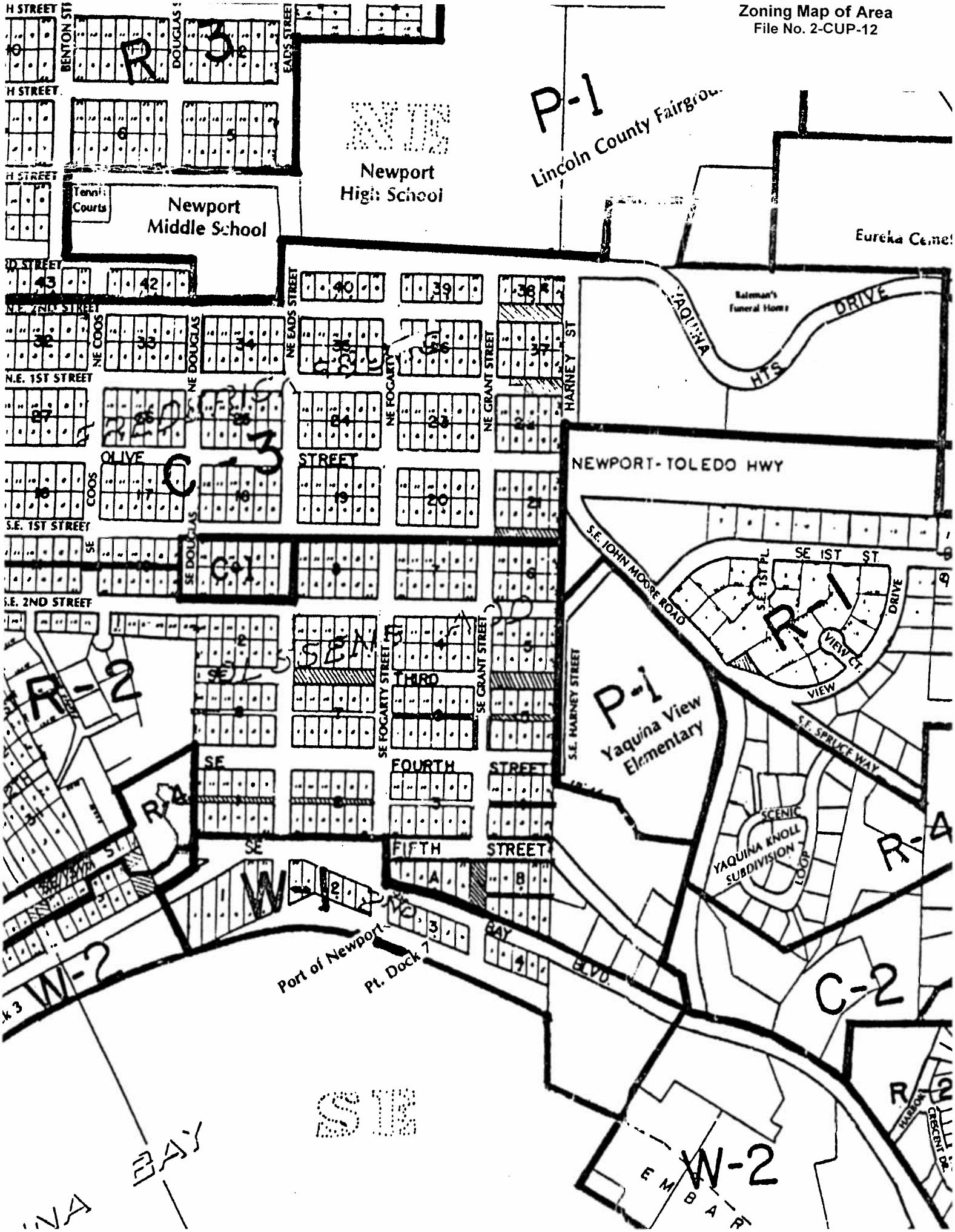
UNDERWRITERS FIRE SPRINKLER CO.
EUGENE, OREGON

PLOT PLAN & CEILING

TOTAL SPRINKLERS THIS SHEET	DATE 2-4-71
CONTRACT 71413	SCALE AS NOTED
ENGINEER JDS	SHEET 1 of 2

NEWPORT ELKS LODGE
HWY 20 x S.E. MOORE DR
NEWPORT, OREGON

ATTACHMENT "E"
Zoning Map of Area
File No. 2-CUP-12



PLANNING STAFF MEMORANDUM
FILE No. 3-CP-11

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

II. Request: A proposed rewrite of the Economy Section of the Newport Comprehensive Plan to implement the employment forecast, land needs, and buildable lands inventory contained in the document titled "Commercial and Industrial Buildable Lands Inventory and Economic Opportunity Analysis" and the resulting policies and actions outlined in the "Newport Economic Development Strategy". This is a product of over six months of work with the consulting firm of ECONorthwest and a Technical Advisory Committee (TAC) representing a broad range of economic interests and expertise within the community.

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

IV. Findings Required: The Newport Comprehensive Plan Section entitled "Administration of the Plan" (p. 287-288) requires findings that speak to the following:

A. Data, Text, Inventories or Graphics Amendment: 1) New or updated information.
B. Conclusions Amendment: 1) Change or addition to the data, text, inventories, or graphics which significantly affects a conclusion that is drawn for that information.
C. Goal and Policy Amendments: 1) A significant change in one or more conclusions; or 2) A public need for the change; or 3) A significant change in community attitudes or priorities; or 4) A demonstrated conflict with another plan goal or policy that has a higher priority; or 5) A change in a statute or statewide agency plan; and 6) All the Statewide Planning Goals.

These findings are addressed in the updated Economic section, and will be summarized in an adoption ordinance prior to action by the Newport City Council.

V. Planning Staff Memorandum Attachments:

Attachment "A"	Updated Economy Section of the Newport Comprehensive Plan
Attachment "B"	Memo titled "Newport Economic Development Strategy," by ECONorthwest, dated July 30, 2012
Attachment "C"	Final Report, Commercial and Industrial Buildable Lands Inventory and Economic Opportunity Analysis, dated July 2012
Attachment "D"	EOA Technical Advisory Committee (TAC) Roster

Attachment "E" Minutes from the June 25, 2012, TAC meeting
Attachment "F" Notice of Public Hearing

VI. Notification: Notification for the proposed amendments included notification to the Department of Land Conservation & Development (DLCD) on June 29, 2012. E-mail notice of the Planning Commission hearing was provided to members of the EOA Technical Advisory Committee. Notice was also provided to various agencies/utilities and City departments. In addition, notice of the Planning Commission hearing was published in the Newport News-Times on September 5, 2012. See Planning Staff Memorandum Attachment "D" (Notice of Public Hearing).

VII. Comments: As of September 6, 2012, no written comments have been submitted on the proposed amendments.

VIII. Discussion of Request: The consulting firm of ECONorthwest was contracted by the City of Newport to conduct a commercial and industrial buildable lands study. The project was funded by a Department of Land Conservation and Development Technical Assistance Grant and in-kind contributions from the City. A Technical Advisory Committee (TAC), representing a broad range of economic interests and expertise within the community, was formed to review and assist with the completion of the project. The purpose of the project was to (a) update the City's economic data, (b) develop a cohesive economic strategy and vision for the community, and (c) better define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures. The TAC, along with the consultant, held six meetings over a period from December 2011 to June 2012. At their last meeting on June 25, 2012, the TAC reach general consensus that the product is ready to move forward for adoption. The Planning Commission considered the amendments at a work session on August 27, 2012.

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

Derrick I. Tokos AICP
Community Development Director
City of Newport

September 6, 2012

ECONOMY

BACKGROUND

The Economic section presents the results an economic opportunities analysis for the City of Newport.[1] Consistent with statewide planning Goal 9 and OAR 660-009, the primary goals of the economic opportunities analysis are to (1) determining whether Newport has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Newport. These documents: (1) are informed by recent data, (2) consider the viewpoints of various stakeholder groups in the community, (3) express an economic development vision for Newport, and (4) clearly articulate the city's role in implementing the strategy.

Purpose

The purpose of the Economy section of the Newport Comprehensive Plan is to meet the requirements of Statewide Planning Goal 9 and its Administrative Rule (OAR 660-009). State policy requires the Economy section to identify economic opportunities for Newport. The goals of the Economy section are to:

(1) Inventory industrial and other employment land,
(2) Identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand Newport,
(3) Describe the City's strategy for economic development, and
(4) Provide guidance for making decisions about use of employment lands.

This section evaluates the existing employment land supply within the Newport Urban Growth Boundary to determine if it is adequate to meet present and future employment needs.

Framework for economic development planning in Oregon

The Economic section is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in January 2007.2 The analysis in this Element is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major

[1] *Newport Economic Opportunities Analysis*, prepared by ECONorthwest, July 2012

2 The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at http://www.oregon.gov/LCD/econdev.shtml.

categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

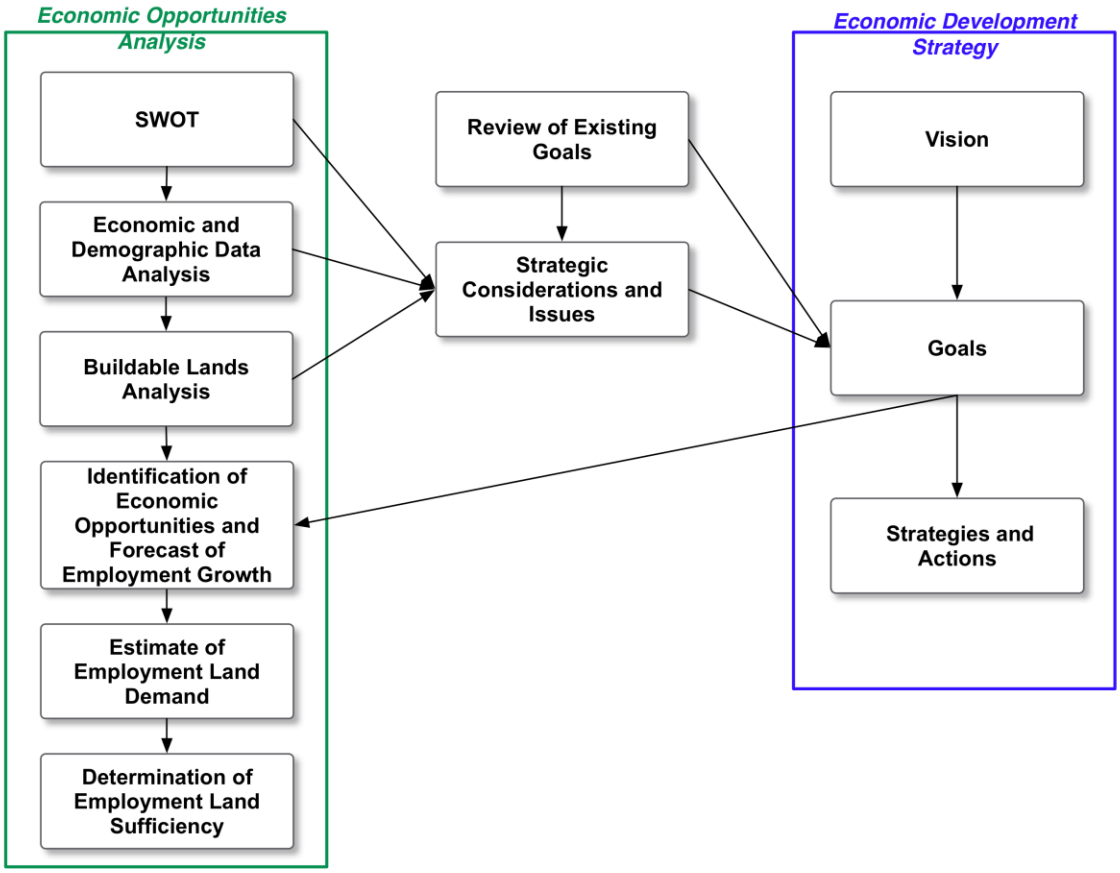
3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025.* Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

This Element presents an Economic Opportunities Analysis and the economic development strategy and action plan for Newport. Figure 1 shows the relationship between the EOA and the economic development strategy for Newport. The purpose of each product is:

- **Economic Opportunities Analysis.** The EOA is intended to determine whether Newport has enough employment land. The EOA requires inventorying existing employment lands and identifying economic opportunities, an analysis that is guided by Goal 9.
- **Economic Development Strategy and Action Plan.** This document articulates a community economic development vision and includes specific actions for how to achieve that vision. The economic development vision and goals are intended to: (1) provide direction about economic development policy for the City, especially policy relating to land use and (2) coordinate economic development

efforts among the organizations in Newport that work on economic development issues.

Figure 1. Newport process for economic development analysis



Source: ECONorthwest

Organization of the Economic section

The remainder of this section is organized as follows:

- **Land Available for Industrial and Other Employment Uses** presents a regional inventory of industrial and other employment lands.
- **Land Demand and Site Needs in Newport** presents the employment forecast for Newport and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Newport.
- **Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.
- **Economic Vision, Goals, Policies, and Actions** presents a high-level summary of Newport's economic development strategy.

LAND AVAILABLE FOR INDUSTRIAL AND OTHER EMPLOYMENT USES

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Newport UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This section presents the *residential* buildable lands inventory for the City of Newport. The results are based on analysis of Geographic Information System data provided by City of Newport staff and Lincoln County Tax Assessment data. The analysis also used aerial orthophotographs for verification. This section includes tabular summaries and narrative descriptions. The results also include several series of maps that are available from the City's Community Development Department. The methods used to conduct the inventory are summarized in the full Economic Opportunities Analysis Report.

Land base

Table 1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

Table 1. Acres in Newport UGB and City Limit, 2012

Area	Tax Lots	Total Acres	Acres in Tax Lots
City Limits	7,066	7,151	8,060
Urban Growth Area	602	1,028	3,808
Total	**7,668**	**8,179**	**11,868**

Source: City of Newport GIS data; analysis by ECONorthwest
Note: Table includes all areas within the UGB, including non-residential areas
Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 1 summarizes all land in the Newport UGB. The next step was to identify the employment land base (e.g., lands with plan designations that allow employment). The land base includes traditional employment designations—Commercial, Industrial, and Shoreland)—as well as public lands (including the Newport Airport which is presented as a separate category). Most lands in the Public plan designation are considered committed, however, a review of lands designated Public with City Staff identified some lands with development capacity.

Table 2 shows that about 3,437 acres within the Newport UGB is included in the employment land base (including lands in Airport and Public designations). Thus, about 42% of land within the Newport UGB is included in the employment land base. The land

base includes all land in tax lots that have any portion that is in an employment or public plan designation.

Table 2. Lands designated for employment uses, Newport UGB, 2012

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Employment Land	
Tax Lots in Employment Designations (Comm/Ind/Shoreland)	1,919
Acres in Land Base in Employment Designations	1,570
Newport Airport Land	
Tax Lots in Airport	3
Acres in Airport	541
Newport Public Land	
Tax Lots in Public	207
Acres in Public	1,326

Source: City of Newport GIS data; analysis by ECONorthwest

The third step in the inventory was to classify lands into mutually-exclusive categories that relate to their development status. The categories include:

- Vacant land
- Partially vacant land
- Undevelopable land
- Developed land
- Public land
- Semi-public land
- Destination resort land

See Economic Opportunities Analysis Report for detailed definitions of these categories, which were used to perform a preliminary classification. The next step was to show the results in map form overlaid on a 2009 aerial photo to validate the classifications. After validating the classifications, City staff reviewed and commented on the draft maps.

Table 3 shows all employment land in the Newport UGB by classification and plan designation. The results show that of the 3,437 acres in the UGB, about 2,509 acres are in classifications with no development capacity, and the remaining 928 acres have development capacity.

Analysis by plan designation shows that about 11% (404 acres) of the employment land in the Newport UGB is designated Commercial, 17% (573 acres) is designated

Industrial, and 29% (594 acres) are in Shoreland. A total of 1,867 acres (nearly 50%) are in Public plan designations (note that the Airport is in the Public plan designation). The majority of land in the Public plan designation is committed, but a few sites owned by the city and port were considered available for development during the planning period. These lands are both in the Public plan designation and public ownership. These lands were classified as Vacant (approximately 206 acres).

Table 3. Employment acres by classification and plan designation, Newport UGB, 2012

	Plan Designation											
	Commercial		Industrial		Shoreland		Airport		Public		Total	
Classification	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
Developed	907	263	102	82	549	62	2	537	44	250	1,604	1,194
Semi-Public	21	9	5	12	4	61	0	0	12	4	42	87
Public	47	12	1	0	37	317	1	4	116	859	202	1,192
Unbuildable	32	7	1	0	12	22	0	0	15	7	60	37
Vacant	107	55	71	441	6	1	0	0	20	206	204	703
Partially Vacant	4	7	7	38	4	130	0	0	0	0	15	174
Destination Resort	2	51	0	0	0	0	0	0	0	0	2	51
Total	**1,120**	**404**	**187**	**573**	**612**	**594**	**3**	**541**	**207**	**1,326**	**2,129**	**3,437**
Total	**53%**	**12%**	**9%**	**17%**	**29%**	**17%**	**0%**	**16%**	**10%**	**39%**	**100%**	**100%**

Source: City of Newport data; analysis by ECONorthwest
Note: Areas in shown as Airport are in the Public plan designation. They are shown separately here because of economic activities at the airport.

Table 4 shows employment acres by classification and constraint status for the Newport UGB in 2012. Analysis by constraint status (the table columns) shows that about 1,674 acres are classified as built or committed (e.g., unavailable for development), 1,355 acres were classified as constrained, and 408 were classified as vacant and suitable for employment uses.

Table 4. Employment acres by classification, Newport UGB, 2012

			Land not suitable for new Employment		Land suitable for Employment
Classification	**Tax Lots**	**Total Ac**	**Developed Ac**	**Constrained Ac**	**Suitable Ac**
Land with no development capacity					
Developed	1,604	1,194	814	381	0
Semi-Public	42	87	74	12	0
Public	202	1,192	679	513	0
Unbuildable	60	37	26	11	0
Subtotal	**1,908**	**2,509**	**1,592**	**917**	**0**
Land with development capacity					
Vacant	204	703	0	372	331
Partially Vacant	15	174	81	40	53
Destination Resort	2	51	0	27	24
Subtotal	**221**	**928**	**81**	**439**	**408**
Total	**2,129**	**3,437**	**1,674**	**1,355**	**408**

Source: City of Newport data; analysis by ECONorthwest

Vacant buildable land

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with physical constraints (in this instance areas with shoreline buffers, wetlands, geologic buffers, or floodways), or (3) lands that are already committed to a use (public/quasi-public or private open space).

Table 5 shows land with development capacity (e.g., lands classified as vacant, partially vacation, or destination resort) by constraint status. The data show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that are unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

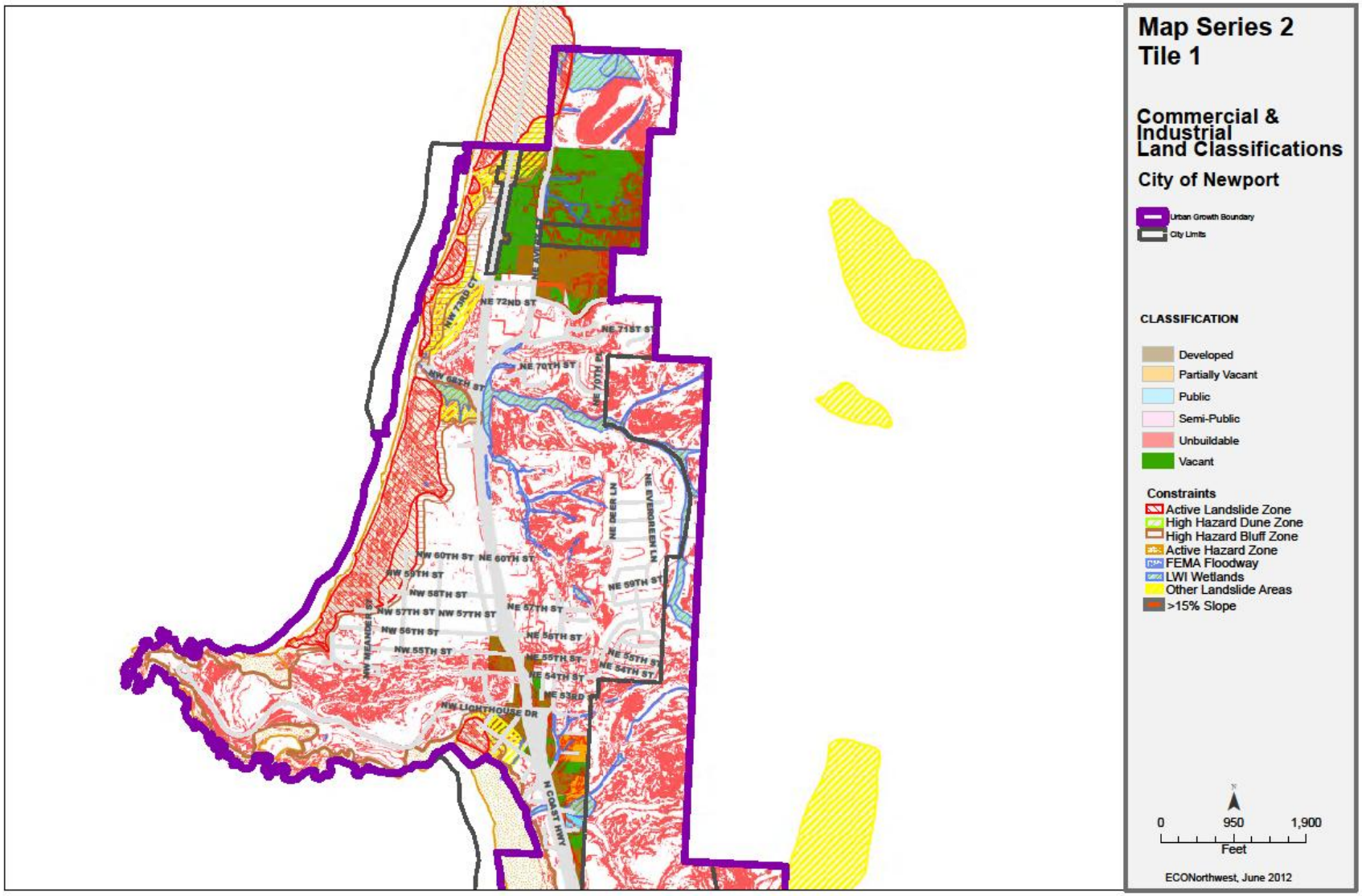
Table 5. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
Commercial					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
Subtotal	**113**	**113**	**2**	**49**	**62**
Industrial					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
Subtotal	**78**	**479**	**9**	**270**	**199**
Shoreland					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
Subtotal	**10**	**131**	**71**	**18**	**42**
Public					
Vacant	20	206	0	102	104
Subtotal	**20**	**206**	**0**	**102**	**104**
TOTAL	**221**	**928**	**81**	**439**	**408**

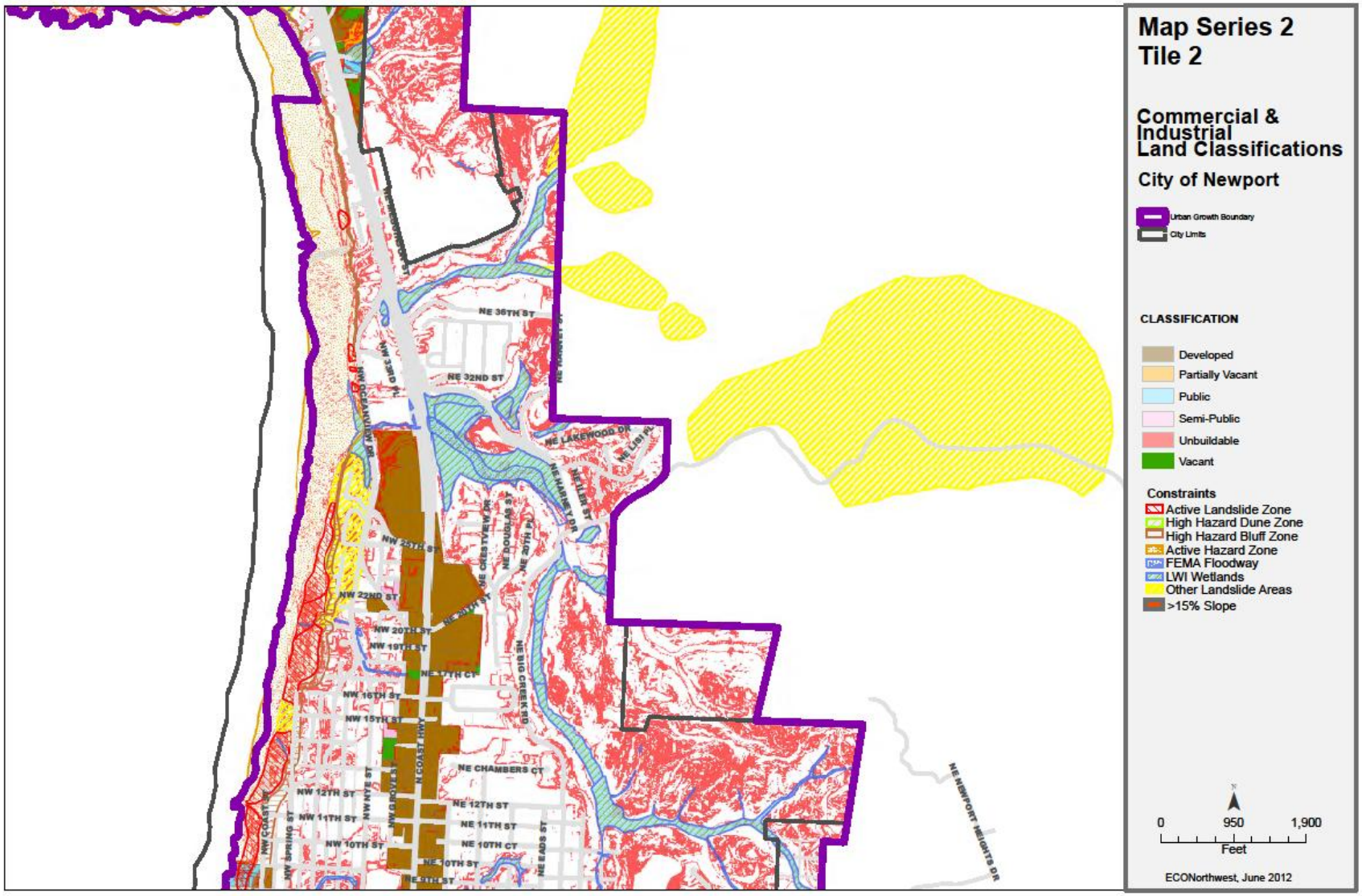
Source: City of Newport GIS data; analysis by ECONorthwest

Maps 1 through 6 show commercial and industrial land in Newport by development status with development constraints. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

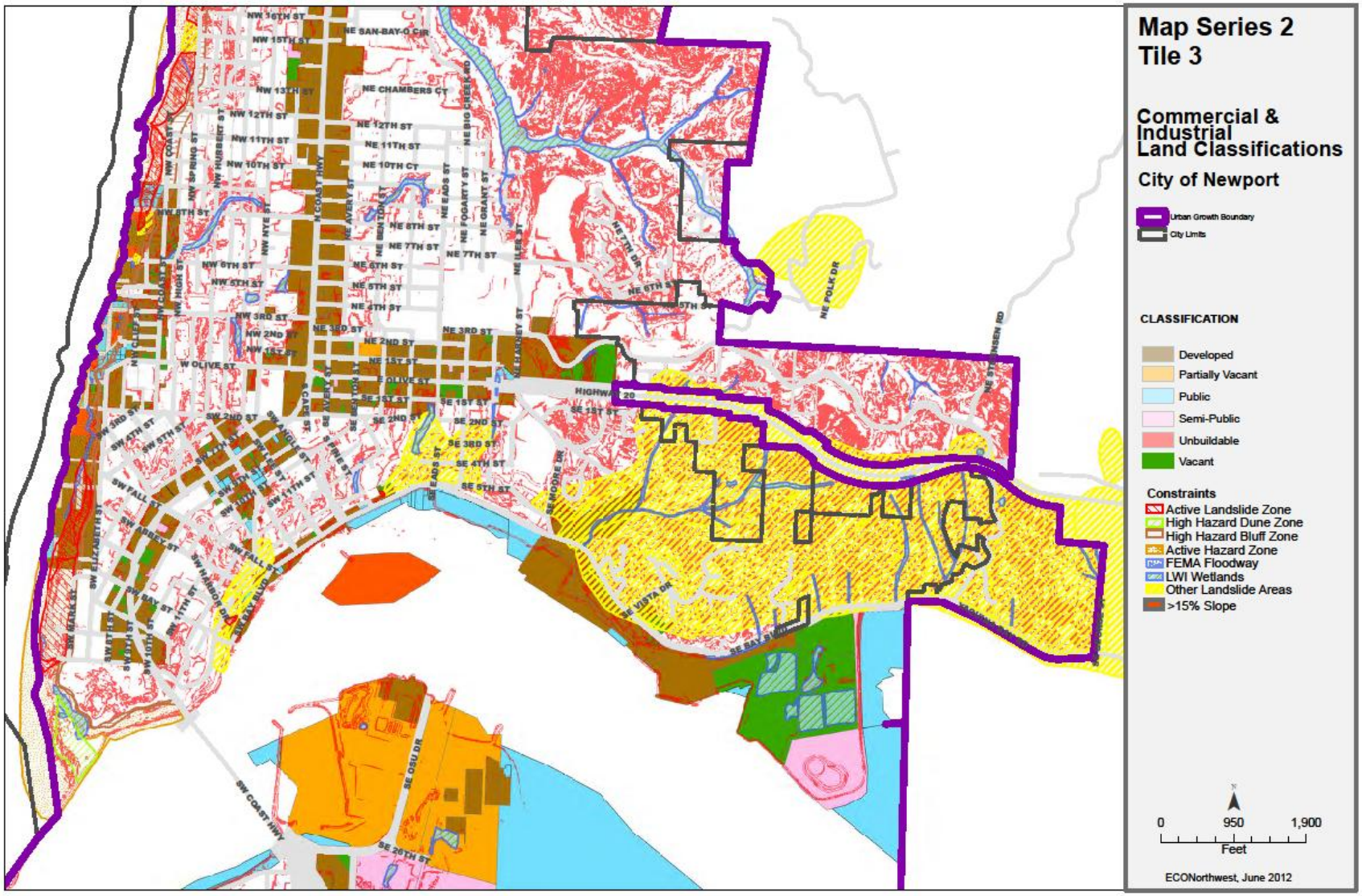
Map 1. Employment land by classification with development constraints, Tile 1, Newport UGB, 2012



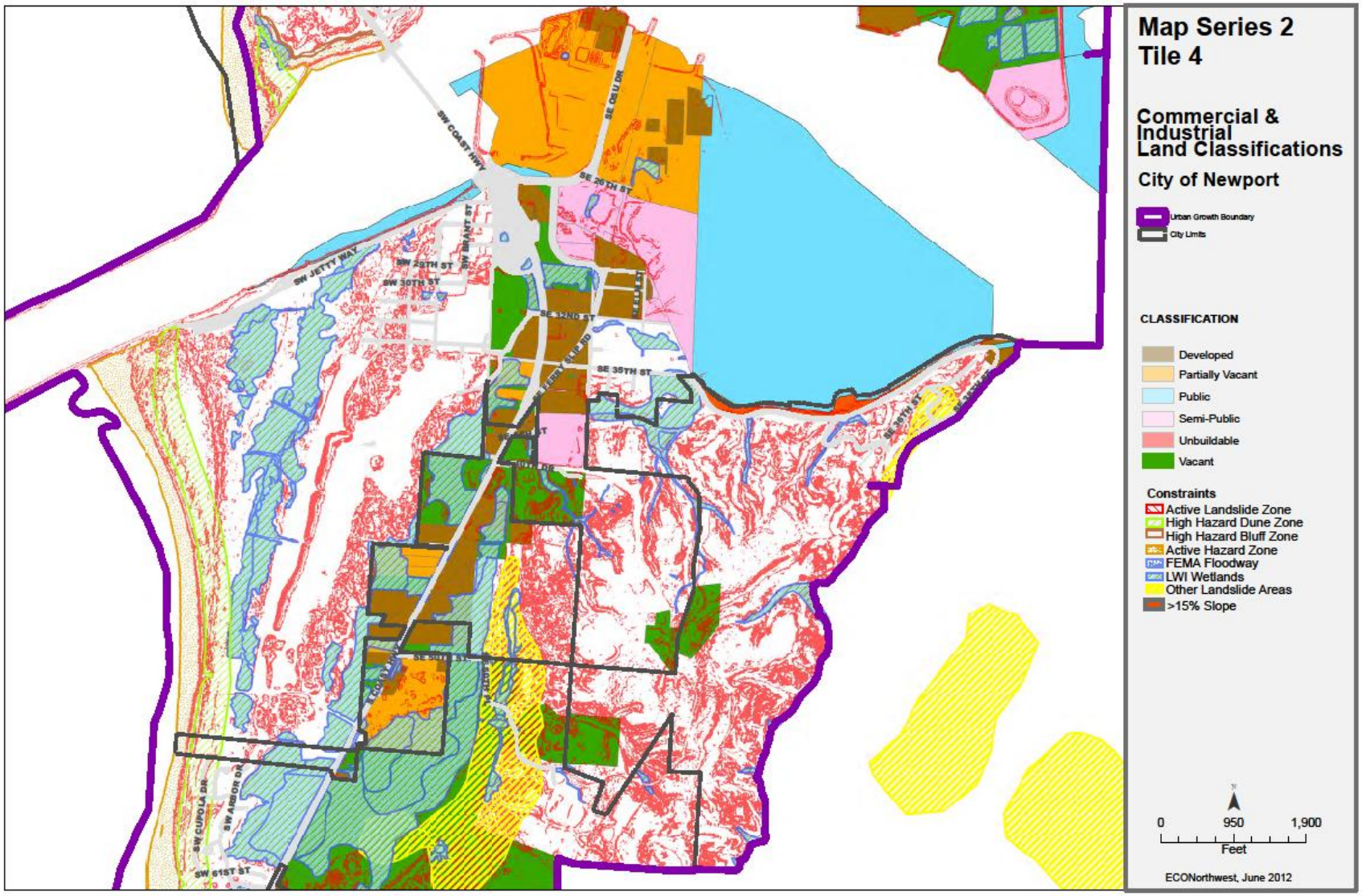
Map 2. Employment land by classification with development constraints, Tile 2, Newport UGB, 2012



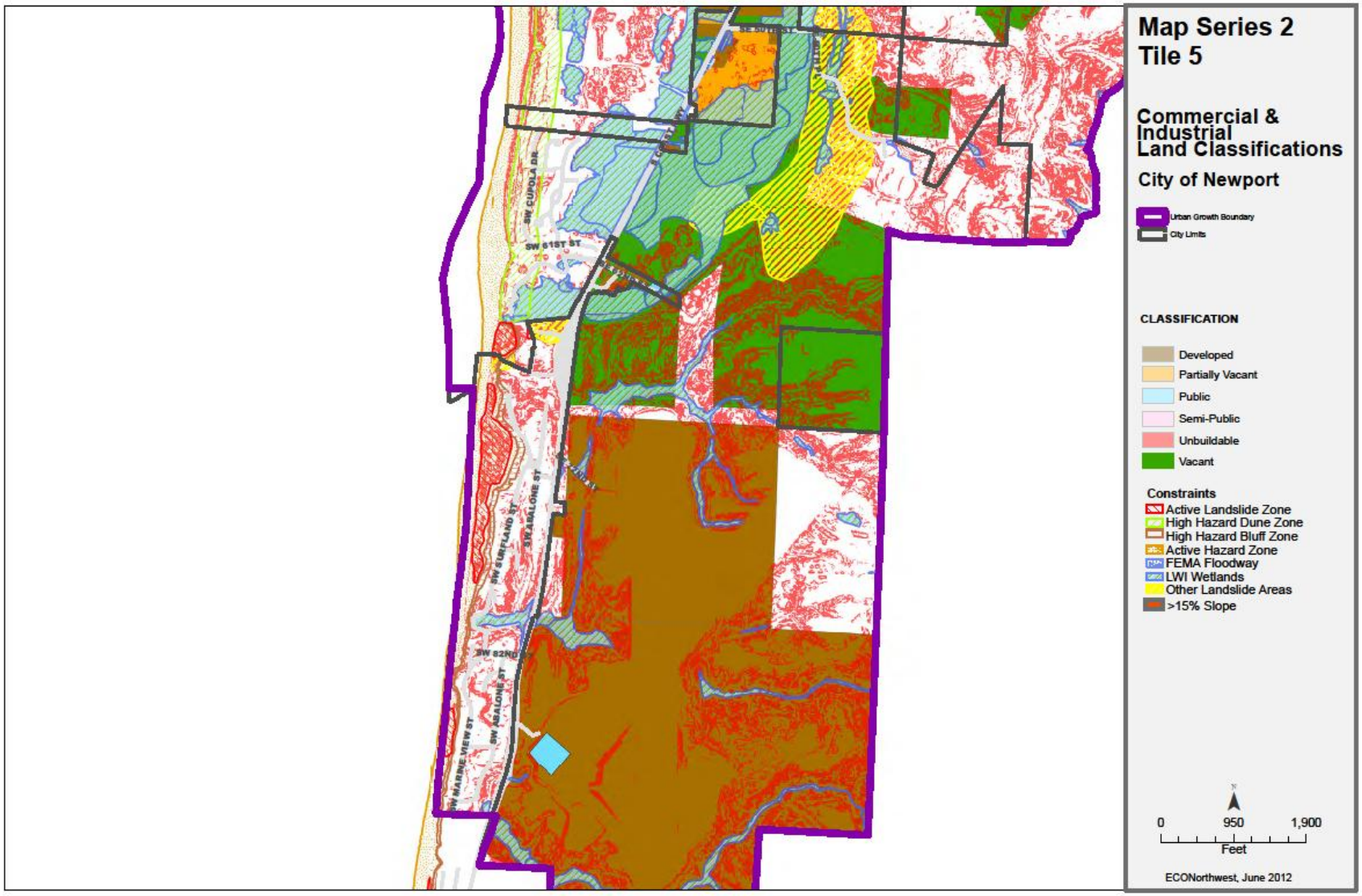
Map 3. Employment land by classification with development constraints, Tile 3, Newport UGB, 2012



Map 4. Employment land by classification with development constraints, Tile 4, Newport UGB, 2012



Map 5. Employment land by classification with development constraints, Tile 5, Newport UGB, 2012



Map 6. Employment land by classification with development constraints, Tile 6, Newport UGB, 2012

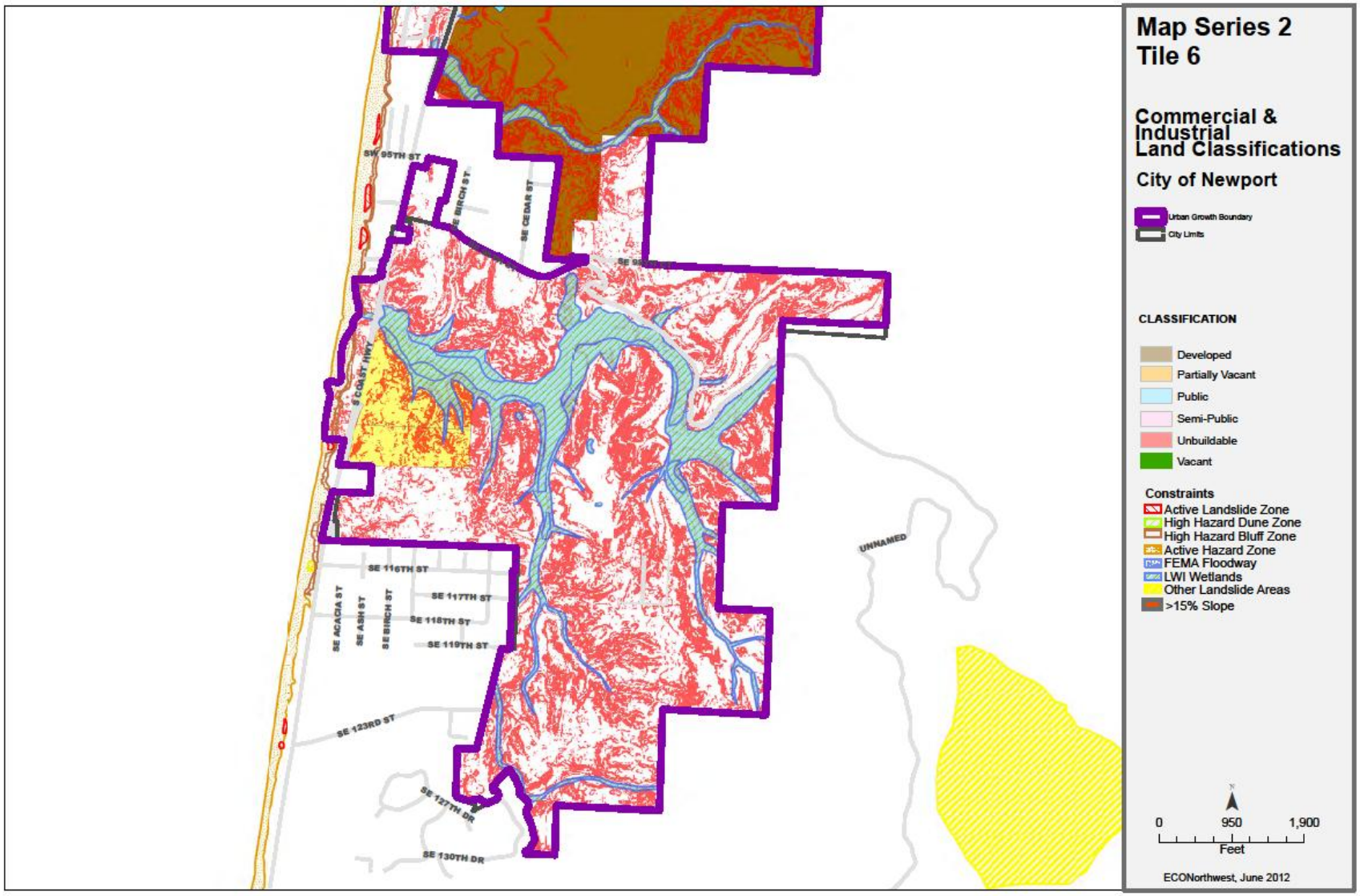


Table 6 shows the size of lots by plan designations for suitable employment land. Newport has nearly 195 lots that are smaller than 2 acres (with 106 acres of land). Newport has 16 lots between 2 and 10 acres (80 acres of land), four lots between 10 and 20 acres in size (51 acres of land), and six lots 20 acres and larger (171 acres of land).

Table 6. Lot size by plan designation, suitable acres, Newport UGB, 2012

	Suitable Acres in Tax Lot								
Plan Designation	**<0.25**	**>=0.25 and <0.50**	**>=0.50 and <1.00**	**>=1.00 and <2.00**	**>=2.00 and <5.00**	**>=5.00 and <10.00**	**>=10.00 and <20.00**	**>=20.00 and <50.00**	**Total**
Acres									
Commercial	7	4	5	2	3	16	24	0	62
Industrial	13	3	17	9	19	34	12	94	199
Public	1	2	1	0	8	0	15	78	104
Shoreland	42	0	1	0	0	0	0	0	42
Subtotal	**62**	**9**	**23**	**12**	**30**	**50**	**51**	**171**	**408**
Tax Lots									
Commercial	88	11	7	2	1	2	2	0	112
Industrial	27	9	21	7	5	5	1	3	78
Public	9	3	1	0	3	0	1	3	20
Shoreland	9	0	1	0	0	0	0	0	10
Subtotal	**133**	**23**	**30**	**9**	**9**	**7**	**4**	**6**	**220**

Source: City of Newport GIS data; analysis by ECONorthwest

The data in Table 6 suggest that Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

Redevelopment potential

Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. Different studies have used different improvement to land value ratio thresholds to identify redevelopment potential.

One of the key issues in preparing an accurate inventory of employment lands in Newport is how to identify and inventory under-utilized or redevelopable lands. This study does not make a distinction between under-utilized and redevelopable sites. The inventory consistently uses the term "redevelopable" since it is consistent with the terminology of the statewide land use program.[3] For the purpose of this study,

3 In this instance, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose

however, the definition of “redevelopable” land is considered synonymous with “under-utilized” properties.

In the context of the Newport commercial and industrial buildable lands inventory, redevelopment potential addresses land that was initially classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used in some studies is an improvement to land value ratio of 1:1. Not all, or even a majority of parcels that meet this criterion for redevelopment potential will be assumed to redevelop during the planning period.

The factors that affect redevelopability are many, but the economics are pretty straightforward. Redevelopment occurs when achievable rents exceed the current return on investment of the land and improvements. The reality, of course, is much more complicated. One way to think about the market for land is “highest and best use” which is a function of:

1. Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
2. Entitlements – What do local regulations allow to be built?
3. Development Cost – What is the cost to build the range of product types allowed (entitled) at that location?
4. Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

Conversations with commercial realtors and developers confirm the conclusion that it is difficult to develop reliable models of redevelopment potential. The factors are complicated and are location and time specific. Moreover, public policy can play a significant role in facilitating redevelopment.

One approach to estimating redevelopment would be using supply side approaches using GIS datasets. The problem with supply side approaches is that the base data available to conduct empirical analyses is quite coarse and as a result, the analyses are limited and the results have varying levels of inaccuracy. The improvement to land value approach has some problems; for example, it does not make distinctions for land intensive employment uses that require minimal built structure investments. Despite this limitation, it has utility in identifying districts that may be worth focusing resources on.

More robust approaches can consider employment densities, floor area ratios, and other factors. Often, however, the quality of the data is a limiting factor and the cost of generating new or cleaning existing data sets is prohibitive. For this study, we attempted to use employment density combined with improvement to land value ratios. Our assessment was the results were unreliable and unsuitable as a valid indicator of redevelopment potential.

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of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

Thus, this study uses a demand-based approach to estimating how much land will be redeveloped over the 20-year planning period. The study makes demand-side deductions from total employment growth to account for new employment that will not need any new land. This approach, however, will not meet key city objectives in developing economic development strategies.

One foundational element of the city's strategy is to identify districts that are "ripe" for redevelopment and then to focus efforts on those districts. To identify potential districts, we analyzed the improvement to land value ratio of all commercial properties within the UGB. That analysis was followed by field assessment and discussions with city staff and other experts.

Table 7 shows improvement to land ratios for developed land in Newport. About one-quarter of Newport's developed sites (319 acres of land) have an improvement to land value ratio of less than 0.25, suggesting that these sites have high redevelopment potential. Another 8% of Newport's developed land has an improvement to land ratio of between 0.25 and 1.0 and 11% of Newport's land has a ratio of between 1.0 and 2.0, suggesting redevelopment potential. Higher improvement to land value ratios suggest decreasing probability of redevelopment potential.

Table 7. Improvement to land value ratio, land classified as "developed," Newport UGB, 2012

	Improvement to Land Value Ratio								
Plan Designation	**>0.00 - <0.25**	**>=0.25 - 0.50**	**>=0.50 - <0.75**	**>=0.75 - <1.00**	**>=1.00 and <2.00**	**>=2.00 - <3.00**	**>=3.00**	**No Data**	**Total**
Acres									
Airport	167	-	-	-	-	-	-	370	537
Commercial	15	20	35	19	82	20	28	42	263
Industrial	5	11	11	6	14	9	14	11	82
Public	131	2	-	0	1	2	71	43	250
Shoreland	1	3	1	1	48	1	42	95	192
Total									
Acres	**319**	**36**	**47**	**27**	**147**	**33**	**155**	**561**	**1,324**
Percent of Acres	**24%**	**3%**	**4%**	**2%**	**11%**	**2%**	**12%**	**42%**	**100%**
Tax Lots									
Airport	1	-	-	-	-	-	-	1	2
Commercial	54	74	100	87	188	51	71	282	907
Industrial	6	17	11	11	16	10	7	24	102
Public	6	4	-	5	5	5	15	4	44
Shoreland	5	11	7	9	21	3	17	480	553
Total									
Tax Lots	**72**	**106**	**118**	**112**	**230**	**69**	**110**	**791**	**1,608**
Percent of Acres	**4%**	**7%**	**7%**	**7%**	**14%**	**4%**	**7%**	**49%**	**100%**

Source: City of Newport GIS data; analysis by ECONorthwest

Of particular interest for the purpose of this study is low-improvement value commercial land. The improvement to land value ratio analysis in Table 8 shows 89 acres of commercial land with an improvement to land value ratio of less than 1.0:1.0; 35 of those acres have an improvement to land value ratio of less than 0.5:1.0. Rows with darker shading have more redevelopment potential.

Table 8: Developed commercial land by improvement-to-land value ratio, Newport UGB, 2012

Improvement to Land Value Ratio	Tax Lots		Acres	
	Number	Percent	Number	Percent
>0.00 - <0.25	54	6%	15	6%
>=0.25 - 0.50	74	8%	20	8%
>=0.50 - <0.75	100	11%	35	13%
>=0.75 - <1.00	87	10%	19	7%
>=1.00 and <2.00	188	21%	82	31%
>=2.00 - <3.00	51	6%	20	8%
>=3.00	71	8%	28	11%
No Data	282	31%	42	16%
Total	**907**	**100%**	**263**	**100%**

Source: City of Newport GIS data; analysis by ECONorthwest

Map 7 shows the location of potential commercial redevelopment districts, based on direction from the Technical Advisory Committee and city staff to focus commercial redevelopment strategies on the Highway 101 and Highway 20 corridors north of Yaquina Bay.

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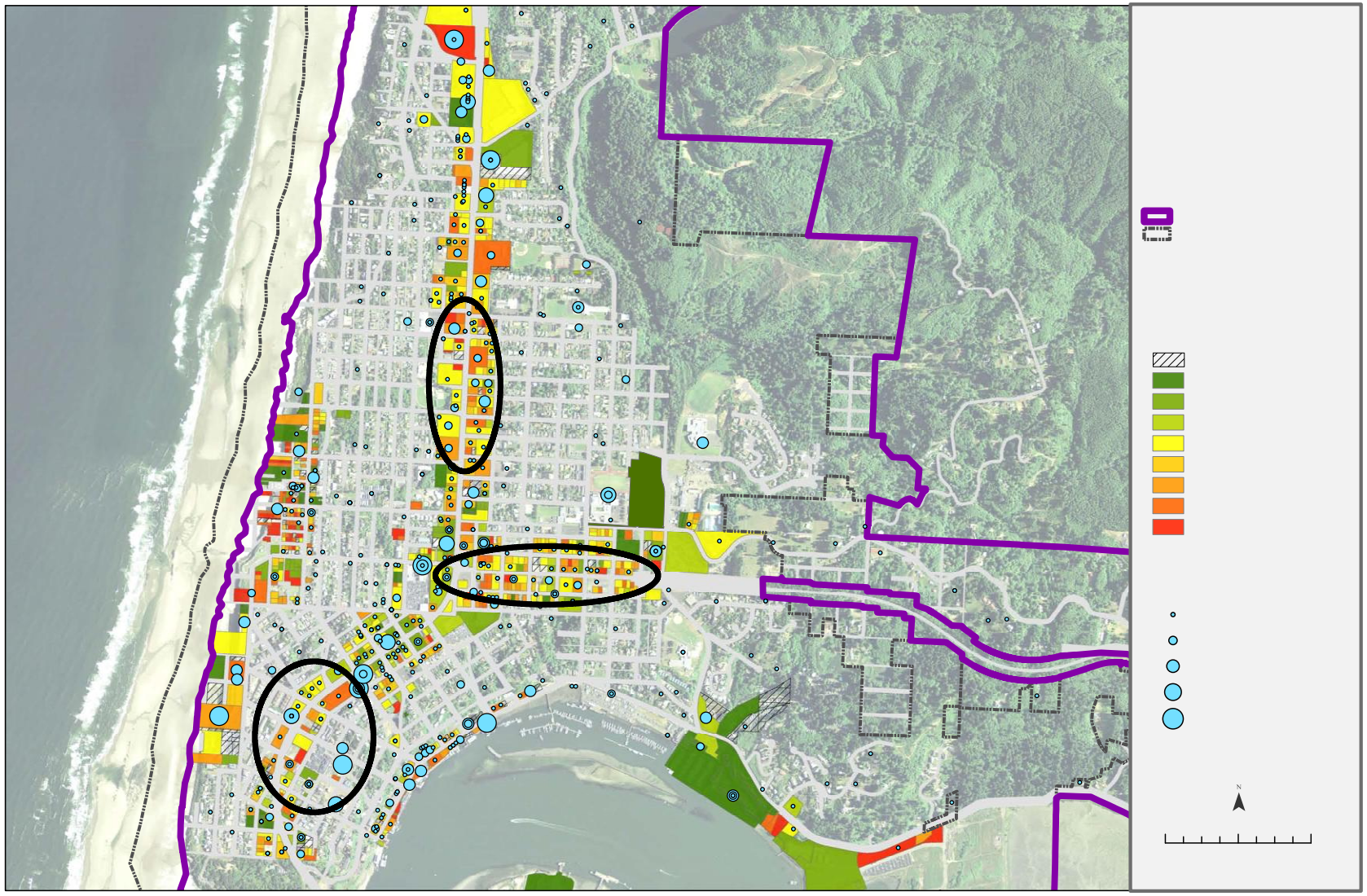
Map 7. Potential commercial redevelopment districts



Source: City of Newport GIS data; analysis by ECONorthwest

EMPLOYMENT LAND DEMAND IN NEWPORT

OAR 660-009 requires cities to maintain a 20-year inventory of sites designated for employment. To provide for at least a 20-year supply of commercial and industrial sites consistent with local community development objectives, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by development in the target industry clusters, the expansion and relocation of existing businesses, and new businesses locating in Newport. The level of this business expansion activity can be measured by employment growth in Newport.

This section summarizes key findings from in the Economic Opportunities Analysis report from: (1) Appendix A: National, State, County, and Local Economic Trends, (2) Appendix B: Factors Affecting Future Economic Growth in Newport, and (3) Appendix C: Employment Forecast and Site Needs for Industrial and other Employment Uses. This section focuses on the issues related to growth of industries with the most potential growth industries for Newport.

Newport's competitive and comparative advantages

Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions. Economic conditions in Newport relative to these conditions in other coastal communities form Newport's competitive and comparative advantages for economic development. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport's primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal communities and a regional center for retail trade, services, and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport),

rail (in Toledo via the Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or access to markets in the Willamette Valley.

- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
    - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
    - **Marine industries.** Newport has a wide-ranging of existing marine industries: the NOAA fleet, research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of a marine research and ocean observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.
    - **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport, NOAA, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, energy production, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.
    - **Existing marine infrastructure.** Newport's existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.
- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in $116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately $2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

Newport's tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport's tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport's households, residents of nearby communities, and visitors provide a market for goods and services. Newport's role as a regional center for retail and services is a competitive advantage for attracting retail and other services.
- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of available workers.

  Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.
- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

Potential growth industries

An analysis of growth industries in Newport should address two main questions: (1) Which industries are most likely to be attracted to Newport? and (2) Which industries best meet Newport's vision for economic development? The types of industries that Newport wants to attract have the following attributes: high-wage, stable jobs with benefits; jobs requiring skilled and unskilled labor; employers in a range of industries that will contribute to a diverse economy; and industries that are compatible with Newport's community values. The industries presented in the following section are consistent with the City's vision and goals for economic development, presented at the end of the Housing section.

The industries that fit with the Community's aspirations for growth, Newport's economic conditions, regional and national growth potential, and that fit with Newport's comparative advantages are:

- **Marine and ocean observing research and education.** Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)'s Pacific Marine Operations Center.

  Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document "Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework." This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

  The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor "cabled" observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

  Key economic development opportunities in the ocean-observing industry cluster include:

  - *Operations and maintenance of marine research vessels.* With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.

- *Development of facilities to support marine research operations and maintenance.* These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- *Development of facilities and programs to support marine education.* These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- *Instrument design, manufacturing, deployment, sales, and service.* With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- *Expanded marine research.* As federal and state investments in marine research and education increase, so will Newport's role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.

- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and Port infrastructure required repairs. The Port in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

  At completion of renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The Port is considering export opportunities for the International Terminal, such as exporting logs, which would result in about four to six ships carrying cargo from Newport per year. Over the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

  Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

- **Fishing and seafood processing.** Newport is one of Oregon's largest commercial fishing port, accounting for about one-third of the State's commercial

fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of $32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about $123 million, accounting for about 30% of statewide economic contribution from fishing.4

- **Tourism.** Tourism plays an important role in Newport's economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport's tourism cluster include:
    - Destinations such as the Oregon Coast Aquarium
    - Recreational amenities, such as sightseeing tours or fishing charters
    - Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
    - A wide range of restaurants, including fine dining
    - Arts and cultural opportunities, such as art dealers, museums, or performance arts

4 The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

Employment and employment forecasts

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. The Economic Opportunities Analysis report presents the forecast for employment growth in Newport in detail. This section summarizes the results of the forecast for employment growth and land needs

Table 9 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032. Table 9 shows Newport's employment base in 2012, with about 10,060 *total* employees,5 and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

Table 9 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport's employment:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land, such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.
- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 70% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport's growing population.

5 The forecast of employment in Newport is based on an estimate of *covered* employment in 2010. Covered employment does not include all workers in an economy, most notably excluding sole proprietors. Appendix C in the Economic Opportunities Analysis report describes the approach to converting from covered employment to total employment.

Table 9. Forecast of employment growth in by building type, Newport UGB, 2012–2032

	2012		2032		
Land Use Type	Employment	% of Total	Employment	% of Total	Change 2012 to 2033
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
Total	**10,060**	**100%**	**12,276**	**100%**	**2,216**

Source: ECONorthwest
Note: Green shading denotes an assumption by ECONorthwest

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table 9 shows employment growth on underutilized lands and on vacant lands. Table 10 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- **Some employment growth will occur on sites with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). This forecast assumes that 10% of commercial employment can be accommodated this way and that 50% of government employment can be accommodated in existing built space.
- **Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. This forecast assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

Table 10. New employment locating on underutilized land or vacant land, Newport, 2032

Land Use Type	New Employment	Employment on Underutilized Land: Existing Built Space	Employment on Underutilized Land: Land with Additional Capacity	Emp. on Vacant Land
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
Total	**2,216**	**211**	**199**	**1,805**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table 11 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table 11 are:

- **Employment density.** Table 11 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

  These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-to-gross acres**. The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.6 A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

  Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, this forecast uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres

6 OAR 660-024-0010(6) uses the following definition of net buildable acre. “Net Buildable Acre” consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.

Table 11 . Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032

Land Use Type	Emp. on Vacant Land	EPA (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
Total	**1,805**		**127**	**154**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

IMPLICATIONS FOR INDUSTRIAL AND OTHER EMPLOYMENT LAND NEED

This section provides a brief summary of the implications of the economic opportunities needs analysis for Newport. It includes a general comparison of land supply and demand and description of the characteristics of needed sites. The buildable lands analysis is followed by a discussion of the key implications of the analysis for Newport.

Comparison of land capacity and demand

Table 12 shows the inventory of suitable employment land by plan designation. Table 3 presented an estimate of demand for vacant (including partially vacant) land needed to accommodate employment growth over the planning period. Table 12 compares the supply of buildable land with the demand for employment land:

- **Industrial.** Newport has a supply of nearly 200 acres of buildable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the 20-year period, with a surplus of 113 gross acres of industrial land.**
- **Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City's zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

Table 12. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032

Land Use Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

The employment forecast identified demand for five acres of land to accommodate government uses. These uses can be accommodated in a number of ways: (1) on land designated for Public uses, (2) on land designated for Commercial use, or (3) through redevelopment of land with underutilized buildings.

Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows

commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

Characteristics of needed sites

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. The Administrative Rule defines site characteristics as follows in OAR 660-009-0005(11):

> (11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land and 63 gross acres of commercial land.

MARINE AND OCEAN OBSERVING RESEARCH AND EDUCATION

- **Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.
    - Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
    - Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

  Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.
- **Size of sites.** The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make use of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.

- **Constraints and topography.** Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.
- **Transportation access.** All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

INTERNATIONAL COMMERCE

- **Location within the City.** Businesses involved in international commerce will prefer to locate near the Port of Newport's facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

  Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport's facilities. The Port, however, has some vacant land near the terminal that could be made available for related uses. The City and Port should identify opportunity sites in these areas for use by businesses in this cluster.
- **Size of sites.** Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

FISHING AND SEAFOOD PROCESSING

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.
- **Size of sites.** Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to the Bay Front.

TOURISM

- **Location within the City.** Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.
- **Size of sites.** Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.
- **Constraints and topography.** These businesses can locate on sites with slopes.
- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.
- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

Implications

The conclusion of the economic opportunities analysis is that Newport has enough land to accommodate the forecast for employment growth over the next 20-years. The City's challenge is managing the existing land base and infrastructure to retain existing businesses and attract new businesses. The actions proposed in the Economic Development Strategy focus on these issues, emphasizing the City's role in managing these issues.

- **Identify and manage opportunity sites for the target industries.** The community's aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

  Businesses in all of these clusters complete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

  Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

  Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

  The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years. Having a well-defined annexation strategy is important to the City because it can ensure efficient provision of municipal services and adequate sites for businesses.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 7 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway

101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

The Economic Development Strategy includes an action to evaluate creating an urban renewal district (URD) north of Yaquina Bay. The purpose of the District is address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, with the purpose of spurring new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

The URD would provide a source of financing for upgrades and improvements to public infrastructure. Improvements in areas the City targets for redevelopment along Highway 101 can catalyze redevelopment of key commercial areas. Without a source of financing for the improvements, encouraging redevelopment in key areas of Highway 101 will be more difficult for the City.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

  The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

  The Strategy also includes actions for maintaining and improving infrastructure: to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

  Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.

ECONOMIC VISION, GOALS, POLICIES, AND ACTIONS

This part of the Economic section presents Newport's vision for economic development and the goals, policies, and actions to implement the vision. The memorandum "Newport Economic Development Strategy" dated July 30, 2012 presents the full action plan for implementing the economic development strategy.

City of Newport's Role in Economic Development

A number of organizations are working on economic, business, and workforce development in the region. Many of these have representation on the technical advisory committee (TAC) for this project. These organizations include:

- City of Newport
- Lincoln County
- Economic Development Alliance of Lincoln County
- Greater Newport Chamber of Commerce
- Oregon Coast Community College, Small Business Development Center
- Port of Newport
- Yaquina Bay Economic Foundation
- Yaquina Bay Ocean Observing Initiative

With so many organizations having an interest in economic development, it is critical that roles be clearly defined. Moreover, coordination amongst the organizations will be important as the community moves into implementation of the strategy.

The focus of this section is primarily on the City's role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City's role:

- The City plays a support role in economic and business development
- The City is one of several organizations that provide and maintain infrastructure
- The City has some limited staff and financial resources that can be invested in appropriate economic development activities
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City is not the appropriate organization to coordinate business recruitment and retention activities or to house staff that are coordinating business recruitment and retention activities

The economic development vision, strategies and actions that follow primarily focus on those activities that the City would lead on, or that relate directly to an activity the City would lead on. This approach is consistent with the intent of this project: to articulate the City's role in economic development. It does not, however, provide details on the

activities of partner organizations, nor does it commit partner organizations to any specific activity.

Vision for Economic Development

The City of Newport embraces change and works collaboratively to create a dynamic, entrepreneurial, and forward looking community.

Newport's dynamic and collaborative waterfront community represents its diverse economy – an innovative and technologically advanced fishing and seafood industry; a rapidly growing marine research enterprise; and a resourceful coastal tourism and recreation industry. Newport's citizens place a high value on education, invest in lifelong learning, and upgrade skills for tomorrow's economy. People and families are attracted to the region for its diverse job opportunities and entrepreneurial environment. Residents invest in a quality of life reflected in numerous recreational opportunities, substantial infrastructure and support services, a vibrant arts community, and a beautiful and sustainable natural environment.

Goals, Policies, and Actions for Economic Development

The goals, policies and actions build from the vision for economic development as well as Newport's key competitive advantage for economic development: (1) the City's proximity and access to the ocean, (2) the City's attraction of visitors, (3) the City's role as a regional employment center, (4) existing urban infrastructure (i.e., road system or wastewater system), and (5) existing workforce and relationships among businesses, nonprofits, and agencies.

Each topic below includes a broad goal statement and description of strategic considerations and issues related to the goal that must primarily be addressed through strategies and actions on the part of the City.

JOB GROWTH

Goal: Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs

Newport wants to promote economic conditions and a positive business climate that encourages growth of jobs through growth of existing businesses and attraction of new businesses. Newport wants to strike a balance between economic development strategies to help existing businesses grow (i.e., economic gardening) and to attract new businesses. The City wants to focus on growth of jobs in the following employment clusters, as targeted industries: marine and ocean observing research and education, tourism, fisheries, and international commerce.

<u>Strategic considerations</u>

The City and its community partners have limited resources to invest in developing infrastructure and promoting economic development. Which industries offer the most opportunity for growth of jobs, of the type that the community wants to invest resources

in growing? What are the high priority growth industries that the community should make investments in?

The information below describes the targeted industries and presents issues that can be addressed through actions by the City or its community partners.

- The employment cluster identified by the Technical Advisory Committee (TAC) as being most important to grow is marine and ocean observing research and education. The TAC prioritized taking actions to grow the other three other clusters as approximately equal.
- Newport has had some success at developing employment in marine and ocean observing research and education. The three categories of businesses in this cluster are: (1) research or education organizations, (2) maintenance of equipment, and (3) manufacturers of equipment, such as that used in research and education or energy production. Stakeholders in Newport who want to grow employment in the marine and ocean observing cluster will need to take actions to facilitate that growth.
- Tourism is one of Newport's existing employment clusters, with about 1,500 jobs in and direct travel spending of $122.7 million annually from tourism-related industries in 2010.[7] Tourism is seasonal, with the majority of tourism spending in summer and the lowest tourism spending in winter. If growing employment in tourism is a high priority, actions will be required to capture a larger share of regional tourism spending, and reduce the volatility of tourism's seasonality.
- Newport has one of three deep draft ports on the Oregon Coast, which creates opportunities for international commerce. With completion of the renovation of the Port of Newport's International Terminal, the Port will be able to accommodate deep draft cargo vessels for shipping. The types of goods likely to be shipped from the International Terminal include logs, other wood products, value-added wood products (e.g., dimensional lumber), or other agricultural products. The primary product that the Port expects to ship is logs. The Port and its partners may need to take actions to diversify the types of products shipped from the Port and developing other opportunities for economic development related to the Port.
- Fishing and seafood processing continue to be important industries in Newport. Newport is one of Oregon's largest commercial fishing ports, accounting for about one-third of the State's commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of $32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about $123 million, accounting for

[7] Dean Runyan Associates, *Newport Travel Impacts, 1991-2010p*, May 2011

about 30% of statewide economic contribution from fishing.[8] Changes in fishing permits and quotas as well as retention of the fishing fleet are key issues for Newport.

- Newport is a regional center of activity on the Central Oregon Coast, with regional retailers, a government center, and the location of regional educational and research agencies. Newport's retailers serve the Central Coast region. Newport can take actions to capitalize on that role as a regional center to re-capture retail leakage, capture a larger share of spending from visitors, and increase the share of retail spending in Newport region.
- Newport has an aging population. According to Census data, the average age of Newport's residents has increased from 40.9 years old in 2000 to 43.1 years old in 2010. This trend is consistent with national trends. Newport has an older population on average than the State (38.4 years old) and younger than the County (49.6 years old). The aging of the population is a combination of the aging of long-term residents of Newport and in-migration of older workers or retirees. These demographic trends create some economic opportunities, such as attracting older entrepreneurs (and their business opportunities) and providing services to the aging population (e.g., recreational services or medical services).
- Newport's economic and business climate may be perceived as challenging to some businesses that consider moving to Newport. Some potential issues include: (1) a lack of attractive land in good locations ready for development, (2) lack of some services (e.g., major medical facilities or cohesive business and shopping areas), (3) lack of coordination about economic development issues. The City and its partners in economic development will need to take steps to to address these issues.

Policies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to promote job growth in the high priority target industries? The following policies and actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development.

Action: Create and staff a Business Growth and Recruitment Coordinator function

Description: In the past, the area had a staff position that focused on business development and recruitment. This position was housed with the Greater Newport Chamber of Commerce. Historically, the City of Newport partially funded the position and contributed about $40,000 annually from transient room tax revenues. This function, however, could also be contracted.

[8] The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This proposal would include a staff position and would not exclusively focus on the Newport area.

The TAC was unanimous in their support for re-creating and staffing a similar position. This action is an overarching approach to provide resources for many of the development and coordination functions that are not currently met. This position would complement and help to coordinate the activities of other organizations (the City, the Port of Newport, the Economic Development Alliance of Lincoln County, YBOOI and others). The TAC was also clear that the position needed a very clear work program in order to achieve the desired outcomes.

The business growth and recruitment coordinator would have several roles: (1) to work with local businesses on expansion efforts; (2) to work on recruiting new businesses—particularly in the target industry sectors; (3) to conduct research and analysis in support of local business development; and (4) to coordinate activities among the economic development partners.

An essential first step for the community partners is to develop a work plan for the business recruitment coordinator for the first 1-2 years.

Rationale: The business growth and recruitment coordinator will address a critical development and coordination role that does not currently exist.

Who does it: Ideally, the TAC prepares work plan, position description and secures funding and determines the preferred host organization. An alternative would be to form an ad hoc committee that has representation of key organizations.

Possible funding sources: City of Newport, Local economic development partner organizations; other grant sources.

When: Initiate in year 1; continues through five-year period

Benchmarks: Development of a work plan; hiring of a business growth and recruitment coordinator; implementation of the work plan.

Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster

Action 1.1. Identify a person or organization responsible for coordinating among stakeholders

Description: One person should be responsible for coordinating growth of this cluster among stakeholders. This person will be responsible for coordinating with stakeholders, assisting businesses in negotiating local and state regulations, and leading efforts to grow employment in this cluster. The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This

proposal is being developed in partnership with the Economic Development Alliance of Lincoln County. This proposal would include a staff position and would not exclusively focus on the Newport area. Moreover, YBOOI is applying for nonprofit status.

This would not be a City staff position, however, the City would play a support role on this strategy. This position would coordinate activities with the Business Growth and Recruitment Coordinator. This function could be overseen by YBOOI or the Economic Development Alliance of Lincoln County with support from the business growth and recruitment coordinator. The rationale for this, in part, is that marine research and ocean observing are a significant employment cluster that is not specific to Newport.

Rationale: The growth of this cluster will require efforts of a range of community stakeholders. Having a coordinator will ensure that progress is being made on key initiatives.

Who does it: YBOOI coordinator (if funded by Oregon InC); otherwise, business growth and recruitment.

Possible funding sources: Oregon Innovation Council, Economic development partner organizations, other State grants, and private foundations.

When: Initiate work in year 1; continue through five-year period.

Benchmarks: Hiring of a coordinator; development of a work plan based on the business plan described in Action 1.2; implementation of the work plan.

Action 1.2 Update the strategic and business plan to guide growth of the marine and ocean observing cluster

Description: The purpose of the strategic and business plan is to plan for development in the marine and ocean observing cluster. The plan should first define the scope of the marine research and ocean observing cluster (e.g., the types of businesses and support services needed for a healthy cluster) through market research. The plan should document the types of businesses desired in the cluster, the infrastructure needed by these businesses, and the characteristics of sites needed by these businesses (e.g., location, site size, etc.). This analysis should also explore links to the fishing and seafood processing industries.

The Port of Newport was in the process of updating its strategic plan in 2012. The Port's strategic plan should include a task to coordinate with the update the strategic and business plans for growth of the marine and ocean observing cluster.

Rationale: The TAC identified a need to develop a detailed understanding of this cluster and develop a strategy based on data and analysis to capitalize on marine and ocean observing.

Who does it: YBOOI members and staff from the Economic Development Alliance of Lincoln County will coordinate the initial strategy development as well as funding proposals. The other economic development partners, including the City, will play a support role in this effort.

Possible funding sources: Grants, Oregon Innovation Council

When: Develop strategy in year 1; implementation in Years 1 through 5

Benchmarks: Completion of the strategic/business plan; implementation of the strategy.

Action 1.3 Identify opportunity sites for growth of the marine and ocean observing cluster

Description: The locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

- Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
- Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. This task will use data from the commercial and industrial buildable lands inventory.

The inventory should be comprehensive and should identify and document sites that are available for the range of related use: office, lab space, collaborative space, warehousing, dock access, maintenance yards, and manufacturing. It should also identify any dock space that could be shared or used for non-exclusive uses.

This action will require close collaboration with Oregon State University (OSU) and the Port of Newport—both of whom own and manage key properties in South Beach. OSU is in the process of identifying needs for marine research and ocean observing on their site as part of an update of the Hatfield Marine Science Center master plan. The City should work with OSU to clarify whether private businesses could be located on the campus. The Port of Newport has also indicated that portions of their South Beach site may have development potential.

This action should also consider strategic sites on the north side of Yaquina Bay, including the Port of Newport's proposed International Shipping Terminal. Sites on the north side can provide additional docking capacity. The inventory and evaluation should include other sites outside of water-dependent and water-related uses. While the emphasis is on water uses, not all businesses that are

within the marine research and ocean observing sector will require water access. Some businesses may require industrial sites, others, office space. For such sites in South Beach, the city could consider providing incentives to encourage property owners reserve the sites for businesses related to the marine and ocean observing cluster. The incentives may be in the form of extending infrastructure to southern sites that do not have infrastructure.

The identification of key sites would build on the buildable lands inventory conducted as a part of the update of the Economic Opportunities Analysis, and the strategic plan developed for the marine research and ocean observing sector.

Rationale: Having adequate sites in appropriate locations is a prerequisite for siting new businesses. While the buildable land inventory in the updated Economic Opportunity Analysis identifies sites with development capacity, it did not go the next step and identify which sites are appropriate for target industries. This action would make those determinations.

Who does it: City of Newport

Possible funding sources: City of Newport

When: Year 2, start date contingent upon completion of Action 1.2

Benchmarks: Identification of opportunity sites

Action 1.4 Stakeholder workshops

Description: These types of workshops should be held periodically to maintain momentum and foster relationships. Stakeholders would discuss their role in the cluster, opportunities for growing the cluster in Newport, and each stakeholder's capacity to contribute to growth of the cluster. These workshops provide stakeholders in Newport an opportunity to ask questions about other stakeholder's locational needs, assess opportunities to attract new agencies/businesses to Newport, and understand the needs of businesses that might consider moving to Newport. The Yaquina Bay Ocean Observing Initiative conducted a stakeholder strategy retreat in July of 2011. That retreat brought state and local stakeholders in the marine and ocean observing research and education cluster together to collaboratively identify strategies for growing the cluster and defined a set of actions for moving the initiative forward.

Rationale: As a member of YBOOI, the City of Newport is an important partner and should be consistently involved in this activity. The workshops would allow Newport city staff and city policy makers to network with economic development partners to better understand initiatives being undertaken in other communities and businesses and identify linkages and opportunities.

Who does it: Yaquina Bay Ocean Observing Initiative/Economic Development Alliance are lead in coordinating these meetings. It is essential that city of Newport staff and policy makers are consistently engaged in this process and are aware of how city resources can leverage this sector.

Possible funding sources: These meetings can be coordinated at minimal cost.

When: Year 2.

Benchmarks: Holding the workshops; attending workshops; information sharing; refinement of strategies identified during the workshops.

Policy 2. The City shall encourage growth of tourism-related employment

Action 2.1. Develop tourism-related amenities and facilities.

Description: Work with the private sector and non-profit organizations to encourage development of amenities and facilities that would support and increase tourism. These amenities could include a golf course, events facility, or other facilities. These projects would not be constructed or maintained by the City. The City has historically provided funding to external organizations through grants funded by transient lodging tax revenues for such amenities.

Rationale: Support for strategic private and non-profit investments in amenities and facilities will encourage tourism.

Who does it: City of Newport Administration/City Committees, Greater Newport Chamber of Commerce.

Possible funding sources: Transient lodging tax grants.

When: Years 1 through 5 based on priorities and cost.

Benchmarks: Completion of projects.

Action 2.2. Work with the Port of Newport and the Greater Newport Chamber of Commerce to study opportunities to make Newport a destination for cruise ships and other recreational activities.

Description: Newport could be a destination for cruise ships, if the City had the infrastructure and facilities necessary to accommodate cruise ships. This action focuses on City coordination with the Port of Newport to ensure this action is reflected in the Port's strategic plan. The action, would largely be implemented by the Port. It would start with an evaluation of whether residents and businesses in Newport support the idea of becoming a cruise ship destination. If there is sufficient public support, conduct an evaluation of the infrastructure necessary to accommodate cruise ships and a feasibility study for becoming a cruise ship destination.

This evaluation should go beyond cruise ships. For example, the Port of Newport could create kayak launching areas. The evaluation should include analysis of recreation activities that can stand alone (such as cycling or kayaking) but would also complement cruise ship patrons. As part of this action, and to support other actions, City of Newport should participate in the Port of Newport's strategic planning process. Moreover, once the plan is complete, the city should see ways to coordinate with the Port.

Rationale: Cruise ships can create significant short-term economic activity, particularly in the Bay Front area. Moreover, exposure to the community may

lead to additional visits. Cruise ship patrons will desire a range of activities; this step would evaluate which activities are most desired.

Who does it: Newport Community Development, Port of Newport, and Greater Newport Chamber of Commerce (outreach); Destination Newport Committee (a City committee); Consultant (feasibility study).

Possible funding sources: Port of Newport (strategic plan); Transient lodging tax revenues.

When: Scope project (Year 1); implement study (Years 2-3).

Benchmarks: Completion of outreach and feasibility assessment.

Action 2.3. Maintain meaningful tourism marketing

Description: Support tourism marketing by working with tourism-related stakeholders. This function has historically occurred through a city committee and has been funded by room tax revenues. This action would be a continuation of this program, with an emphasis on strategically investing in marketing activities.

This action should include evaluation of existing and potential marketing in the areas of marine education and eco-tourism, recreational tourism (watersports, hiking, etc.).While some degree of eco-tourism promotion has occurred, opportunities exist to expand marketing. Moreover, Newport has a long legacy of activities that might be considered eco-tourism—only in recent years have these activities been identified as eco-tourism. Evaluation of eco-tourism should include an assessment of related opportunities: linkages to the Hatfield Marine Science Center, the Oregon Coast Aquarium, and other tourism activities. In short, the community has an opportunity to integrate tourism and marine research.

Historically, most of the focus has been on marketing to educational institutions to bring school children to the Oregon Coast Aquarium and other attractions. . This creates an opportunity to expand marketing activities to other educational sectors—higher education, lifelong learning, etc. This could include re-establishing the Elderhostel that used to be run through Oregon Coast Community College, or other targeted marketing activities.

Rationale: Tourism is a significant contributor of jobs and revenues to Newport's economy. Growth in tourism jobs and payroll has been more or less flat for the past decade. The objective is to maintain current levels of jobs and payroll—and ideally increase them.

Who does it: Destination Newport Committee; Greater Newport Chamber of Commerce in cooperation with private businesses; Business recruitment coordinator.

Possible funding sources: Existing transient room tax funds.

When: Ongoing.

Benchmarks: Tangible marketing activities that are reported annually to the Newport City Council through the Destination Newport Committee. Travel and

tourism related economic impacts as reported by Dean Runyan Associates in their reports.

Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives

Action 3.1. Evaluate opportunities to expand the goods shipped via the Port

Description: Conduct a market analysis of potential ways to expand the goods shipped from the Port. Potential opportunities include barges of containers along the U.S. Pacific coast or shipping value-added products from the Port, where the value-added processing is done in or nearby Newport.

The City supports a meaningful industrial footprint at the Port Terminal. Development could include terminal facilities, warehouse facilities, and other facilities that support international shipping. The City will coordinate with the Port of Newport on identification and provision of infrastructure to support anticipated levels of activity.

Rationale: The feasibility assessment will provide the basis for identifying the type and scope of infrastructure improvements that will be needed.

Who does it: Port of Newport; City of Newport and the Economic Development Alliance of Lincoln County support and coordination.

Possible funding sources: Port of Newport; State planning grants (DLCD or Business Oregon).

When: As soon as possible (some work is already in progress).

Benchmarks: Completion of market analysis.

Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.

Action 4.1. Coordinate relationships with the Port of Newport, fishing businesses and other business interests within the community

Description: Encouraging growth of businesses involved with fishing and value-added seafood requires that city staff and elected officials have a working knowledge of the issues facing the industries. This is developed through regular engagement and interaction with the City, Port of Newport, fishing businesses, and other interested parties (e.g., the Destination Newport Committee).

The City is in the position to encourage growth in fishing and value-added seafood in a number of ways. City land use regulations and other requirements influence the environment within which the industry operates. In addition, the city owns and maintains critical infrastructure and facilities that businesses need in order to operate in Newport. Some ways that the City can assist the industry are: creating connections with other businesses in Newport to increase business, assisting with creative solutions to issues facing the industry, working through potential conflicts with other businesses and residences, or providing assistance

with industry needs for rights-of-way and parking.

In addition, the presence of fishing and value-added seafood production in Newport is part of Newport's attraction for tourists. The City can support growth of this industry through support of tourism marketing and advertising.

This action will result in periodic meetings between staff and officials with the City of Newport, Port of Newport, industry representatives, and other interested parties. The purpose of the meetings is to ensure that all stakeholders are working together to address issues and encourage growth in the industry. The action will also result in strategic use of room tax funds for supporting tourism marketing and advertising.

Rationale: Working directly with the fishing industry will allow better coordination of activities and needed improvements.

Who does it: Business growth and recruitment coordinator will set and facilitate meetings with City of Newport, Port of Newport, industry representatives, and other interested parties.

Possible funding sources: Economic improvement district and support for tourism marketing and advertising through use of room tax funds

When: Coordination meetings and project identification (year 2).

Benchmarks: Holding meetings; identification of infrastructure improvements.

WORKFORCE AVAILABILITY AND QUALITY

Goal: Provide appropriate workforce and entrepreneurial training opportunities to meet the needs of Newport's target industries

Newport has identified four target industries: marine and ocean observing research and education, tourism, fisheries, and international commerce. This goal insures that Newport has a workforce with the skills, training, and education to meet the needs of these target industries.

Strategic considerations

The City and its community partners have limited resources to invest in developing a high-quality workforce. The role of workforce development is generally assumed by educational institutions, such as the Community College, universities, and public schools (K-12). Given the limited resources available, the City will play a limited role in workforce development and primarily work through its partners in ensuring that businesses in Newport have access to qualified workers.

The information below describes the issues related to workforce availability and quality.

- Newport has an aging population, as described in the previous section. In addition, the Office of Economic Analysis forecasts that Lincoln County's percent of people 65 years and older will increase from 20% in 2000 to 30% in 2030, compared to Oregon's increase from 13% to 19% of the population. The aging workforce has skills and experience that can benefit businesses in Newport. The loss of workers as older workers exit the workforce will need to be mitigated, to ensure that businesses have access to enough workers.
- Newport has a smaller share of younger workers. About one-third of Newport's population is between the ages of 20 to 49 years, compared to 40% of Oregon's population. What can Newport do to provide opportunities for young workers at businesses in Newport, both for people raised in Newport and to attract young workers?
- An important issue for businesses in Newport is availability of a skilled and educated workforce. What can the City and other economic development stakeholders do to support better preparing the workforce to meet the needs of existing and future businesses in Newport? What can be done to provide the existing workforce with skills needed to fill jobs in marine and ocean observing research and education?

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to ensure that businesses in Newport have access to skilled workers, especially for high priority target industries? These actions should take into account the limited resources available for public investment and the role of the City and its community partners in workforce development.

Policy 5. The City shall support workforce development

Action 5.1. Provide strategic contributions in staff or dollars to partners to support workforce development

Description: Provide opportunities for communication between businesses in Newport who need employees and the Oregon Coast Community College. The City may also choose to provide support (in terms of staff or dollars) to workforce development organizations such as Oregon Coast Community College or the school district.

The TAC clearly identified the current lack of training opportunities in the area of marine research and ocean observing as a barrier. Oregon Coast Community College would be the logical organization to fill that void, however, the Community College needs funding to support more ocean-related workforce development.

Rationale: Newport has a need for qualified, trained workers, such as workers to service marine equipment or qualified mechanics for the Port.

Who does it: Newport City Council.

Possible funding sources: Existing transient room tax funds; grants.

When: Annually**.**

Benchmarks: Annual progress reports from Oregon Coast Community College staff , establishing how funding has contributed to workforce development.

SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND

Goal: Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period

Newport wants to provide enough land to accommodate employment growth over the 20-year planning period. Newport will need employment sites with a range of characteristics, such as different sizes, locations, access to transportation, access to the waterfront, and zoning designations. Newport wants to ensure that the City has an adequate number of sites to allow market choice for businesses in its four targeted industries, as well as for other economic opportunities.

Strategic considerations

Newport has more than 928 acres of land for commercial and industrial uses with development capacity, of which about 408 acres are unconstrained and suitable for employment uses. In addition, Newport has a substantial amount of underutilized[9] with redevelopment potential.

- Newport's commercial and industrial land base has substantial constraints, such as steep slopes, that will prohibit development. These constraints are an issue and will require careful siting of businesses. While these constraints will create additional challenges for development in many instances, they do not necessarily preclude development.
- Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.
- Newport has a limited amount of unconstrained vacant or partially commercial land with development capacity (about 62 acres). Newport has a substantial amount of underutilized commercial properties, with about 90 acres that have an improvement to land ratio less than 1.00. Much of the underutilized commercial properties are along Highway 101 or just off of the Highway. These commercial properties have redevelopment potential, although it is not clear which of these sites will redevelop over the next 20-years.

9 Broadly, underutilized land can be consider land that is not meeting its full economic potential. In short, it is land that is not in its highest and best use. In the context of the state land use system, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

- Encouraging redevelopment of the commercial properties may require investments from the City. The City does not have sufficient funding to invest in redevelopment of all the underutilized commercial properties at once. The City should select a few areas with higher redevelopment potential to focus redevelopment efforts on. This could include strategies to aggregate parcels, or strategies to reduce infrastructure costs.
- Land with development capacity in South Beach is limited. The City will need to work with businesses in the marine and ocean observing research and education cluster to identify other locations for new or expanded businesses, especially those that do not require close proximity to the waterfront (i.e., research offices or fabrication of marine research equipment and instruments). In some instances, the City may want to negotiate development agreements with property to better ensure that development is consistent with the City's economic development vision.
- There is land with development capacity near the International Terminal, along and near the Bay Front. The City should work with its partners and the land owner to determine what uses are appropriate for this area, which will be important for development of marine-related industries given the limited amount of developable land along the waterfront.
- Newport has a reasonably large supply of land around the Airport. This land presents opportunities for development, especially for employment uses related to or dependent on aviation. While the land is not currently serviced, the City has identified strategies to service the land, given a business or developer who wanted to partner with the City on developing around the Airport.

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to make the best use of Newport's commercial and industrial land base? What should the City do to encourage redevelopment of commercial land, given the limited amount of vacant and partially vacant commercial? How can the City best use its existing land base to support the targeted industries, especially given the very limited land supply in South Beach? These actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development. In short, the city needs a clearly articulated strategy for the management of waterfront properties.

Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1. Evaluate creation of an urban renewal district north of Yaquina Bay

Description: The URD should address the issues of underutilized commercial and industrial properties and infrastructure deficiencies. The housing needs analysis made a similar recommendation focused on reducing housing cost by addressing infrastructure deficiencies in certain areas as identified by the city. The specific purpose should be developed through a broader set of discussions.

The URD would potentially allow the city to use the additional tools offered by the URD including flexibility to resell land, land acquisition, land assembly, loans, upgrading or razing dilapidated commercial structures, facilitating the purchase or sale of land, and other tools. The URD could also address highway corridors, sign clutter, business facades, overhead lines, etc**.**

The City will also need to determine the extent of the URD boundary. The TAC suggested starting with properties that are adjacent to the Highway 101 and Highway 20 corridors.

Rationale: A URD would provide the city with additional tools for land acquisition and potentially funding for economic development and infrastructure projects through the bonding authority created by the district.

Who does it: City of Newport.

Possible funding sources: Urban Renewal District.

When: Evaluation of the URD should occur in Year 1; steps to establish the district, should it have council support should occur in Year 2. Implementation would occur in subsequent years.

Benchmarks: Evaluation of URD; establishment of URD; completion of projects.

Policy 7. The City shall ensure an adequate supply of commercial and industrial sites

Action 7.1 Develop strategies to prioritize target industry uses on opportunity sites

Description: Once opportunity sites are identified for employment and business growth of the target industries, develop land use strategies to reserve these sites for use by organizations in this cluster.

The initial emphasis in site identification should be on sites that are suitable for water-related and water-dependent uses, international shipping, fishing and seafood processing, and tourism. The implementation of this strategy would be on a voluntary basis—the City is not proposing additional land use regulations to implement this strategy. Rather, the City, working with other economic development partners, will engage with individual property owners to negotiate development agreements.

According to the Municipal Research and Services Center of Washington a development agreement:

> "is a contract between a local jurisdiction and a person who has ownership or control of property within the jurisdiction. The purpose of the agreement is to specify the standards and conditions that will govern development of the property. The development agreement provides assurance to the developer that he/she may proceed to develop the project subject to the rules and regulations in effect at the time of approval - the development will not be subject to subsequent changes in regulations. Development agreements should also benefit the local

> jurisdiction. The city or county may include conditions (mitigation measures) that must be met to assure that a project at a specific location does not have unacceptable impacts on neighboring properties or community infrastructure. The agreement may clarify how the project will be phased, the required timing of public improvements, the developer's contribution toward funding system-wide community improvements, and other conditions. The agreement can also facilitate enforcement of requirements, since it is a contract that details the obligations of the developer and local jurisdiction."[10]

ORS 94.504 provides the legal basis for development agreements in Oregon. The statute allows a city to enter into a development agreement "with any person having a legal or equitable interest in real property for the development of that property." The statute requires development agreements include specific information (ORS 94.504(2) through (7). The statute also requires that the agreement is consistent with local regulations and that the local government approve the agreement after notice and hearing.

To initiate this task, the City should identify the desired outcomes of the agreements and develop a list of potential elements of the development agreements. The agreements should place limitations on the use of properties to those that are consistent with the target industries. The agreement may also spell out any improvements that the city is willing to make to support development of the cluster, and under what conditions those improvements will be made. Once the general framework is established, the city should contact select property owners in areas targeted for marine research and ocean observing. The agreements should initially be targeted to properties in the South Beach area and should consider parcel size as a factor.

Rationale: Current policies allow development of sites consistent with outright allowed or conditional uses as defined in the Newport Development Code. For example, some commercial uses are allowed in the I-1 zone. Rather than use regulatory approaches, this strategy will look to voluntary and incentive based strategies. Negotiating development agreements is a way to voluntarily engage property owners without land use regulation. Having resources to assist in business recruitment (the business growth and recruitment coordinator) provides incentive for property owners to work with the City on development agreements.

Who does it: The City Community Development Department works with economic development partners to identify key provisions of the development agreements, then contacts property owners and negotiates development agreements. The economic development partners will provide support as appropriate.

Possible funding sources: City of Newport; Urban renewal funds.

When: Develop key provisions in year two; negotiate agreements in years 3-5.

[10] http://www.mrsc.org/subjects/planning/lu/developagreements.aspx

Benchmarks: Identification and adoption of development agreements.

Action 7.2: Develop an annexation strategy for commercial and industrial properties in South Beach

Description: This action would result in an annexation strategy for commercial and industrial property in South Beach. The project would work with property owners in the unincorporated areas of the UGB to determine issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years.

Rationale: Having a defined annexation strategy will ensure efficient provision of municipal services, as well as adequate sites for businesses. This strategy may also address the issue of limited number of larger commercial sites.

Who does it: City of Newport Community Development, Lincoln County Planning.

Possible funding sources: City funds; state planning grants.

When: Initiate work in year 1 or 2.

Benchmarks: Adoption of UGMA.

INFRASTRUCTURE AND PUBLIC FACILITIES

Goal: Make investments in infrastructure and public facilities to support the target industries

Newport wants to improve economic conditions and promote growth of businesses in the target industries. High quality infrastructure and public facilities are important to support economic growth. The City has limited funds to support maintenance of existing infrastructure and public facilities. The City wants to leverage the limited funds available for infrastructure and public facility maintenance and improvements through working with local partners and the State to make strategic investments.

Strategic considerations

Newport provides a range of public infrastructure: municipal water system, wastewater system and treatment, local street system, stormwater system, street lighting, multi-use paths, and parks. Newport also has a range of public facilities: recreation center, performing arts center, library, Abby Street pier, a boardwalk, and public parking lots. The City has limited funds available to maintain existing infrastructure and public facilities. Recent upgrades to the City's water and wastewater systems have been made, in part, by leveraging local funds with funds from external sources.

The information below describes the issues related to Newport's infrastructure and public facilities.

- Newport's municipal water system and wastewater treatment plan have recently been (or are in the process of being) upgraded. The City has sufficient water treatment capacity and wastewater treatment facility capacity to accommodate expected growth, including growth of industries with high water or wastewater demands. The City will need to work with existing and new businesses to meet changing demands for water and wastewater usage, such as changes to regulation of wastewater effluent temperatures or new needs of marine-based industries for wastewater treatment.
- The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance.
    - The distribution system (e.g., pipes or pumps) for the water and wastewater systems are deteriorating. While the City has plans to upgrade parts of the distribution system, the needs for replacement are greater than the City's resources for maintenance. The City is heavily reliant on outside sources of revenue to maintain the systems, such as grants and loans.
    - The City has a considerable number of public facilities, some of which are important to growth of the target industries (e.g., the Abby Street pier). The City has no dedicated funds to maintain these facilities. Where appropriate, the City has used funds from the transient lodging tax revenues or business license revenues to maintain public facilities.

- The lack of funds leaves the City in a reactive position for addressing infrastructure problems. Some funds are available in the South Beach area for infrastructure maintenance and improvements through the urban renewal district. As a result, the City may be able to pro-actively support growth in South Beach and make strategic infrastructure investments.
- Much of the City's vacant land supply is on the south side of the City, south of South Beach and north of and around the Airport. In addition, Newport has some vacant buildable land at the northern side of the City. The City is extending service to some of these areas but some areas will be unserviced.
    - The City is extending services on the south side of Newport to 50th Street. While the City could extend services to about 62nd Street, the vacant land south of 50th Street will remain unserviced until there is developer interest in building in this area and funding to support extending services.
    - The City is extending services north of 71st Street but not beyond about 78th Street. This will leave some vacant land unserviced. The slopes and land instability may make servicing some of the vacant lands in this area challenging.
- The City has a considerable supply of properties that are underutilized or redevelopable, especially along Highway 101. These sites have existing services and could support more economic activity than they currently support.
- The Yaquina Bay Bridge provides advantages to Newport, both as a connector between north and south Newport and as a historic resource. The Bridge, however, is a constraint to shipping because of low clearance and is a constraint on automotive and freight capacity on Highway 101. In addition, the Bridge is an impediment to pedestrian and bicycle traffic between South Beach and the northern part of Newport. As of now, ODOT has no plans to upgrade or replace the bridge and has not identified a future funding source to do so.

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to leverage existing funds for maintenance and upgrades to Newport's infrastructure and public facilities? These actions should take into account the limited resources available for public investment, both at the local and State level.

Policy 8. The City shall ensure adequate infrastructure is available.

Action 8.1 Identify and make infrastructure investments on the opportunity sites

Description: Once opportunity sites are identified for employment and business growth of the marine and ocean observing cluster, identify the municipal and other infrastructure deficiencies on each site (if any). Work with partners and involved stakeholders to secure funds for making necessary infrastructure upgrades. This action should engage other service providers such as the natural

gas, communications and other service providers. The Port of Newport should also be involved.

Rationale: Sites must have sufficient infrastructure capacity to be viable opportunity sites.

Who does it: The business recruitment coordinator would organize the meetings and document the results. Other economic development partners would participate and provide information. City staff would work with elected officials to prioritize the investments.

Possible funding sources: City; state and federal grants.

When: Identify infrastructure needs (After completion of the initial phases of Task 7.1; years 3-5).

Benchmarks: Identification of needs; inclusion of projects in the city's capital improvement plan; completion of projects.

Action 8.2. Coordinate provision of infrastructure to the International Terminal

Description: Trucks bringing goods to the International Terminal typically use Moore Drive to access the port from Highway 20. Depending on the results of the Port's economic and feasibility assessments, these transportation connections to the Port may need to be upgraded for additional capacity.

Rationale: Infrastructure capacity must be available for international shipping to be viable.

Who does it: Port of Newport lead; City of Newport support.

Possible funding sources: City of Newport; Port of Newport; state and federal transportation funding programs; Oregon Infrastructure Finance Authority

When: As soon as the Port identifies needs the City should work to conduct preliminary project evaluations and get them into the capital improvement program. This action links to Action 3.1 and is contingent upon substantial progress towards that Action.

Benchmarks: Completion of feasibility assessment (Port); identification of projects; projects included in the CIP.

Action 8.3. Develop and maintain infrastructure used by visitors

Description: Where legally allowed or permissible, use lodging and local gas tax revenues to support or maintain infrastructure used by visitors, such as local roads and sidewalks in areas frequented by visitors. Use lodging and local gas tax revenues for street-scaping and improving the appearance of Highway 101.

This action would include development of specific policy language related to use of transient room tax revenues for development of infrastructure, including as match to other state and federal grants.

Rationale: Strategic investments in visitor infrastructure will encourage tourism.

Who does it: City Public Works Department; input from the Greater Newport Chamber of Commerce.

Possible funding sources: Transient lodging and local gas tax revenues.

When: Years 1 through 5.

Benchmarks: Completion of projects.

Action 8.4. Develop infrastructure needed to support fishing and seafood processing

Description: Changes in permitting and fishing quotas have impacted the industry in significant ways. This action would identify specific things Newport or its partners could do to maintain the commercial finishing industry. This could include issues such as ensuring that permits stay in Newport if operators retire or move, providing support for additional infrastructure such as ice making, and other actions.

Coordinate with fishery businesses to understand their future business plans and infrastructure needs. Work with stakeholders to develop or maintain infrastructure needed to maintain businesses in fishing, ensuring that fishing rights stay in Newport. This action should include a regular forum for the City, the Port and other organizations to meet with representatives of the fishing industry.

This action will include an assessment of the condition of in-water structures – docks and other facilities. These facilities are owned by the City, the Port of Newport and private entities. Ideally, this assessment would be coordinated and completed by all relevant entities at the same time.

Rationale: Working directly with the fishing industry will allow better coordination of activities and needed improvements. Commercial fishing and seafood processing are one of Newport's core industries. It is important that Newport maintain this industry.

Who does it: Local operators, OSU Sea Grant, and the OSU Extension Agent; City of Newport and Port of Newport are in supporting roles.

Possible funding sources: Economic Development Improvement District; City, state or federal transportation funds, Connect Oregon; Oregon Infrastructure Finance Authority.

When: As appropriate.

Benchmarks: Holding meetings; identification of infrastructure improvements; completion of projects.

Action 8.5: Work with ODOT on upgrades to Yaquina Bay Bridge

Description: The Yaquina Bay Bridge is the primary connection between the northern and southern portions of Newport. The bridge is near the end of its engineered life and has both capacity and safety issues. Ultimately, the Oregon Department of Transportation will determine if and when to upgrade the bridge. Because of the nature of this critical lifeline, the City will continue to work with

ODOT and other partners to encourage ODOT to initiate planning studies on the span that will ultimately result in inclusion in the Statewide Transportation Improvement Program.

Rationale: Having a safe and efficient transportation connection between the two areas of Newport is critical to future economic development.

Who does it: City, Port of Newport, Greater Newport Chamber of Commerce, Economic Development Alliance of Lincoln County.

Possible funding sources: This primarily requires staff effort.

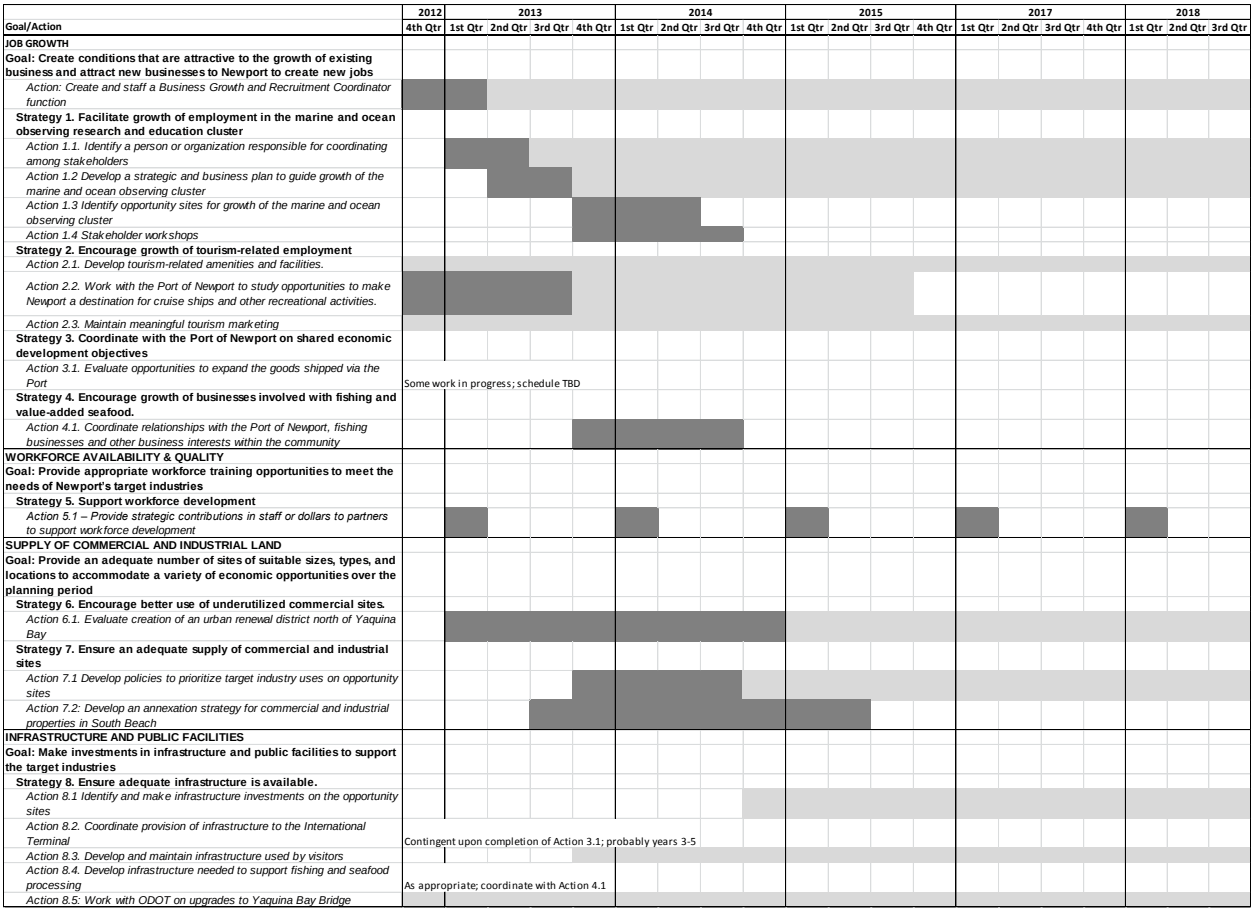
When: Ongoing.

Benchmarks: Obtaining a firm commitment from the State of Oregon to initiate planning efforts to replace the span.

Implementation

Figure 1 shows the proposed implementation schedule for the Newport Economic Development Strategy.

Figure 1. Proposed implementation schedule



ECONorthwest
ECONOMICS • FINANCE • PLANNING

Phone • (541) 687-0051
FAX • (541) 344-0562
info@econw.com

Suite 400
99 W. 10th Ave
Eugene, Oregon 97401-3040

Other Offices
Portland • (503) 222-6060
Seattle • (206) 622-2403

July 30, 2012

TO: **Newport EOA Technical Advisory Committee**
CC: **Derrick Tokos**
FROM: **Bob Parker and Beth Goodman**
SUBJECT: **NEWPORT ECONOMIC DEVELOPMENT STRATEGY**

The City of Newport is updating the Economy chapter of the City's Comprehensive Plan. This update includes two related parts: (1) determining whether Newport has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Newport.

This memorandum presents Newport's economic development strategy. The Technical Advisory Committee discussed and provided input on the strategy at multiple meeting. The strategy focuses on actions the City plan to implement.

CITY OF NEWPORT'S ROLE IN ECONOMIC DEVELOPMENT

A core objective of this project is to better articulate the City's role in economic development. This objective was clearly stated in the request for proposals:

> The purpose of this project is to (a) update the City's economic data, (b) develop a cohesive economic strategy and vision for the community, and (c) better define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures.

A number of organizations are working on economic, business, and workforce development in the region. Many of these have representation on the technical advisory committee (TAC) for this project. These organizations include:

- City of Newport
- Lincoln County
- Economic Development Alliance of Lincoln County
- Greater Newport Chamber of Commerce
- Oregon Coast Community College, Small Business Development Center
- Port of Newport

- Yaquina Bay Economic Foundation
- Yaquina Bay Ocean Observing Initiative

With so many organizations having an interest in economic development, it is critical that roles be clearly defined. Moreover, coordination amongst the organizations will be important as the community moves into implementation of the strategy.

The focus of this project is primarily on the City's role: what resources can the City commit to economic development and what roles are most appropriate for the City. Following are foundational assumptions about the City's role:

- The City plays a support role in economic and business development
- The City is one of several organizations that provide and maintain infrastructure
- The City has some limited staff and financial resources that can be invested in appropriate economic development activities
- The City has an obligation to adopt an economic development strategy, policies to manage employment lands, and maintain a 20-year supply of commercial and industrial sites under Goal 9 and OAR 660-009.
- The City is not the appropriate organization to coordinate business recruitment and retention activities or to house staff that are coordinating business recruitment and retention activities

The economic development vision, strategies and actions that follow primarily focus on those activities that the City would lead on, or that relate directly to an activity the City would lead on. This approach is consistent with the intent of this project: to articulate the City's role in economic development. It does not, however, provide details on the activities of partner organizations, nor does it commit partner organizations to any specific activity.

NEWPORT'S VISION FOR ECONOMIC DEVELOPMENT

The City of Newport embraces change and works collaboratively to create a dynamic, entrepreneurial, and forward looking community.

Newport's dynamic and collaborative waterfront community represents its diverse economy – an innovative and technologically advanced fishing and seafood industry; a rapidly growing marine research enterprise; and a resourceful coastal tourism and recreation industry. Newport's citizens place a high value on education, invest in lifelong learning, and upgrade skills for tomorrow's economy. People and families are attracted to the region for its diverse job opportunities and entrepreneurial environment. Residents invest in a quality of life reflected in numerous recreational opportunities, substantial infrastructure and support services, a vibrant arts community, and a beautiful and sustainable natural environment.

NEWPORT'S GOALS, POLICIES, AND ACTIONS FOR ECONOMIC DEVELOPMENT

The goals, policies and actions build from the vision for economic development as well as Newport's key competitive advantage for economic development: (1) the City's proximity and access to the ocean, (2) the City's attraction of visitors, (3) the City's role as a regional employment center, (4) existing urban infrastructure (i.e., road system or wastewater system), and (5) existing workforce and relationships among businesses, nonprofits, and agencies.

Each topic below includes a broad goal statement and description of strategic considerations and issues related to the goal that must primarily be addressed through strategies and actions on the part of the City.

JOB GROWTH

Goal: Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs

Newport wants to promote economic conditions and a positive business climate that encourages growth of jobs through growth of existing businesses and attraction of new businesses. Newport wants to strike a balance between economic development strategies to help existing businesses grow (i.e., economic gardening) and to attract new businesses. The City wants to focus on growth of jobs in the following employment clusters, as targeted industries: marine and ocean observing research and education, tourism, fisheries, and international commerce.

Strategic considerations

The City and its community partners have limited resources to invest in developing infrastructure and promoting economic development. Which industries offer the most opportunity for growth of jobs, of the type that the community wants to invest resources in growing? What are the high priority growth industries that the community should make investments in?

The information below describes the targeted industries and presents issues that can be addressed through actions by the City or its community partners.

- The employment cluster identified by the Technical Advisory Committee (TAC) as being most important to grow is marine and ocean observing research and education. The TAC prioritized taking actions to grow the other three other clusters as approximately equal.
- Newport has had some success at developing employment in marine and ocean observing research and education. The three categories of businesses in this cluster are: (1) research or education organizations, (2) maintenance of

equipment, and (3) manufacturers of equipment, such as that used in research and education or energy production. Stakeholders in Newport who want to grow employment in the marine and ocean observing cluster will need to take actions to facilitate that growth.

- Tourism is one of Newport's existing employment clusters, with about 1,500 jobs in and direct travel spending of $122.7 million annually from tourism-related industries in 2010.[1] Tourism is seasonal, with the majority of tourism spending in summer and the lowest tourism spending in winter. If growing employment in tourism is a high priority, actions will be required to capture a larger share of regional tourism spending, and reduce the volatility of tourism's seasonality.
- Newport has one of three deep draft ports on the Oregon Coast, which creates opportunities for international commerce. With completion of the renovation of the Port of Newport's International Terminal, the Port will be able to accommodate deep draft cargo vessels for shipping. The types of goods likely to be shipped from the International Terminal include logs, other wood products, value-added wood products (e.g., dimensional lumber), or other agricultural products. The primary product that the Port expects to ship is logs. The Port and its partners may need to take actions to diversify the types of products shipped from the Port and developing other opportunities for economic development related to the Port.
- Fishing and seafood processing continue to be important industries in Newport. Newport is one of Oregon's largest commercial fishing ports, accounting for about one-third of the State's commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of $32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about $123 million, accounting for about 30% of statewide economic contribution from fishing.[2] Changes in fishing permits and quotas as well as retention of the fishing fleet are key issues for Newport.
- Newport is a regional center of activity on the Central Oregon Coast, with regional retailers, a government center, and the location of regional educational and research agencies. Newport's retailers serve the Central Coast region. Newport can take actions to capitalize on that role as a regional center to re-

[1] Dean Runyan Associates, *Newport Travel Impacts, 1991-2010p*, May 2011

[2] The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

capture retail leakage, capture a larger share of spending from visitors, and increase the share of retail spending in Newport region.

- Newport has an aging population. According to Census data, the average age of Newport's residents has increased from 40.9 years old in 2000 to 43.1 years old in 2010. This trend is consistent with national trends. Newport has an older population on average than the State (38.4 years old) and younger than the County (49.6 years old). The aging of the population is a combination of the aging of long-term residents of Newport and in-migration of older workers or retirees. These demographic trends create some economic opportunities, such as attracting older entrepreneurs (and their business opportunities) and providing services to the aging population (e.g., recreational services or medical services).
- Newport's economic and business climate may be perceived as challenging to some businesses that consider moving to Newport. Some potential issues include: (1) a lack of attractive land in good locations ready for development, (2) lack of some services (e.g., major medical facilities or cohesive business and shopping areas), (3) lack of coordination about economic development issues. The City and its partners in economic development will need to take steps to to address these issues.

Policies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to promote job growth in the high priority target industries? The following policies and actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development.

Action: Create and staff a Business Growth and Recruitment Coordinator function

Description: In the past, the area had a staff position that focused on business development and recruitment. This position was housed with the Greater Newport Chamber of Commerce. Historically, the City of Newport partially funded the position and contributed about $40,000 annually from transient room tax revenues. This function, however, could also be contracted.

The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This proposal would include a staff position and would not exclusively focus on the Newport area.

The TAC was unanimous in their support for re-creating and staffing a similar position. This action is an overarching approach to provide resources for many of the development and coordination functions that are not currently met. This position would complement and help to coordinate the activities of other organizations (the City, the Port of Newport, the Economic Development Alliance of Lincoln County, YBOOI and others). The TAC was also clear that the

position needed a very clear work program in order to achieve the desired outcomes.

The business growth and recruitment coordinator would have several roles: (1) to work with local businesses on expansion efforts; (2) to work on recruiting new businesses—particularly in the target industry sectors; (3) to conduct research and analysis in support of local business development; and (4) to coordinate activities among the economic development partners.

An essential first step for the community partners is to develop a work plan for the business recruitment coordinator for the first 1-2 years.

Rationale: The business growth and recruitment coordinator will address a critical development and coordination role that does not currently exist.

Who does it: Ideally, the TAC prepares work plan, position description and secures funding and determines the preferred host organization. An alternative would be to form an ad hoc committee that has representation of key organizations.

Possible funding sources: City of Newport, Local economic development partner organizations; other grant sources.

When: Initiate in year 1; continues through five-year period

Benchmarks: Development of a work plan; hiring of a business growth and recruitment coordinator; implementation of the work plan.

Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster

Action 1.1. Identify a person or organization responsible for coordinating among stakeholders

Description: One person should be responsible for coordinating growth of this cluster among stakeholders. This person will be responsible for coordinating with stakeholders, assisting businesses in negotiating local and state regulations, and leading efforts to grow employment in this cluster. The TAC also indicated that YBOOI will be submitting a proposal to the Oregon Innovation Council (Oregon InC) to support economic development of ocean observing and research. This proposal is being developed in partnership with the Economic Development Alliance of Lincoln County. This proposal would include a staff position and would not exclusively focus on the Newport area. Moreover, YBOOI is applying for nonprofit status.

This would not be a City staff position, however, the City would play a support

role on this strategy. This position would coordinate activities with the Business Growth and Recruitment Coordinator. This function could be overseen by YBOOI or the Economic Development Alliance of Lincoln County with support from the business growth and recruitment coordinator. The rationale for this, in part, is that marine research and ocean observing are a significant employment cluster that is not specific to Newport.

Rationale: The growth of this cluster will require efforts of a range of community stakeholders. Having a coordinator will ensure that progress is being made on key initiatives.

Who does it: YBOOI coordinator (if funded by Oregon InC); otherwise, business growth and recruitment.

Possible funding sources: Oregon Innovation Council, Economic development partner organizations, other State grants, and private foundations.

When: Initiate work in year 1; continue through five-year period.

Benchmarks: Hiring of a coordinator; development of a work plan based on the business plan described in Action 1.2; implementation of the work plan.

Action 1.2 Update the strategic and business plan to guide growth of the marine and ocean observing cluster

Description: The purpose of the strategic and business plan is to plan for development in the marine and ocean observing cluster. The plan should first define the scope of the marine research and ocean observing cluster (e.g., the types of businesses and support services needed for a healthy cluster) through market research. The plan should document the types of businesses desired in the cluster, the infrastructure needed by these businesses, and the characteristics of sites needed by these businesses (e.g., location, site size, etc.). This analysis should also explore links to the fishing and seafood processing industries.

The Port of Newport was in the process of updating its strategic plan in 2012. The Port's strategic plan should include a task to coordinate with the update the strategic and business plans for growth of the marine and ocean observing cluster.

Rationale: The TAC identified a need to develop a detailed understanding of this cluster and develop a strategy based on data and analysis to capitalize on marine and ocean observing.

Who does it: YBOOI members and staff from the Economic Development Alliance of Lincoln County will coordinate the initial strategy development as

well as funding proposals. The other economic development partners, including the City, will play a support role in this effort.

Possible funding sources: Grants, Oregon Innovation Council

When: Develop strategy in year 1; implementation in Years 1 through 5

Benchmarks: Completion of the strategic/business plan; implementation of the strategy.

Action 1.3 Identify opportunity sites for growth of the marine and ocean observing cluster

Description: The locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

- Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
- Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. This task will use data from the commercial and industrial buildable lands inventory.

The inventory should be comprehensive and should identify and document sites that are available for the range of related use: office, lab space, collaborative space, warehousing, dock access, maintenance yards, and manufacturing. It should also identify any dock space that could be shared or used for non-exclusive uses.

This action will require close collaboration with Oregon State University (OSU) and the Port of Newport—both of whom own and manage key properties in South Beach. OSU is in the process of identifying needs for marine research and ocean observing on their site as part of an update of the Hatfield Marine Science Center master plan. The City should work with OSU to clarify whether private businesses could be located on the campus. The Port of Newport has also indicated that portions of their South Beach site may have development potential.

This action should also consider strategic sites on the north side of Yaquina Bay, including the Port of Newport's proposed International Shipping Terminal. Sites on the north side can provide additional docking capacity. The inventory and evaluation should include other sites outside of water-dependent and water-related uses. While the emphasis is on water uses, not all businesses that are within the marine research and ocean observing sector will require water access. Some businesses may require industrial sites, others, office space. For such sites in South Beach, the city could consider providing incentives to encourage property owners reserve the sites for businesses related to the marine and ocean observing cluster. The incentives may be in the form of extending infrastructure to southern sites that do not have infrastructure.

The identification of key sites would build on the buildable lands inventory conducted as a part of the update of the Economic Opportunities Analysis, and the strategic plan developed for the marine research and ocean observing sector.

Rationale: Having adequate sites in appropriate locations is a prerequisite for siting new businesses. While the buildable land inventory in the updated Economic Opportunity Analysis identifies sites with development capacity, it did not go the next step and identify which sites are appropriate for target industries. This action would make those determinations.

Who does it: City of Newport

Possible funding sources: City of Newport

When: Year 2, start date contingent upon completion of Action 1.2

Benchmarks: Identification of opportunity sites

Action 1.4 Stakeholder workshops

Description: These types of workshops should be held periodically to maintain momentum and foster relationships. Stakeholders would discuss their role in the cluster, opportunities for growing the cluster in Newport, and each stakeholder's capacity to contribute to growth of the cluster. These workshops provide stakeholders in Newport an opportunity to ask questions about other stakeholder's locational needs, assess opportunities to attract new agencies/businesses to Newport, and understand the needs of businesses that might consider moving to Newport. The Yaquina Bay Ocean Observing Initiative conducted a stakeholder strategy retreat in July of 2011. That retreat brought state and local stakeholders in the marine and ocean observing research and education cluster together to collaboratively identify strategies for growing the cluster and defined a set of actions for moving the initiative forward.

Rationale: As a member of YBOOI, the City of Newport is an important partner and should be consistently involved in this activity. The workshops would allow Newport city staff and city policy makers to network with economic development partners to better understand initiatives being undertaken in other communities and businesses and identify linkages and opportunities.

Who does it: Yaquina Bay Ocean Observing Initiative/Economic Development Alliance are lead in coordinating these meetings. It is essential that city of Newport staff and policy makers are consistently engaged in this process and are aware of how city resources can leverage this sector.

Possible funding sources: These meetings can be coordinated at minimal cost.

When: Year 2.

Benchmarks: Holding the workshops; attending workshops; information sharing; refinement of strategies identified during the workshops.

Policy 2. The City shall encourage growth of tourism-related employment

Action 2.1. Develop tourism-related amenities and facilities.

Description: Work with the private sector and non-profit organizations to encourage development of amenities and facilities that would support and increase tourism. These amenities could include a golf course, events facility, or other facilities. These projects would not be constructed or maintained by the City. The City has historically provided funding to external organizations through grants funded by transient lodging tax revenues for such amenities.

Rationale: Support for strategic private and non-profit investments in amenities and facilities will encourage tourism.

Who does it: City of Newport Administration/City Committees, Greater Newport Chamber of Commerce.

Possible funding sources: Transient lodging tax grants.

When: Years 1 through 5 based on priorities and cost.

Benchmarks: Completion of projects.

Action 2.2. Work with the Port of Newport and the Greater Newport Chamber of Commerce to study opportunities to make Newport a destination for cruise ships and other recreational activities.

Description: Newport could be a destination for cruise ships, if the City had the infrastructure and facilities necessary to accommodate cruise ships. This action focuses on City coordination with the Port of Newport to ensure this action is reflected in the Port's strategic plan. The action, would largely be implemented by the Port. It would start with an evaluation of whether residents and businesses in Newport support the idea of becoming a cruise ship destination. If there is sufficient public support, conduct an evaluation of the infrastructure necessary to accommodate cruise ships and a feasibility study for becoming a cruise ship destination.

This evaluation should go beyond cruise ships. For example, the Port of Newport could create kayak launching areas. The evaluation should include analysis of recreation activities that can stand alone (such as cycling or kayaking) but would also complement cruise ship patrons. As part of this action, and to support other actions, City of Newport should participate in the Port of Newport's strategic planning process. Moreover, once the plan is complete, the city should see ways to coordinate with the Port.

Rationale: Cruise ships can create significant short-term economic activity, particularly in the Bay Front area. Moreover, exposure to the community may lead to additional visits. Cruise ship patrons will desire a range of activities; this step would evaluate which activities are most desired.

Who does it: Newport Community Development, Port of Newport, and Greater Newport Chamber of Commerce (outreach); Destination Newport Committee (a City committee); Consultant (feasibility study).

Possible funding sources: Port of Newport (strategic plan); Transient lodging tax revenues.

When: Scope project (Year 1); implement study (Years 2-3).

Benchmarks: Completion of outreach and feasibility assessment.

Action 2.3. Maintain meaningful tourism marketing

Description: Support tourism marketing by working with tourism-related stakeholders. This function has historically occurred through a city committee and has been funded by room tax revenues. This action would be a continuation of this program, with an emphasis on strategically investing in marketing activities.

This action should include evaluation of existing and potential marketing in the areas of marine education and eco-tourism, recreational tourism (watersports, hiking, etc.).While some degree of eco-tourism promotion has occurred, opportunities exist to expand marketing. Moreover, Newport has a long legacy of activities that might be considered eco-tourism—only in recent years have these activities been identified as eco-tourism. Evaluation of eco-tourism should include an assessment of related opportunities: linkages to the Hatfield Marine Science Center, the Oregon Coast Aquarium, and other tourism activities. In short, the community has an opportunity to integrate tourism and marine research.

Historically, most of the focus has been on marketing to educational institutions to bring school children to the Oregon Coast Aquarium and other attractions. . This creates an opportunity to expand marketing activities to other educational sectors—higher education, lifelong learning, etc. This could include re-establishing the Elderhostel that used to be run through Oregon Coast Community College, or other targeted marketing activities.

Rationale: Tourism is a significant contributor of jobs and revenues to Newport's economy. Growth in tourism jobs and payroll has been more or less flat for the past decade. The objective is to maintain current levels of jobs and payroll—and ideally increase them.

Who does it: Destination Newport Committee; Greater Newport Chamber of Commerce in cooperation with private businesses; Business recruitment coordinator.

Possible funding sources: Existing transient room tax funds.

When: Ongoing.

Benchmarks: Tangible marketing activities that are reported annually to the Newport City Council through the Destination Newport Committee. Travel and tourism related economic impacts as reported by Dean Runyan Associates in their reports.

Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives

Action 3.1. Evaluate opportunities to expand the goods shipped via the Port

Description: Conduct a market analysis of potential ways to expand the goods shipped from the Port. Potential opportunities include barges of containers along the U.S. Pacific coast or shipping value-added products from the Port, where the value-added processing is done in or nearby Newport.

The City supports a meaningful industrial footprint at the Port Terminal. Development could include terminal facilities, warehouse facilities, and other facilities that support international shipping. The City will coordinate with the Port of Newport on identification and provision of infrastructure to support anticipated levels of activity.

Rationale: The feasibility assessment will provide the basis for identifying the type and scope of infrastructure improvements that will be needed.

Who does it: Port of Newport; City of Newport and the Economic Development Alliance of Lincoln County support and coordination.

Possible funding sources: Port of Newport; State planning grants (DLCD or Business Oregon).

When: As soon as possible (some work is already in progress).

Benchmarks: Completion of market analysis.

Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.

Action 4.1. Coordinate relationships with the Port of Newport, fishing businesses and other business interests within the community

Description: Encouraging growth of businesses involved with fishing and value-added seafood requires that city staff and elected officials have a working knowledge of the issues facing the industries. This is developed through regular engagement and interaction with the City, Port of Newport, fishing businesses, and other interested parties (e.g., the Destination Newport Committee).

The City is in the position to encourage growth in fishing and value-added seafood in a number of ways. City land use regulations and other requirements influence the environment within which the industry operates. In addition, the city owns and maintains critical infrastructure and facilities that businesses need in order to operate in Newport. Some ways that the City can assist the industry are: creating connections with other businesses in Newport to increase business, assisting with creative solutions to issues facing the industry, working through potential conflicts with other businesses and residences, or providing assistance with industry needs for rights-of-way and parking.

In addition, the presence of fishing and value-added seafood production in Newport is part of Newport's attraction for tourists. The City can support growth of this industry through support of tourism marketing and advertising.

This action will result in periodic meetings between staff and officials with the

City of Newport, Port of Newport, industry representatives, and other interested parties. The purpose of the meetings is to ensure that all stakeholders are working together to address issues and encourage growth in the industry. The action will also result in strategic use of room tax funds for supporting tourism marketing and advertising.

Rationale: Working directly with the fishing industry will allow better coordination of activities and needed improvements.

Who does it: Business growth and recruitment coordinator will set and facilitate meetings with City of Newport, Port of Newport, industry representatives, and other interested parties.

Possible funding sources: Economic improvement district and support for tourism marketing and advertising through use of room tax funds

When: Coordination meetings and project identification (year 2).

Benchmarks: Holding meetings; identification of infrastructure improvements.

WORKFORCE AVAILABILITY AND QUALITY

Goal: Provide appropriate workforce and entrepreneurial training opportunities to meet the needs of Newport's target industries

Newport has identified four target industries: marine and ocean observing research and education, tourism, fisheries, and international commerce. This goal insures that Newport has a workforce with the skills, training, and education to meet the needs of these target industries.

Strategic considerations

The City and its community partners have limited resources to invest in developing a high-quality workforce. The role of workforce development is generally assumed by educational institutions, such as the Community College, universities, and public schools (K-12). Given the limited resources available, the City will play a limited role in workforce development and primarily work through its partners in ensuring that businesses in Newport have access to qualified workers.

The information below describes the issues related to workforce availability and quality.

- Newport has an aging population, as described in the previous section. In addition, the Office of Economic Analysis forecasts that Lincoln County's percent of people 65 years and older will increase from 20% in 2000 to 30% in 2030, compared to Oregon's increase from 13% to 19% of the population. The aging workforce has skills and experience that can benefit businesses in Newport. The

loss of workers as older workers exit the workforce will need to be mitigated, to ensure that businesses have access to enough workers.

- Newport has a smaller share of younger workers. About one-third of Newport's population is between the ages of 20 to 49 years, compared to 40% of Oregon's population. What can Newport do to provide opportunities for young workers at businesses in Newport, both for people raised in Newport and to attract young workers?
- An important issue for businesses in Newport is availability of a skilled and educated workforce. What can the City and other economic development stakeholders do to support better preparing the workforce to meet the needs of existing and future businesses in Newport? What can be done to provide the existing workforce with skills needed to fill jobs in marine and ocean observing research and education?

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to ensure that businesses in Newport have access to skilled workers, especially for high priority target industries? These actions should take into account the limited resources available for public investment and the role of the City and its community partners in workforce development.

Policy 5. The City shall support workforce development

Action 5.1 – Provide strategic contributions in staff or dollars to partners to support workforce development

Description: Provide opportunities for communication between businesses in Newport who need employees and the Oregon Coast Community College. The City may also choose to provide support (in terms of staff or dollars) to workforce development organizations such as Oregon Coast Community College or the school district.

The TAC clearly identified the current lack of training opportunities in the area of marine research and ocean observing as a barrier. Oregon Coast Community College would be the logical organization to fill that void, however, the Community College needs funding to support more ocean-related workforce development.

Rationale: Newport has a need for qualified, trained workers, such as workers to service marine equipment or qualified mechanics for the Port.

Who does it: Newport City Council.

Possible funding sources: Existing transient room tax funds; grants.

When: Annually**.**

Benchmarks: Annual progress reports from Oregon Coast Community College staff , establishing how funding has contributed to workforce development.

SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND

Goal: Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period

Newport wants to provide enough land to accommodate employment growth over the 20-year planning period. Newport will need employment sites with a range of characteristics, such as different sizes, locations, access to transportation, access to the waterfront, and zoning designations. Newport wants to ensure that the City has an adequate number of sites to allow market choice for businesses in its four targeted industries, as well as for other economic opportunities.

Strategic considerations

Newport has more than 928 acres of land for commercial and industrial uses with development capacity, of which about 408 acres are unconstrained and suitable for employment uses. In addition, Newport has a substantial amount of underutilized[3] with redevelopment potential.

- Newport's commercial and industrial land base has substantial constraints, such as steep slopes, that will prohibit development. These constraints are an issue and will require careful siting of businesses. While these constraints will create additional challenges for development in many instances, they do not necessarily preclude development.
- Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.
- Newport has a limited amount of unconstrained vacant or partially commercial land with development capacity (about 62 acres). Newport has a substantial

[3] Broadly, underutilized land can be consider land that is not meeting its full economic potential. In short, it is land that is not in its highest and best use. In the context of the state land use system, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

amount of underutilized commercial properties, with about 90 acres that have an improvement to land ratio less than 1.00. Much of the underutilized commercial properties are along Highway 101 or just off of the Highway. These commercial properties have redevelopment potential, although it is not clear which of these sites will redevelop over the next 20-years.

- Encouraging redevelopment of the commercial properties may require investments from the City. The City does not have sufficient funding to invest in redevelopment of all the underutilized commercial properties at once. The City should select a few areas with higher redevelopment potential to focus redevelopment efforts on. This could include strategies to aggregate parcels, or strategies to reduce infrastructure costs.
- Land with development capacity in South Beach is limited. The City will need to work with businesses in the marine and ocean observing research and education cluster to identify other locations for new or expanded businesses, especially those that do not require close proximity to the waterfront (i.e., research offices or fabrication of marine research equipment and instruments). In some instances, the City may want to negotiate development agreements with property to better ensure that development is consistent with the City's economic development vision.
- There is land with development capacity near the International Terminal, along and near the Bay Front. The City should work with its partners and the land owner to determine what uses are appropriate for this area, which will be important for development of marine-related industries given the limited amount of developable land along the waterfront.
- Newport has a reasonably large supply of land around the Airport. This land presents opportunities for development, especially for employment uses related to or dependent on aviation. While the land is not currently serviced, the City has identified strategies to service the land, given a business or developer who wanted to partner with the City on developing around the Airport.

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to make the best use of Newport's commercial and industrial land base? What should the City do to encourage redevelopment of commercial land, given the limited amount of vacant and partially vacant commercial? How can the City best use its existing land base to support the targeted industries, especially given the very limited land supply in South Beach? These actions should take into account the limited resources available for public investment in infrastructure and efforts to support economic development. In short, the city needs a clearly articulated strategy for the management of waterfront properties.

Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1. Evaluate creation of an urban renewal district north of Yaquina Bay

Description: The URD should address the issues of underutilized commercial and industrial properties and infrastructure deficiencies. The housing needs analysis made a similar recommendation focused on reducing housing cost by addressing infrastructure deficiencies in certain areas as identified by the city. The specific purpose should be developed through a broader set of discussions. The URD would potentially allow the city to use the additional tools offered by the URD including flexibility to resell land, land acquisition, land assembly, loans, upgrading or razing dilapidated commercial structures, facilitating the purchase or sale of land, and other tools. The URD could also address highway corridors, sign clutter, business facades, overhead lines, etc**.**

The City will also need to determine the extent of the URD boundary. The TAC suggested starting with properties that are adjacent to the Highway 101 and Highway 20 corridors.

Rationale: A URD would provide the city with additional tools for land acquisition and potentially funding for economic development and infrastructure projects through the bonding authority created by the district.

Who does it: City of Newport.

Possible funding sources: Urban Renewal District.

When: Evaluation of the URD should occur in Year 1; steps to establish the district, should it have council support should occur in Year 2. Implementation would occur in subsequent years.

Benchmarks: Evaluation of URD; establishment of URD; completion of projects.

Policy 7. The City shall ensure an adequate supply of commercial and industrial sites

Action 7.1 Develop strategies to prioritize target industry uses on opportunity sites

Description: Once opportunity sites are identified for employment and business growth of the target industries, develop land use strategies to reserve these sites for use by organizations in this cluster.

The initial emphasis in site identification should be on sites that are suitable for water-related and water-dependent uses, international shipping, fishing and seafood processing, and tourism. The implementation of this strategy would be on a voluntary basis—the City is not proposing additional land use regulations to implement this strategy. Rather, the City, working with other economic

development partners, will engage with individual property owners to negotiate development agreements.

According to the Municipal Research and Services Center of Washington a development agreement:

> "is a contract between a local jurisdiction and a person who has ownership or control of property within the jurisdiction. The purpose of the agreement is to specify the standards and conditions that will govern development of the property. The development agreement provides assurance to the developer that he/she may proceed to develop the project subject to the rules and regulations in effect at the time of approval - the development will not be subject to subsequent changes in regulations. Development agreements should also benefit the local jurisdiction. The city or county may include conditions (mitigation measures) that must be met to assure that a project at a specific location does not have unacceptable impacts on neighboring properties or community infrastructure. The agreement may clarify how the project will be phased, the required timing of public improvements, the developer's contribution toward funding system-wide community improvements, and other conditions. The agreement can also facilitate enforcement of requirements, since it is a contract that details the obligations of the developer and local jurisdiction."[4]

ORS 94.504 provides the legal basis for development agreements in Oregon. The statute allows a city to enter into a development agreement "with any person having a legal or equitable interest in real property for the development of that property." The statute requires development agreements include specific information (ORS 94.504(2) through (7). The statute also requires that the agreement is consistent with local regulations and that the local government approve the agreement after notice and hearing.

To initiate this task, the City should identify the desired outcomes of the agreements and develop a list of potential elements of the development agreements. The agreements should place limitations on the use of properties to those that are consistent with the target industries. The agreement may also spell out any improvements that the city is willing to make to support development of the cluster, and under what conditions those improvements will be made. Once the general framework is established, the city should contact select property owners in areas targeted for marine research and ocean observing. The agreements should initially be targeted to properties in the South Beach area and should consider parcel size as a factor.

[4] http://www.mrsc.org/subjects/planning/lu/developagreements.aspx

Rationale: Current policies allow development of sites consistent with outright allowed or conditional uses as defined in the Newport Development Code. For example, some commercial uses are allowed in the I-1 zone. Rather than use regulatory approaches, this strategy will look to voluntary and incentive based strategies. Negotiating development agreements is a way to voluntarily engage property owners without land use regulation. Having resources to assist in business recruitment (the business growth and recruitment coordinator) provides incentive for property owners to work with the City on development agreements.

Who does it: The City Community Development Department works with economic development partners to identify key provisions of the development agreements, then contacts property owners and negotiates development agreements. The economic development partners will provide support as appropriate.

Possible funding sources: City of Newport; Urban renewal funds.

When: Develop key provisions in year two; negotiate agreements in years 3-5.

Benchmarks: Identification and adoption of development agreements.

Action 7.2: Develop an annexation strategy for commercial and industrial properties in South Beach

Description: This action would result in an annexation strategy for commercial and industrial property in South Beach. The project would work with property owners in the unincorporated areas of the UGB to determine issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years.

Rationale: Having a defined annexation strategy will ensure efficient provision of municipal services, as well as adequate sites for businesses. This strategy may also address the issue of limited number of larger commercial sites.

Who does it: City of Newport Community Development, Lincoln County Planning.

Possible funding sources: City funds; state planning grants.

When: Initiate work in year 1 or 2.

Benchmarks: Adoption of UGMA.

INFRASTRUCTURE AND PUBLIC FACILITIES

Goal: Make investments in infrastructure and public facilities to support the target industries

Newport wants to improve economic conditions and promote growth of businesses in the target industries. High quality infrastructure and public facilities are important to support economic growth. The City has limited funds to support maintenance of existing infrastructure and public facilities. The City wants to leverage the limited funds available for infrastructure and public facility maintenance and improvements through working with local partners and the State to make strategic investments.

Strategic considerations

Newport provides a range of public infrastructure: municipal water system, wastewater system and treatment, local street system, stormwater system, street lighting, multi-use paths, and parks. Newport also has a range of public facilities: recreation center, performing arts center, library, Abby Street pier, a boardwalk, and public parking lots. The City has limited funds available to maintain existing infrastructure and public facilities. Recent upgrades to the City's water and wastewater systems have been made, in part, by leveraging local funds with funds from external sources.

The information below describes the issues related to Newport's infrastructure and public facilities.

- Newport's municipal water system and wastewater treatment plan have recently been (or are in the process of being) upgraded. The City has sufficient water treatment capacity and wastewater treatment facility capacity to accommodate expected growth, including growth of industries with high water or wastewater demands. The City will need to work with existing and new businesses to meet changing demands for water and wastewater usage, such as changes to regulation of wastewater effluent temperatures or new needs of marine-based industries for wastewater treatment.
- The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance.
    - The distribution system (e.g., pipes or pumps) for the water and wastewater systems are deteriorating. While the City has plans to upgrade parts of the distribution system, the needs for replacement are greater than the City's resources for maintenance. The City is heavily reliant on outside sources of revenue to maintain the systems, such as grants and loans.
    - The City has a considerable number of public facilities, some of which are important to growth of the target industries (e.g., the Abby Street pier).

The City has no dedicated funds to maintain these facilities. Where appropriate, the City has used funds from the transient lodging tax revenues or business license revenues to maintain public facilities.

- The lack of funds leaves the City in a reactive position for addressing infrastructure problems. Some funds are available in the South Beach area for infrastructure maintenance and improvements through the urban renewal district. As a result, the City may be able to pro-actively support growth in South Beach and make strategic infrastructure investments.
- Much of the City's vacant land supply is on the south side of the City, south of South Beach and north of and around the Airport. In addition, Newport has some vacant buildable land at the northern side of the City. The City is extending service to some of these areas but some areas will be unserviced.
    - The City is extending services on the south side of Newport to 50th Street. While the City could extend services to about 62nd Street, the vacant land south of 50th Street will remain unserviced until there is developer interest in building in this area and funding to support extending services.
    - The City is extending services north of 71st Street but not beyond about 78th Street. This will leave some vacant land unserviced. The slopes and land instability may make servicing some of the vacant lands in this area challenging.
- The City has a considerable supply of properties that are underutilized or redevelopable, especially along Highway 101. These sites have existing services and could support more economic activity than they currently support.
- The Yaquina Bay Bridge provides advantages to Newport, both as a connector between north and south Newport and as a historic resource. The Bridge, however, is a constraint to shipping because of low clearance and is a constraint on automotive and freight capacity on Highway 101. In addition, the Bridge is an impediment to pedestrian and bicycle traffic between South Beach and the northern part of Newport. As of now, ODOT has no plans to upgrade or replace the bridge and has not identified a future funding source to do so.

Strategies and actions

Given the strategic considerations outlined above, what actions can the City and its partners take to leverage existing funds for maintenance and upgrades to Newport's infrastructure and public facilities? These actions should take into account the limited resources available for public investment, both at the local and State level.

Policy 8. The City shall ensure adequate infrastructure is available.

Action 8.1 Identify and make infrastructure investments on the opportunity sites

Description: Once opportunity sites are identified for employment and business growth of the marine and ocean observing cluster, identify the municipal and other infrastructure deficiencies on each site (if any). Work with partners and involved stakeholders to secure funds for making necessary infrastructure upgrades. This action should engage other service providers such as the natural gas, communications and other service providers. The Port of Newport should also be involved.

Rationale: Sites must have sufficient infrastructure capacity to be viable opportunity sites.

Who does it: The business recruitment coordinator would organize the meetings and document the results. Other economic development partners would participate and provide information. City staff would work with elected officials to prioritize the investments.

Possible funding sources: City; state and federal grants.

When: Identify infrastructure needs (After completion of the initial phases of Task 7.1; years 3-5).

Benchmarks: Identification of needs; inclusion of projects in the city's capital improvement plan; completion of projects.

Action 8.2. Coordinate provision of infrastructure to the International Terminal

Description: Trucks bringing goods to the International Terminal typically use Moore Drive to access the port from Highway 20. Depending on the results of the Port's economic and feasibility assessments, these transportation connections to the Port may need to be upgraded for additional capacity.

Rationale: Infrastructure capacity must be available for international shipping to be viable.

Who does it: Port of Newport lead; City of Newport support.

Possible funding sources: City of Newport; Port of Newport; state and federal transportation funding programs; Oregon Infrastructure Finance Authority

When: As soon as the Port identifies needs the City should work to conduct preliminary project evaluations and get them into the capital improvement program. This action links to Action 3.1 and is contingent upon substantial progress towards that Action.

Benchmarks: Completion of feasibility assessment (Port); identification of projects; projects included in the CIP.

Action 8.3. Develop and maintain infrastructure used by visitors

Description: Where legally allowed or permissible, use lodging and local gas tax revenues to support or maintain infrastructure used by visitors, such as local roads and sidewalks in areas frequented by visitors. Use lodging and local gas tax revenues for street-scaping and improving the appearance of Highway 101.

This action would include development of specific policy language related to use of transient room tax revenues for development of infrastructure, including as match to other state and federal grants.

Rationale: Strategic investments in visitor infrastructure will encourage tourism.

Who does it: City Public Works Department; input from the Greater Newport Chamber of Commerce.

Possible funding sources: Transient lodging and local gas tax revenues.

When: Years 1 through 5.

Benchmarks: Completion of projects.

Action 8.4. Develop infrastructure needed to support fishing and seafood processing

Description: Changes in permitting and fishing quotas have impacted the industry in significant ways. This action would identify specific things Newport or its partners could do to maintain the commercial finishing industry. This could include issues such as ensuring that permits stay in Newport if operators retire or move, providing support for additional infrastructure such as ice making, and other actions.

Coordinate with fishery businesses to understand their future business plans and infrastructure needs. Work with stakeholders to develop or maintain infrastructure needed to maintain businesses in fishing, ensuring that fishing rights stay in Newport. This action should include a regular forum for the City, the Port and other organizations to meet with representatives of the fishing industry.

This action will include an assessment of the condition of in-water structures – docks and other facilities. These facilities are owned by the City, the Port of Newport and private entities. Ideally, this assessment would be coordinated and completed by all relevant entities at the same time.

Rationale: Working directly with the fishing industry will allow better coordination of activities and needed improvements. Commercial fishing and seafood processing are one of Newport's core industries. It is important that Newport maintain this industry.

Who does it: Local operators, OSU Sea Grant, and the OSU Extension Agent; City of Newport and Port of Newport are in supporting roles.

Possible funding sources: Economic Development Improvement District; City, state or federal transportation funds, Connect Oregon; Oregon Infrastructure Finance Authority.

When: As appropriate.

Benchmarks: Holding meetings; identification of infrastructure improvements; completion of projects.

Action 8.5: Work with ODOT on upgrades to Yaquina Bay Bridge

Description: The Yaquina Bay Bridge is the primary connection between the northern and southern portions of Newport. The bridge is near the end of its engineered life and has both capacity and safety issues. Ultimately, the Oregon Department of Transportation will determine if and when to upgrade the bridge. Because of the nature of this critical lifeline, the City will continue to work with ODOT and other partners to encourage ODOT to initiate planning studies on the span that will ultimately result in inclusion in the Statewide Transportation Improvement Program.

Rationale: Having a safe and efficient transportation connection between the two areas of Newport is critical to future economic development.

Who does it: City, Port of Newport, Greater Newport Chamber of Commerce, Economic Development Alliance of Lincoln County.

Possible funding sources: This primarily requires staff effort.

When: Ongoing.

Benchmarks: Obtaining a firm commitment from the State of Oregon to initiate planning efforts to replace the span.

IMPLEMENTATION

Figure 1 shows the proposed implementation schedule for the Newport Economic Development Strategy.

Figure 1. Proposed implementation schedule

	2012	2013				2014				2015				2017				2018		
Goal/Action	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr	4th Qtr	1st Qtr	2nd Qtr	3rd Qtr
JOB GROWTH																				
Goal: Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs																				
Action: Create and staff a Business Growth and Recruitment Coordinator function																				
Strategy 1. Facilitate growth of employment in the marine and ocean observing research and education cluster																				
Action 1.1. Identify a person or organization responsible for coordinating among stakeholders																				
Action 1.2 Develop a strategic and business plan to guide growth of the marine and ocean observing cluster																				
Action 1.3 Identify opportunity sites for growth of the marine and ocean observing cluster																				
Action 1.4 Stakeholder workshops																				
Strategy 2. Encourage growth of tourism-related employment																				
Action 2.1. Develop tourism-related amenities and facilities.																				
Action 2.2. Work with the Port of Newport to study opportunities to make Newport a destination for cruise ships and other recreational activities.																				
Action 2.3. Maintain meaningful tourism marketing																				
Strategy 3. Coordinate with the Port of Newport on shared economic development objectives																				
Action 3.1. Evaluate opportunities to expand the goods shipped via the Port	Some work in progress; schedule TBD																			
Strategy 4. Encourage growth of businesses involved with fishing and value-added seafood.																				
Action 4.1. Coordinate relationships with the Port of Newport, fishing businesses and other business interests within the community																				
WORKFORCE AVAILABILITY & QUALITY																				
Goal: Provide appropriate workforce training opportunities to meet the needs of Newport's target industries																				
Strategy 5. Support workforce development																				
Action 5.1 – Provide strategic contributions in staff or dollars to partners to support workforce development																				
SUPPLY OF COMMERCIAL AND INDUSTRIAL LAND																				
Goal: Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period																				
Strategy 6. Encourage better use of underutilized commercial sites.																				
Action 6.1. Evaluate creation of an urban renewal district north of Yaquina Bay																				
Strategy 7. Ensure an adequate supply of commercial and industrial sites																				
Action 7.1 Develop policies to prioritize target industry uses on opportunity sites																				
Action 7.2: Develop an annexation strategy for commercial and industrial properties in South Beach																				
INFRASTRUCTURE AND PUBLIC FACILITIES																				
Goal: Make investments in infrastructure and public facilities to support the target industries																				
Strategy 8. Ensure adequate infrastructure is available.																				
Action 8.1 Identify and make infrastructure investments on the opportunity sites																				
Action 8.2. Coordinate provision of infrastructure to the International Terminal	Contingent upon completion of Action 3.1; probably years 3-5																			
Action 8.3. Develop and maintain infrastructure used by visitors																				
Action 8.4. Develop infrastructure needed to support fishing and seafood processing	As appropriate; coordinate with Action 4.1																			
Action 8.5: Work with ODOT on upgrades to Yaquina Bay Bridge																				

Final

Commercial and Industrial Buildable Lands Inventory and Economic Opportunities Analysis

Prepared for Newport

ECONorthwest
ECONOMICS · FINANCE · PLANNING

99 W 10th Avenue
Suite 400
Eugene, Oregon 97401
541 687-0051
www.econw.com

July 2012

Disclaimer

ECONorthwest completed this report on behalf of the City of Newport. This report is an economic opportunities analysis (EOA), which the City will use as a factual basis as part of the City's Comprehensive Plan update.

Throughout the report we identify the sources of information and assumptions used in the analysis. Within the limitations imposed by uncertainty and the project budget, ECONorthwest has made every effort to check the reasonableness of the data and assumptions, and to test the sensitivity of the results of our analysis to changes in key assumptions. ECO acknowledges that any forecast of the future is uncertain. The fact that we evaluate assumptions as reasonable does not guarantee that those assumptions will prevail.

Acknowledgements

Numerous people contributed to the completion of this project. We would like to acknowledge the hard work of the project Technical Advisory Committee, State of Oregon Staff, and consultants.

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Technical Advisory Committee (TAC)

The Technical Advisory Committee (TAC) provided technical input in the economic opportunities analysis. The TAC included the following people:

Caroline Bauman, Economic Development Alliance of Lincoln County
George Boehlert, Hatfield Marine Science Center
Chris Chandler, Central Lincoln PUD
John Clark, Whaler Motel
Lorna Davis, Greater Newport Chamber of Commerce
Will Emery, Industrial Property Owner
Guy Faust, Oregon Coast Community College, Small Business Development Center
Mike Larimer, Samaritan Pacific Communities Hospital
John Lavrakas, Advanced Research Corporation
Mark McConnel, Newport Mayor
Don Mann, Port of Newport
Woody Ouderkirk, Mishey Real Estate
Bonnie Serkin, Industrial Property Owner
Glen Small, Newport Planning Commission
Will Summers, Oregon Employment Department
Gil Sylvia, Hatfield Marine Science Center

State of Oregon

Matt Spangler, Department of Land Conservation and Development
Patrick Wingard, Department of Land Conservation and Development

City of Newport staff

Derrick Tokos, AICP, Community Development Director
Wanda Haney, Senior Administrative Assistant

ECONorthwest

Bob Parker, AICP, Senior Planner
Beth Goodman, Planner

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Executive Summary

This report presents an economic opportunities analysis consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located."

The primary goals of the EOA are to (1) project the amount of land needed to accommodate the future employment growth within the Newport Urban Growth Boundary (UGB) between 2012 and 2032, (2) evaluate the existing employment land supply within the Newport UGB to determine if it is adequate to meet that need, and (3) to fulfill state planning requirements for a twenty-year supply of employment land. This project included preparation of an economic development strategy which is presented in a separate document.

How much buildable employment land does Newport currently have?

Table S-1 shows commercial, industrial, shoreland, and public land with development capacity (lands classified vacant, partially vacant, or destination resort) by constraint status. The results show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that make the land unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

Table S-1. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
Commercial					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
Subtotal	**113**	**113**	**2**	**49**	**62**
Industrial					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
Subtotal	**78**	**479**	**9**	**270**	**199**
Shoreland					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
Subtotal	**10**	**131**	**71**	**18**	**42**
Public					
Vacant	20	206	0	102	104
Subtotal	**20**	**206**	**0**	**102**	**104**
TOTAL	**221**	**928**	**81**	**439**	**408**

Source: City of Newport GIS data; analysis by ECONorthwest

How much growth is Newport planning for?

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the 2012-2032 planning period. Table S-2 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032.

Table S-2 shows Newport's employment base in 2012, with about 10,060 employees, and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

Table S-2. Forecast of employment growth in by building type, Newport UGB, 2012–2032

	2012		2032		
Land Use Type	Employment	% of Total	Employment	% of Total	Change 2012 to 2033
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
Total	**10,060**	**100%**	**12,276**	**100%**	**2,216**

Source: ECONorthwest
Note: Green shading denotes an assumption by ECONorthwest

Can some employment growth be accommodated on underutilized land?

Some new employment can be accommodated on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. The analysis estimates in Table S-3 assume that some employment will locate on underutilized lands, including: (1) employment that can locate in existing built space (e.g., through filling vacancies or through making more efficient use of existing office space) and (2) employment can be accommodated on land with unused capacity, through infill development or redevelopment of an existing structure.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

Table S-3. New employment locating on underutilized land or vacant land, Newport, 2032

		Employment on Underutilized Land		
Land Use Type	New Employment	Existing Built Space	Land with Additional Capacity	Emp. on Vacant Land
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
Total	**2,216**	**211**	**199**	**1,805**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

How much land will be required for employment?

The forecast of growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land and 63 gross acres of commercial land.

Does Newport have enough land to accommodate employment growth?

Table S-4 compares the supply of suitable employment land with the demand for employment land:

- **Industrial.** Newport has a supply of nearly 200 acres of suitable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the**

20-year period, with a surplus of 113 gross acres of industrial land.

- **Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City's zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

Table S-4. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032

Land Use Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

While Newport has an overall surplus of commercial and industrial land, some issues exist with the city's land supply. Specifically, Newport has a limited number of larger (5+ acre) commercial sites.

What types of business does Newport want to attract?

To identify target industries and economic development strategies, the City appointed a Technical Advisory Committee (TAC) to guide staff and the City's consultant. The following industries are targeted for employment growth in Newport based, in part, on the Community's aspirations for economic development, as articulated in the vision. In addition, the TAC considered Newport's competitive and comparative advantages that make it attractive to specific industries. The industries that fit with the Community's aspirations for growth and identified as having growth potential in Newport are:

- **Marine and ocean observing research and education.** The relocation of the NOAA fleet to Newport creates a significant opportunity to expand this cluster. Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. Key economic development opportunities in the ocean-observing industry cluster include: (1) operations and maintenance of marine research vessels, (2) development of facilities to support marine research operations and maintenance, (3) Development of

facilities and programs to support marine education, (4) Instrument design, manufacturing, deployment, sales, and service, and (5) expanded marine research.

- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port completing renovation of the International Terminal of the Port.
- **Fishing and seafood processing.** Newport is one of Oregon's largest commercial fishing port, accounting for about one-third of the State's commercial fishing activity.
- **Tourism.** Tourism plays an important role in Newport's economy. In 2010, about 36% of Newport's employment was in sectors most related to tourism: accommodation and food service, arts and recreation, and retail trade.

What are the implications of the key economic development issues in Newport?

Following are several key issues identified in the economic opportunities analysis:

- **Identify and manage opportunity sites for the target industries.** The community's aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

  Businesses in all of these clusters compete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

  Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

  Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in

the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

A core element of the economic development strategy is to establish an urban renewal district (URD) to facilitate redevelopment north of Yaquina Bay.

The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 2-2 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway 101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

  The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

  The Economic Development Strategy includes an action to evaluate creating an urban renewal district north of Yaquina Bay. The purpose of the District is to address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, to spur new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing

funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

The Strategy also includes actions for maintaining and improving infrastructure to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.

Chapter 1 Introduction

This report presents an Economic Opportunities Analysis (EOA) for the City of Newport consistent with the requirements of statewide planning Goal 9 and the Goal 9 administrative rule (OAR 660-009). Goal 9 describes the EOA as "an analysis of the community's economic patterns, potentialities, strengths, and deficiencies as they relate to state and national trends" and states that "a principal determinant in planning for major industrial and commercial developments should be the competitive advantage of the region within which the developments would be located."

BACKGROUND

The City of Newport is updating the Economy chapter of the City's Comprehensive Plan. This update includes two related parts: (1) determining whether Newport has enough employment land through conducting an economic opportunities analysis (EOA) and (2) developing a strategy to guide economic development policy and actions in Newport. These documents: (1) are informed by recent data, (2) consider the viewpoints of various stakeholder groups in the community, (3) express an economic development vision for Newport, and (4) clearly articulate the city's role in implementing the strategy.

The impetus for this project is the economic activity and opportunities created by the relocation of the National Oceanic and Atmospheric Administration's (NOAA) Pacific Marine Operations Center. The Center, dedicated in August 2011, increased marine research related employment in Newport from 300 to 500 jobs.

The relocation of the Pacific Marine Operations Center creates an opportunity to position Newport as a world-class marine research hub. The National Science Foundation's (NSF) Global Ocean Observatory Initiative will pour millions of dollars into marine research in the coming decades. Newport is ideally positioned to attract substantial funding from NSF and other organizations.

Newport's ability to capitalize on NOAA and NSF is not guaranteed. Newport needs to better understand the needs of marine research and develop strategies that will make Newport attractive to researchers in the field. Development of this strategy is on-going: a local nonprofit organization—the Yaquina Bay Ocean Observing Initiative (YBOOI)—initiated an effort to develop a vision for marine related research. Moreover, the Greater Newport Chamber of Commerce is engaging the

broader business community in discussions about Newport's opportunities. Finally, the Port of Newport will begin updating its strategic plan in 2012.

The City last evaluated economic development opportunities in 2005 as part of the South Beach Neighborhood Plan. That process, however, was not community wide, and relied on 2003 data. Considerable changes in the economies of Newport and Oregon have occurred since 2003.

This report presents the results of the economic opportunities analysis (EOA). The purpose of the EOA is to identify economic opportunities (and challenges), inventory buildable lands, and determine whether Newport has a sufficient supply of buildable lands designated for employment to accommodate growth forecast for the 2012 to 2032 period.

A separate document, presents the second product of this project: the Newport Economic Development Strategy. The Strategy articulates Newport's vision and goals for economic development and actions to implement the community's aspirations.

FRAMEWORK FOR ECONOMIC DEVELOPMENT PLANNING IN OREGON

The content of this report is designed to meet the requirements of Oregon Statewide Planning Goal 9 and the administrative rule that implements Goal 9 (OAR 660-009). The Land Conservation and Development Commission adopted amendments to this administrative rule in January 2007.[1] The analysis in this report is designed to conform to the requirements for an Economic Opportunities Analysis in OAR 660-009 as amended.

1. *Economic Opportunities Analysis (OAR 660-009-0015)*. The Economic Opportunities Analysis (EOA) requires communities to identify the major categories of industrial or other employment uses that could reasonably be expected to locate or expand in the planning area based on information about national, state, regional, county or local trends; identify the number of sites by type reasonably expected to be needed to accommodate projected employment growth based on the site characteristics typical of expected uses; include an inventory of vacant and developed lands within the planning area designated for industrial or other employment use; and estimate

[1] The amended OAR 660-009, along with a Goal 9 Rule Fact Sheet, are available from the Oregon Department of Land Conservation and Development at http://www.oregon.gov/LCD/econdev.shtml.

the types and amounts of industrial and other employment uses likely to occur in the planning area. Local governments are also encouraged to assess community economic development potential through a visioning or some other public input based process in conjunction with state agencies.

2. *Industrial and commercial development policies (OAR 660-009-0020)*. Cities with a population over 2,500 are required to develop commercial and industrial development policies based on the EOA. Local comprehensive plans must state the overall objectives for economic development in the planning area and identify categories or particular types of industrial and other employment uses desired by the community. Local comprehensive plans must also include policies that commit the city or county to designate an adequate number of employment sites of suitable sizes, types and locations. The plan must also include policies to provide necessary public facilities and transportation facilities for the planning area.

3. *Designation of lands for industrial and commercial uses (OAR 660-009-0025.* Cities and counties must adopt measures to implement policies adopted pursuant to OAR 660-009-0020. Appropriate implementation measures include amendments to plan and zone map designations, land use regulations, public facility plans, and transportation system plans. More specifically, plans must identify the approximate number, acreage and characteristics of sites needed to accommodate industrial and other employment uses to implement plan policies, and must designate serviceable land suitable to meet identified site needs.

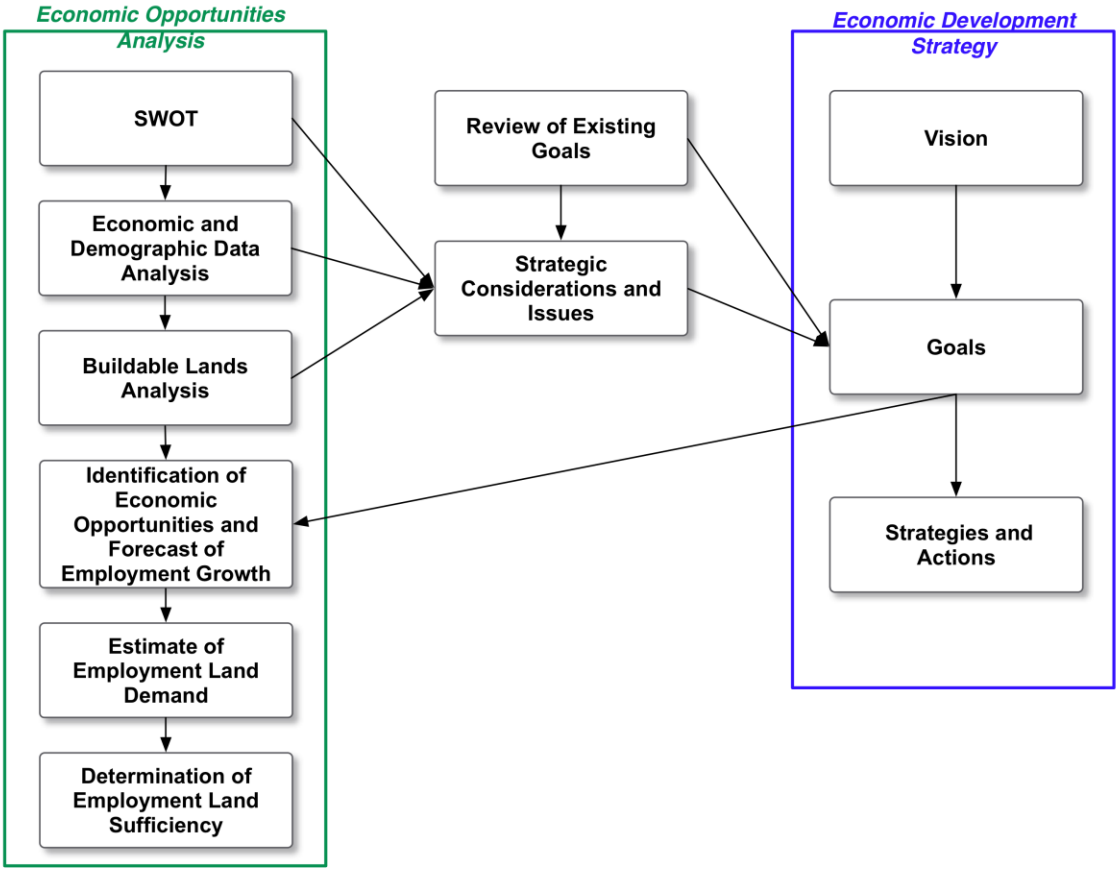
This report is an Economic Opportunities Analysis, the first key element required by Goal 9. This EOA includes an analysis of national, state, regional, and county trends as well as an employment forecast that leads to identification of needed development sites. It also includes an inventory of buildable commercial and industrial land in Newport.

This project included developing an EOA and a strategy for economic development. Figure 1-1 shows the relationship between the EOA and the economic development strategy for Newport. The purpose of each product is:

- **Economic Opportunities Analysis.** The EOA is intended to determine whether Newport has enough employment land. The EOA requires inventorying existing employment lands and identifying economic opportunities, an analysis that is guided by Goal 9.

- **Economic Development Strategy and Action Plan.** This document articulates a community economic development vision and includes specific actions for how to achieve that vision. The economic development vision and goals are intended to: (1) provide direction about economic development policy for the City, especially policy relating to land use and (2) coordinate economic development efforts among the organizations in Newport that work on economic development issues.

Figure 1-1. Newport process for economic development analysis



Source: ECONorthwest

ORGANIZATION OF THIS REPORT

The remainder of this report is organized as follows:

- **Chapter 2, Land Available for Industrial and Other Employment Uses** presents a regional inventory of industrial and other employment lands.
- **Chapter 3, Land Demand and Site Needs in Newport** presents the employment forecast for Newport and an estimate of how much land is needed to accommodate the 20-year employment forecast. It also describes the types of sites that are needed to accommodate industries that are likely to locate or expand in Newport.
- **Chapter 4, Implications** presents a comparison of land supply and site needs and discusses the implications of the Economic Opportunities Analysis.

This report also includes four appendices:

- **Appendix A, Review of National, State, Regional, County, and Local Trends** describes national, state, and local economic trends that will influence the regional economy. Appendix A presents detailed information about economic trends that may affect Newport, which is summarized in Chapter 3.
- **Appendix B, Economic Development Vision, Objectives, and Implementation Strategies** presents the City's policy approach to economic development.
- **Appendix C, Employment Forecast and Site Needs for Industrial and other Employment Uses** presents the forecast for employment growth in Newport and the characteristics of sites likely to be needed by employers in the future
- **Appendix D, Buildable Lands Inventory Methodology** describes the approach and definitions used to develop the inventory of buildable land.

Chapter 2 Land Available for Industrial and Other Employment Uses

The buildable lands inventory is intended to identify commercial and industrial lands that are available for development for employment uses within the Newport UGB. The inventory is sometimes characterized as *supply* of land to accommodate anticipated employment growth. Population and employment growth drive *demand* for land. The amount of land needed depends on the type of development and other factors.

This chapter presents results of the commercial and industrial buildable lands inventory for the City of Newport. The results are based on analysis of GIS data by ECONorthwest and review by City staff. The remainder of this chapter summarizes key findings of the draft buildable lands inventory. This chapter includes tabular summaries and narrative descriptions. The results also include several series of maps that are available from the City's Community Development Department. The methods used to conduct the inventory are summarized in Appendix D of this report.

LAND BASE

Table 2-1 shows acres within the Newport UGB and city limits in 2011. According to the City GIS data, Newport has about 8,179 acres in 7,668 tax lots within its UGB. The UGB includes areas within Yaquina Bay that are not developable. Newport has about 7,151 acres within its City Limits. Additionally, the City has about 1,028 acres between the City Limits and Urban Growth Boundary (the UGA).

Table 2-1. Acres in Newport UGB and City Limit, 2012

Area	Tax Lots	Total Acres	Acres in Tax Lots
City Limits	7,066	7,151	8,060
Urban Growth Area	602	1,028	3,808
Total	**7,668**	**8,179**	**11,868**

Source: City of Newport GIS data; analysis by ECONorthwest
Note: Table includes all areas within the UGB, including non-residential areas
Urban Growth Area is the unincorporated area between the City Limits and Urban Growth Boundary

Table 2-1 summarizes all land in the Newport UGB. The next step was to identify the employment land base (e.g., lands with plan designations that allow employment). The land base includes traditional employment

designations—Commercial, Industrial, and Shoreland)—as well as public lands (including the Newport Airport which is presented as a separate category). Most lands in the Public plan designation are considered committed, however, a review of lands designated Public with City Staff identified some lands with development capacity.

Table 2-2 shows that about 3,424 acres within the Newport UGB is included in the employment land base (including lands in Airport and Public designations). Thus, about 42% of land within the Newport UGB is included in the employment land base. The land base includes all land in tax lots that have any portion that is in an employment or public plan designation.

Table 2-2. Lands designated for employment uses, Newport UGB, 2012

Area	Value
Newport UGB	
Number of Tax Lots	7,668
Acres in UGB	8,179
Newport Employment Land	
Tax Lots in Employment Designations (Comm/Ind/Shoreland)	1,919
Acres in Land Base in Employment Designations	1,570
Newport Airport Land	
Tax Lots in Airport	3
Acres in Airport	541
Newport Public Land	
Tax Lots in Public	207
Acres in Public	1,326

Source: City of Newport GIS data; analysis by ECONorthwest

The third step in the inventory was to classify lands into mutually-exclusive categories that relate to their development status. The categories include:

- Vacant land
- Partially vacant land
- Undevelopable land
- Developed land
- Public land
- Semi-public land
- Destination resort land

See Appendix D for detailed definitions of these categories. ECO used the rules described in Appendix D to perform a preliminary classification. The next step was to show the results in map form overlaid on a 2009 aerial photo to validate the classifications. After validating the classifications, City staff reviewed and commented on the draft maps.

Table 2-3 shows all employment land in the Newport UGB by classification and plan designation. The results show that of the 3,437 acres in the UGB, about 2,639 acres are in classifications with no development capacity, and the remaining 915 acres have development capacity.

Analysis by plan designation shows that about 11% (404 acres) of the employment land in the Newport UGB is designated Commercial, 17% (573 acres) is designated Industrial, and 29% (594 acres) are in Shoreland. A total of 1,867 acres (nearly 50%) are in Public plan designations (note that the Airport is in the Public plan designation). The majority of land in the Public plan designation is committed, but a few sites owned by the city and port were considered available for development during the planning period. These lands are both in the Public plan designation and public ownership. These lands were classified as Vacant (approximately 206 acres).

Table 2-3. Employment acres by classification and plan designation, Newport UGB, 2012

	Plan Designation											
	Commercial		Industrial		Shoreland		Airport		Public		Total	
Classification	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac	Tax Lots	Total Ac
Developed	907	263	102	82	549	62	2	537	44	250	1,604	1,194
Semi-Public	21	9	5	12	4	61	0	0	12	4	42	87
Public	47	12	1	0	37	317	1	4	116	859	202	1,192
Unbuildable	32	7	1	0	12	22	0	0	15	7	60	37
Vacant	107	55	71	441	6	1	0	0	20	206	204	703
Partially Vacant	4	7	7	38	4	130	0	0	0	0	15	174
Destination Resort	2	51	0	0	0	0	0	0	0	0	2	51
Total	**1,120**	**404**	**187**	**573**	**612**	**594**	**3**	**541**	**207**	**1,326**	**2,129**	**3,437**
Total	**53%**	**12%**	**9%**	**17%**	**29%**	**17%**	**0%**	**16%**	**10%**	**39%**	**100%**	**100%**

Source: City of Newport data; analysis by ECONorthwest
Note: Areas in shown as Airport are in the Public plan designation. They are shown separately here because of economic activities at the airport.

Table 2-4 shows employment acres by classification and constraint status for the Newport UGB in 2012. Analysis by constraint status (the table columns) shows that about 1,674 acres are classified as built or committed (e.g., unavailable for development), 1,355 acres were classified as constrained, and 408 were classified as vacant and suitable for employment uses.

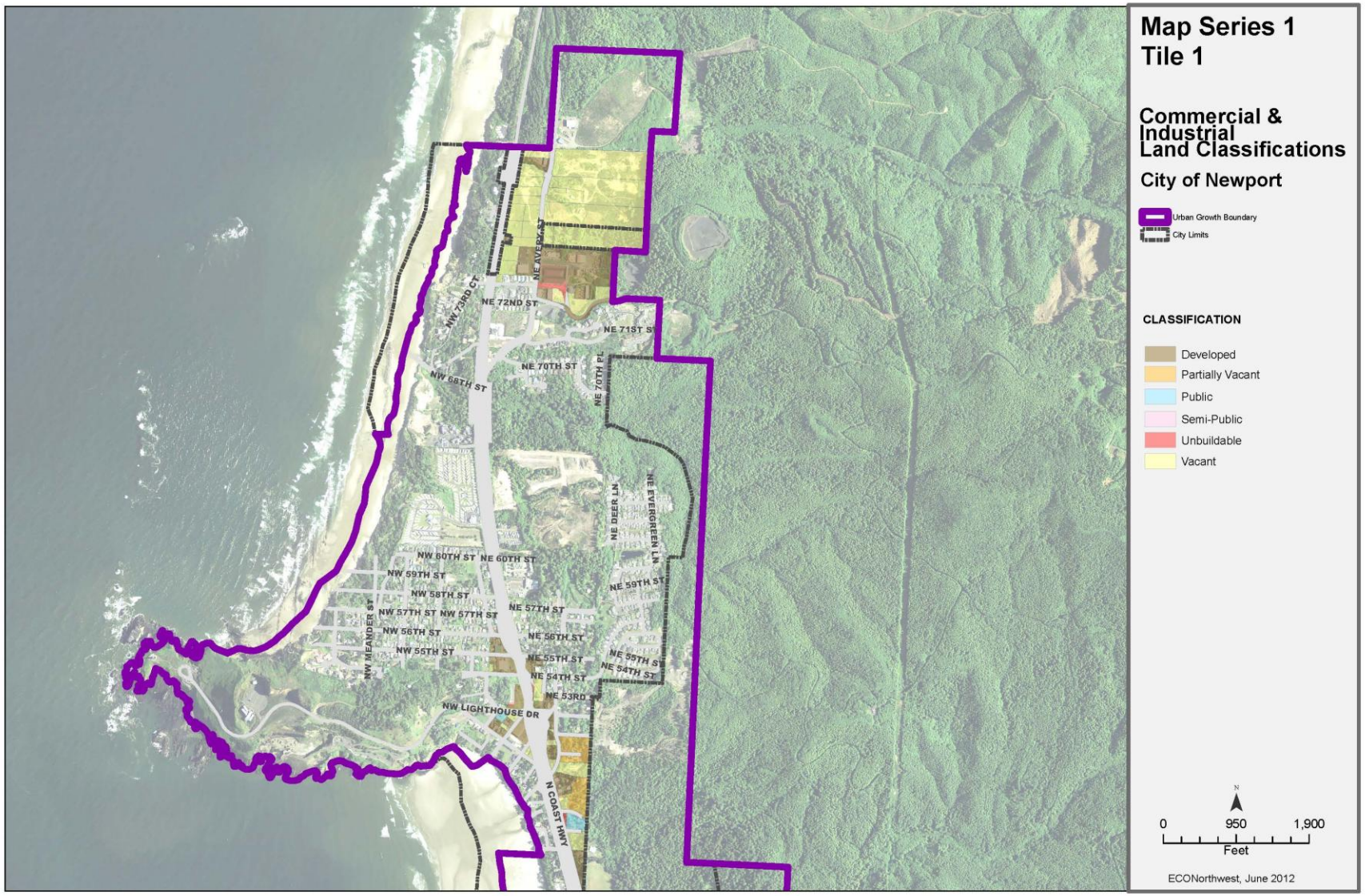
Table 2-4. Employment acres by classification, Newport UGB, 2012

Classification	Tax Lots	Total Ac	Land not suitable for new Employment: Developed Ac	Land not suitable for new Employment: Constrained Ac	Land suitable for Employment: Suitable Ac
Land with no development capacity					
Developed	1,604	1,194	814	381	0
Semi-Public	42	87	74	12	0
Public	202	1,192	679	513	0
Unbuildable	60	37	26	11	0
Subtotal	**1,908**	**2,509**	**1,592**	**917**	**0**
Land with development capacity					
Vacant	204	703	0	372	331
Partially Vacant	15	174	81	40	53
Destination Resort	2	51	0	27	24
Subtotal	**221**	**928**	**81**	**439**	**408**
Total	**2,129**	**3,437**	**1,674**	**1,355**	**408**

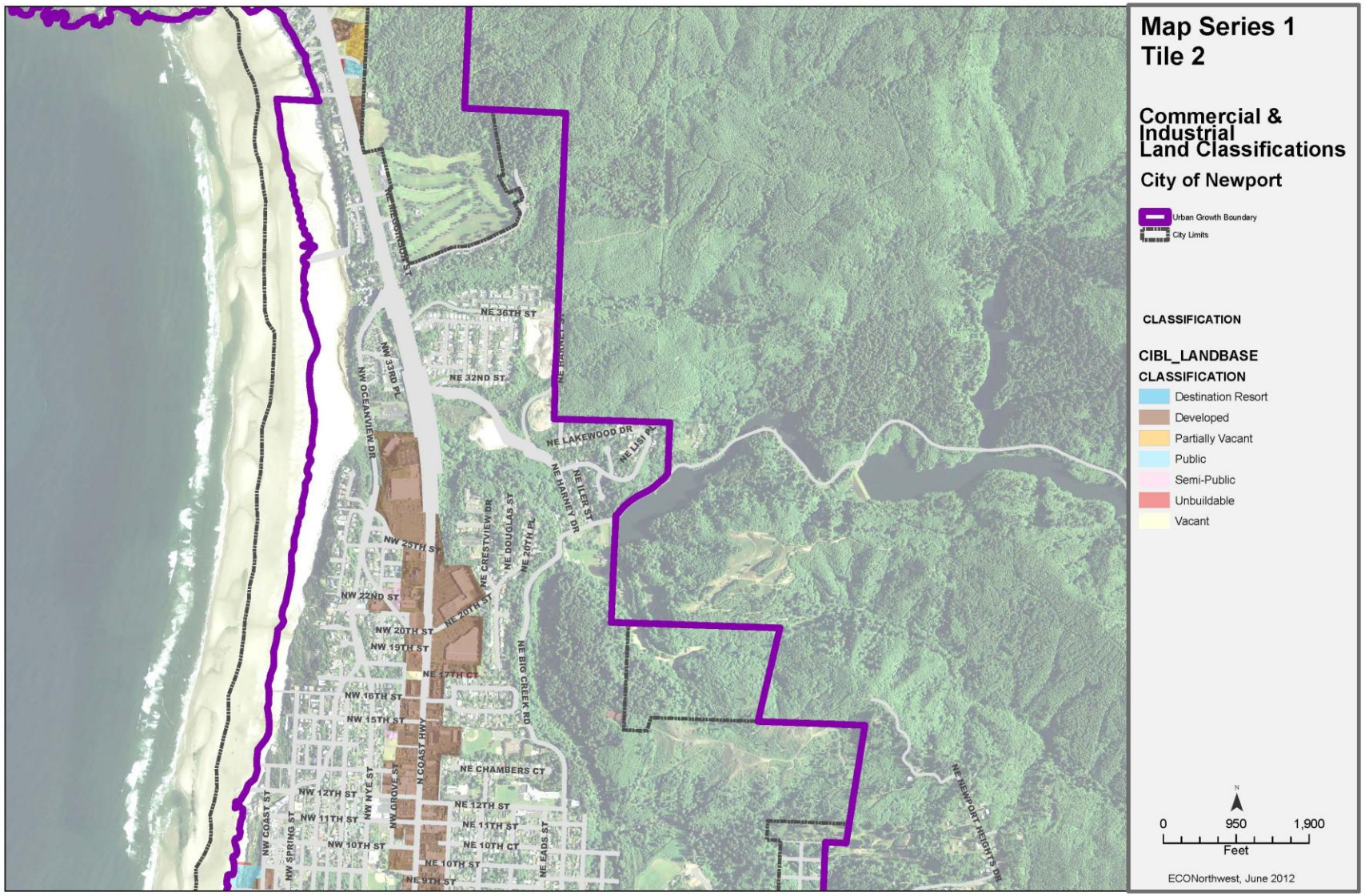
Source: City of Newport data; analysis by ECONorthwest

Maps 2-1 through 2-6 show commercial and industrial land in Newport by development status. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

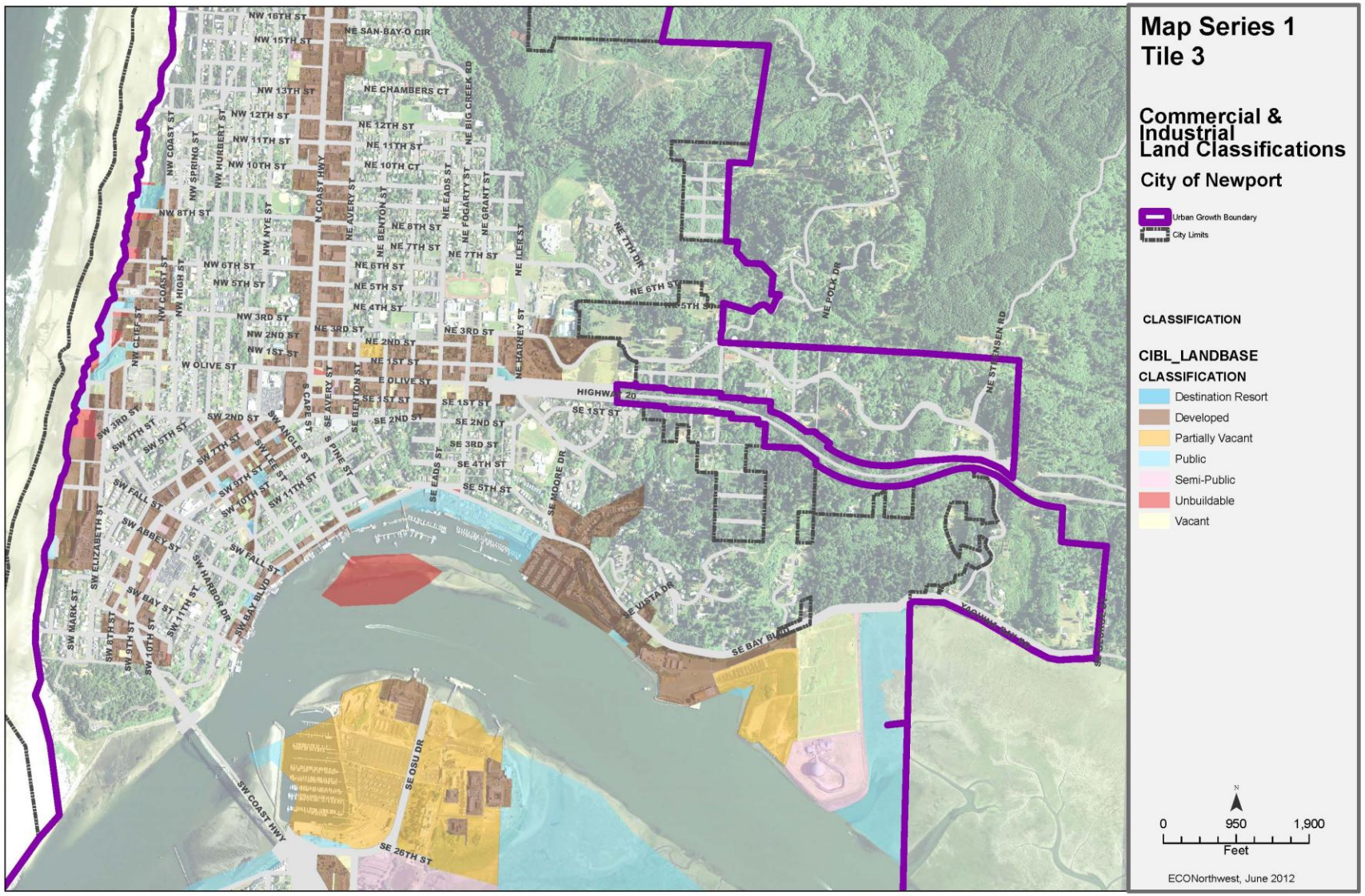
Map 2-1. Employment land by classification, Tile 1, Newport UGB, 2012



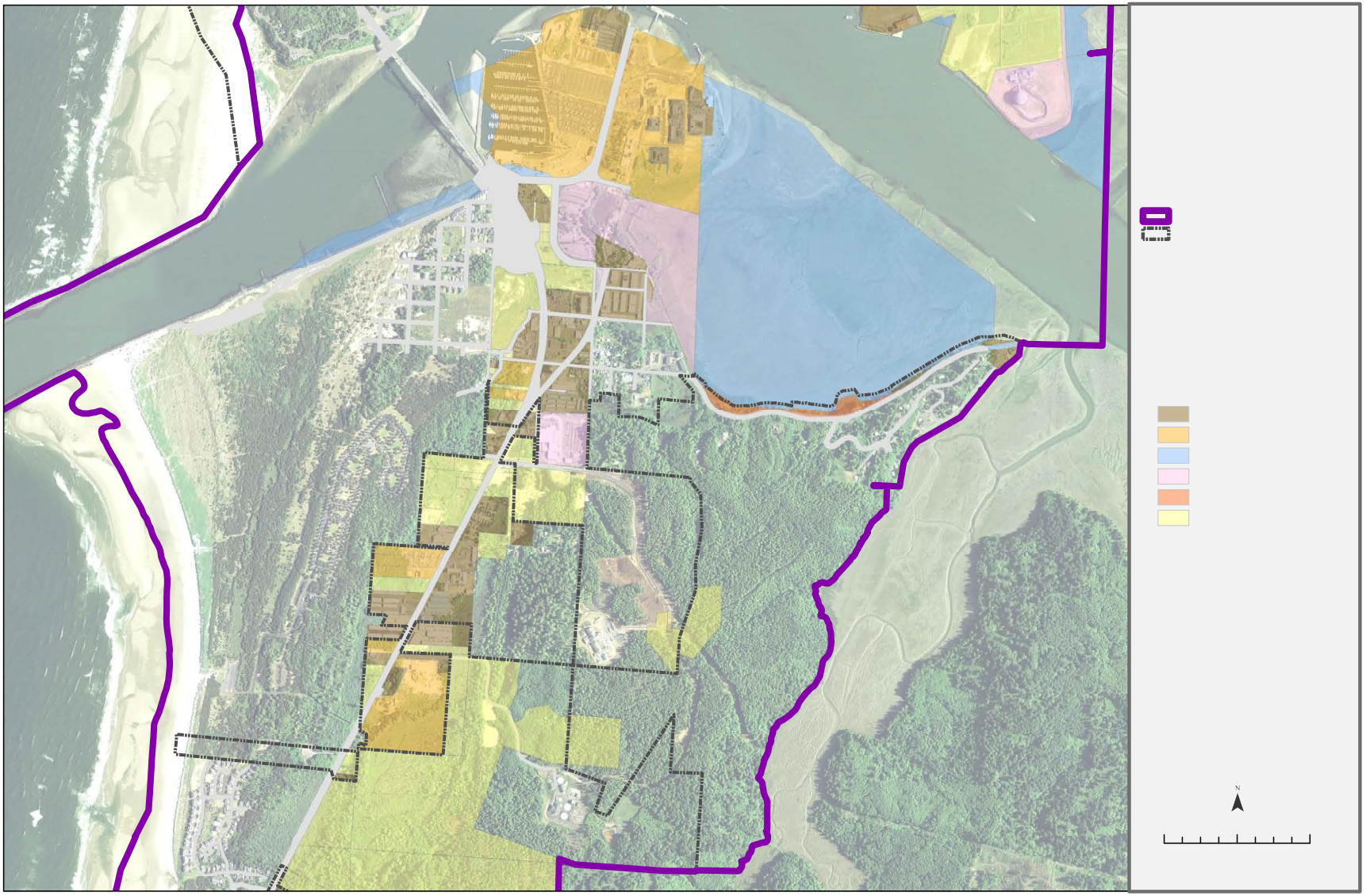
Map 2-2. Employment land by classification, Tile 2, Newport UGB, 2012



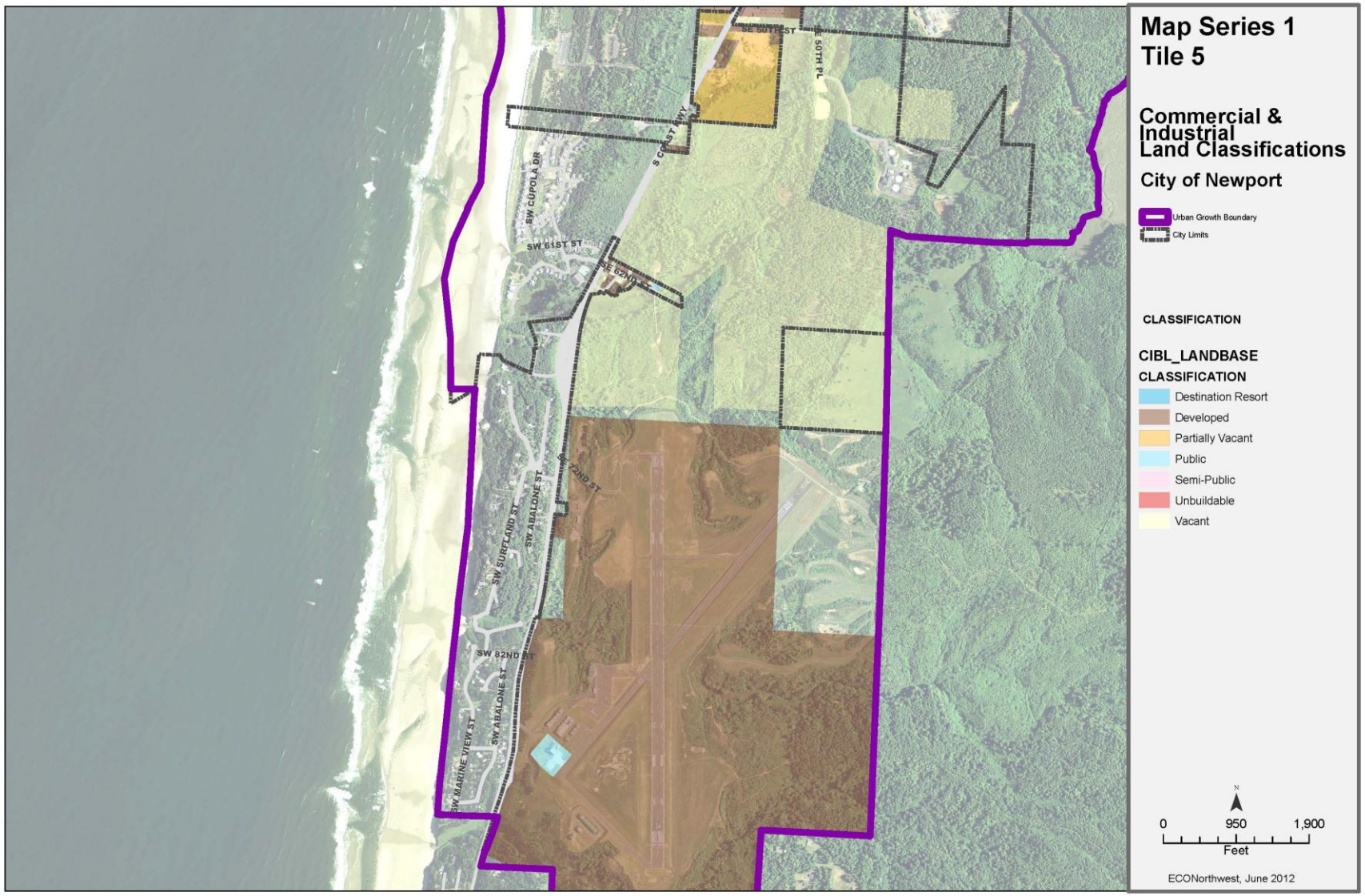
Map 2-3. Employment land by classification, Tile 3, Newport UGB, 2012



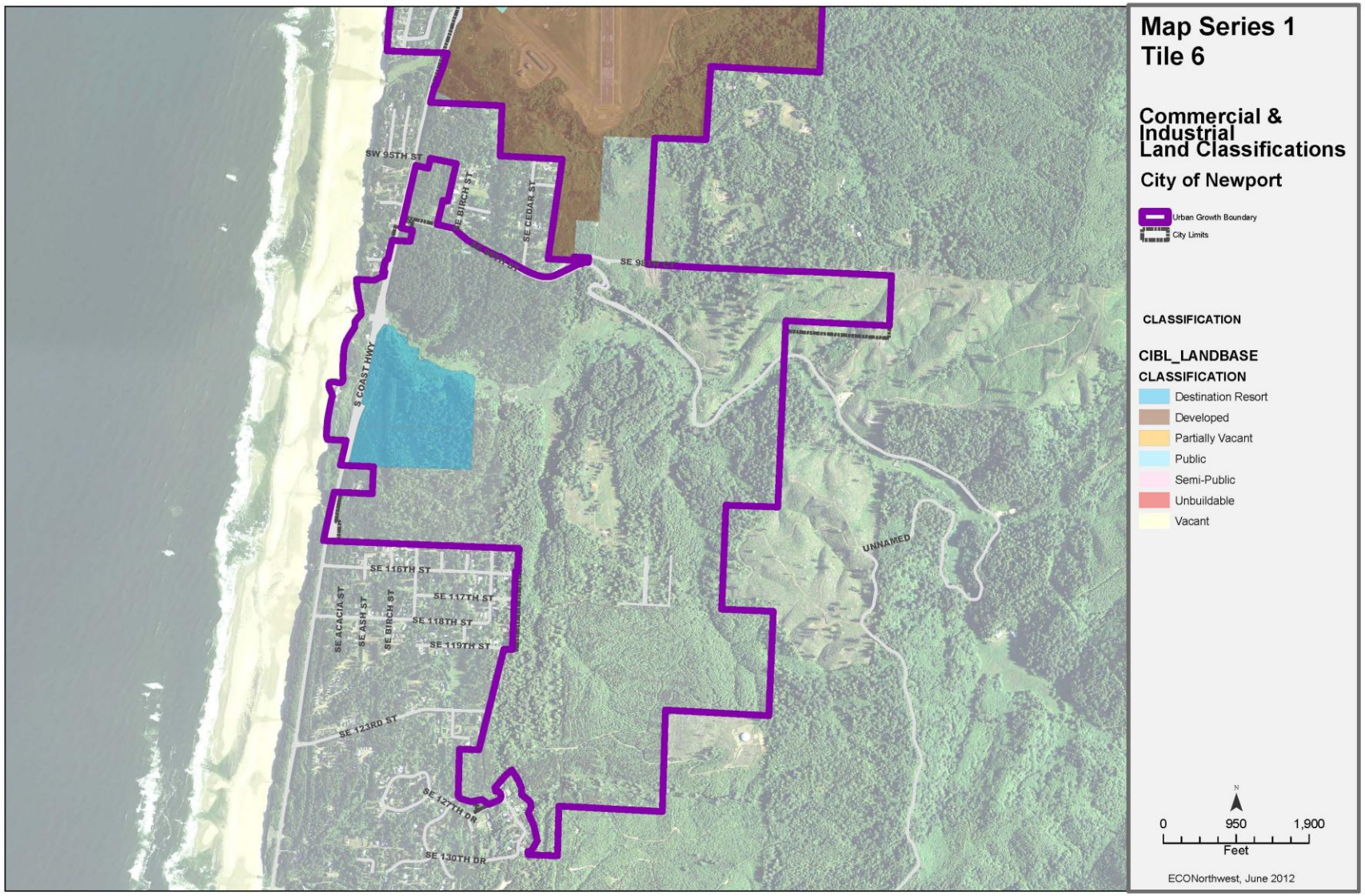
Map 2-4. Employment land by classification, Tile 4, Newport UGB, 2012



Map 2-5. Employment land by classification, Tile 5, Newport UGB, 2012



Map 2-6. Employment land by classification, Tile 6, Newport UGB, 2012



VACANT BUILDABLE LAND

The next step in the commercial and industrial buildable land inventory was to net out portions of vacant tax lots that are unsuitable for development. Areas unsuitable for development fall into three categories: (1) developed areas of partially vacant tax lots, (2) areas with physical constraints (in this instance areas with shoreline buffers, wetlands, geologic buffers, or floodways), or (3) lands that are already committed to a use (public/quasi-public or private open space).

Table 2-5 shows land with development capacity (e.g., lands classified as vacant, partially vacation, or destination resort) by constraint status. The data show that about 81 acres within tax lots with development capacity are developed. An additional 439 acres have development constraints that are unsuitable for employment uses, leaving about 408 vacant suitable employment acres within the UGB.

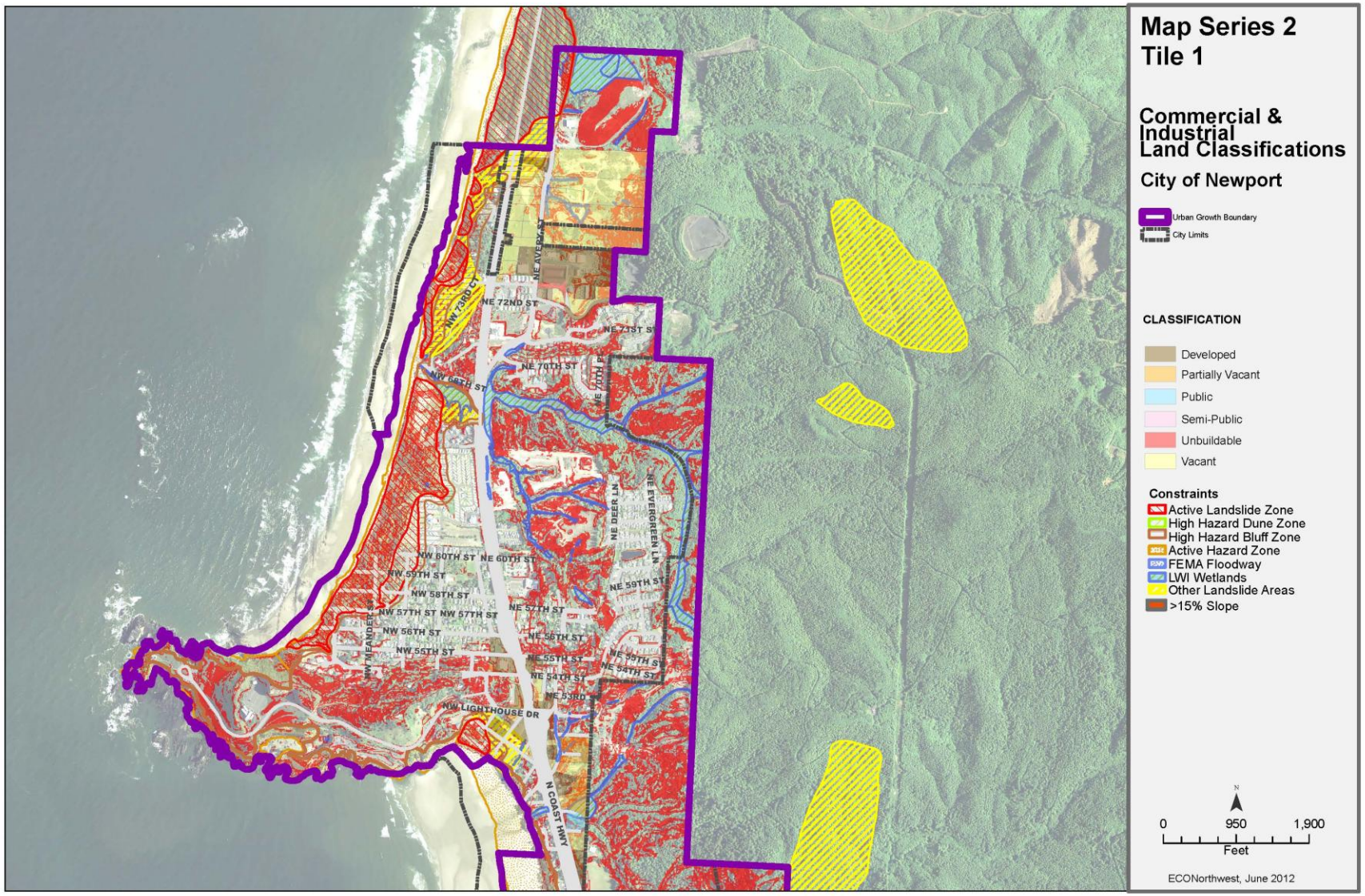
Table 2-5. Employment land with development capacity (Vacant, Partially Vacant, and Destination Resort) by constraint status, Newport UGB, 2012

Plan Designation/ Classification	Tax Lots	Total Acres in Tax Lots	Developed Acres	Constrained Acres	Suitable Acres
Commercial					
Vacant	107	55	0	19	36
Partially Vacant	4	7	2	3	2
Destination Resort	2	51	0	27	24
Subtotal	**113**	**113**	**2**	**49**	**62**
Industrial					
Vacant	71	441	0	251	190
Partially Vacant	7	38	9	20	9
Subtotal	**78**	**479**	**9**	**270**	**199**
Shoreland					
Vacant	6	1	0	1	1
Partially Vacant	4	130	71	17	42
Subtotal	**10**	**131**	**71**	**18**	**42**
Public					
Vacant	20	206	0	102	104
Subtotal	**20**	**206**	**0**	**102**	**104**
TOTAL	**221**	**928**	**81**	**439**	**408**

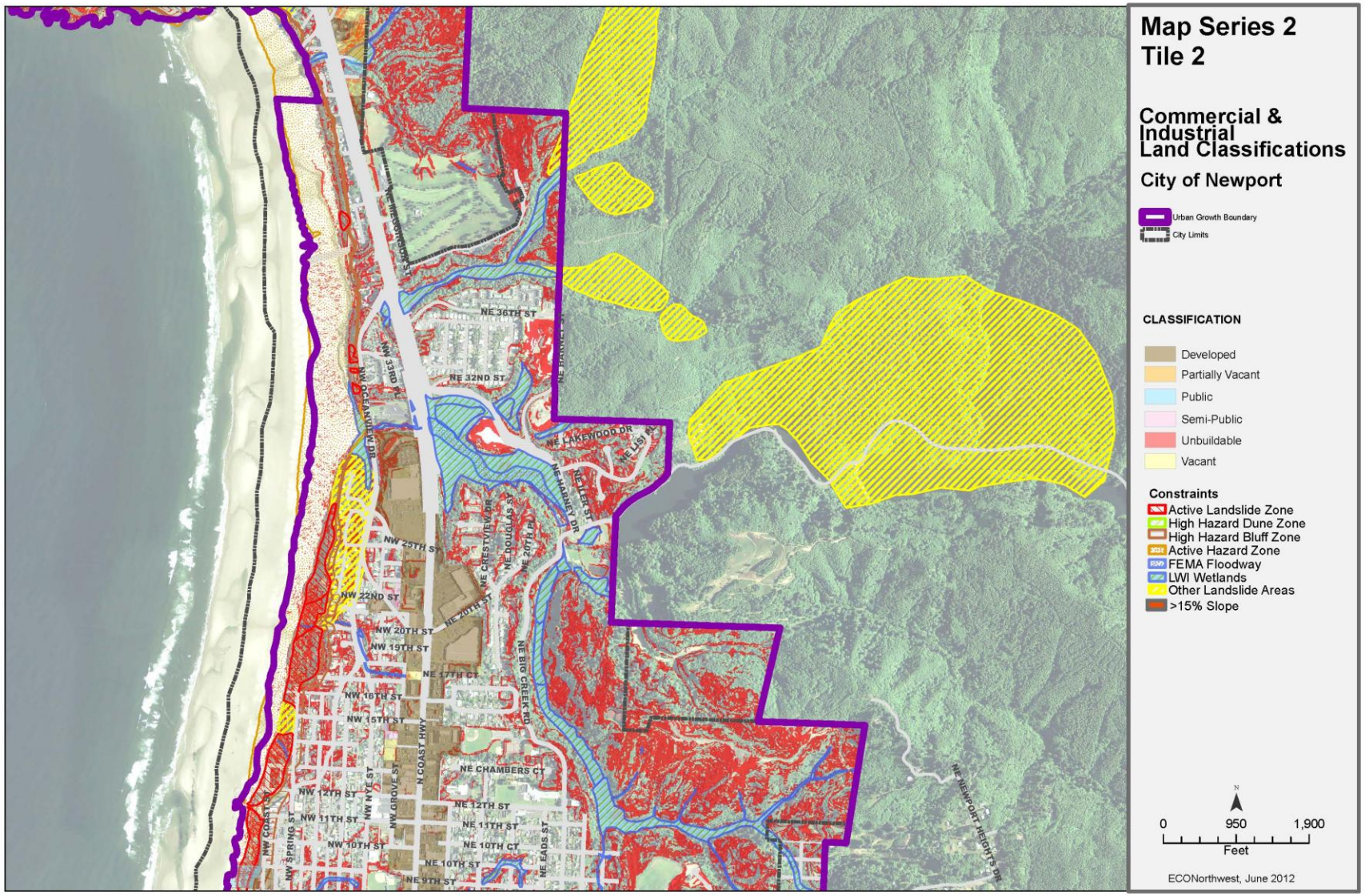
Source: City of Newport GIS data; analysis by ECONorthwest

Maps 2-7 through 2-12 show commercial and industrial land in Newport by development status with development constraints. The maps show the City of Newport in six tiles (maps), from the northern edge of the UGB to the southern edge of the UGB.

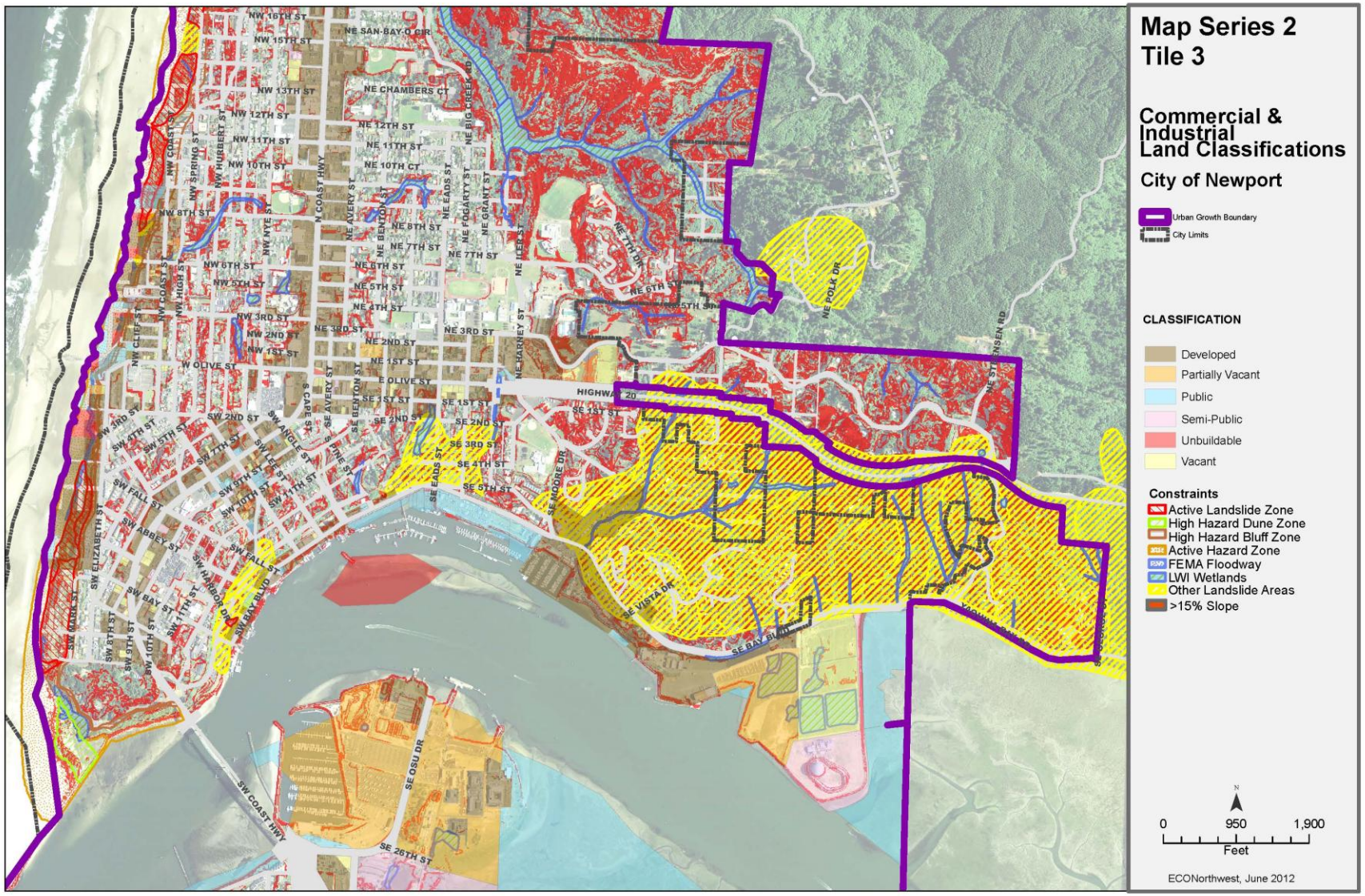
Map 2-7. Employment land by classification with development constraints, Tile 1, Newport UGB, 2012



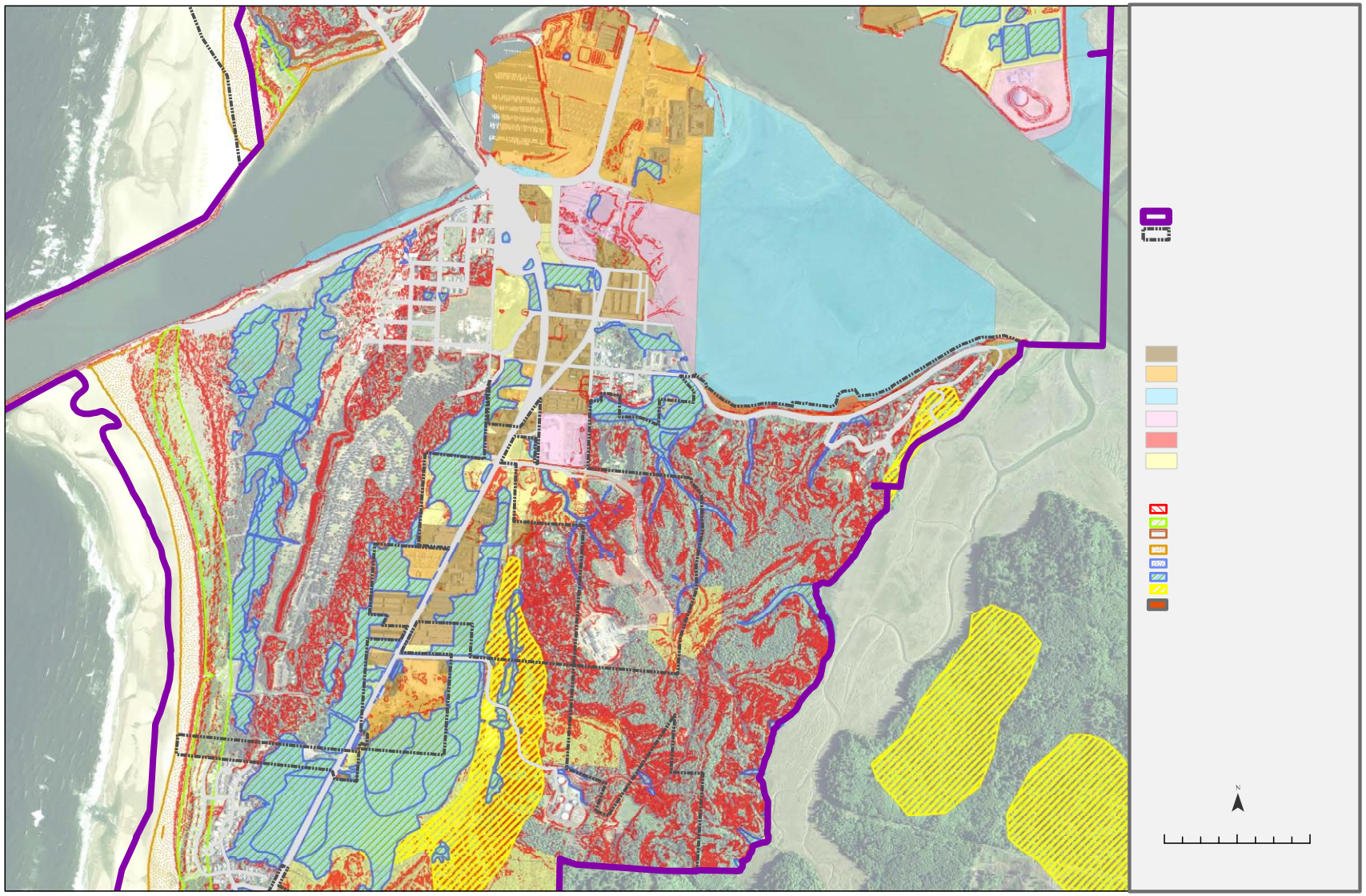
Map 2-8. Employment land by classification with development constraints, Tile 2, Newport UGB, 2012



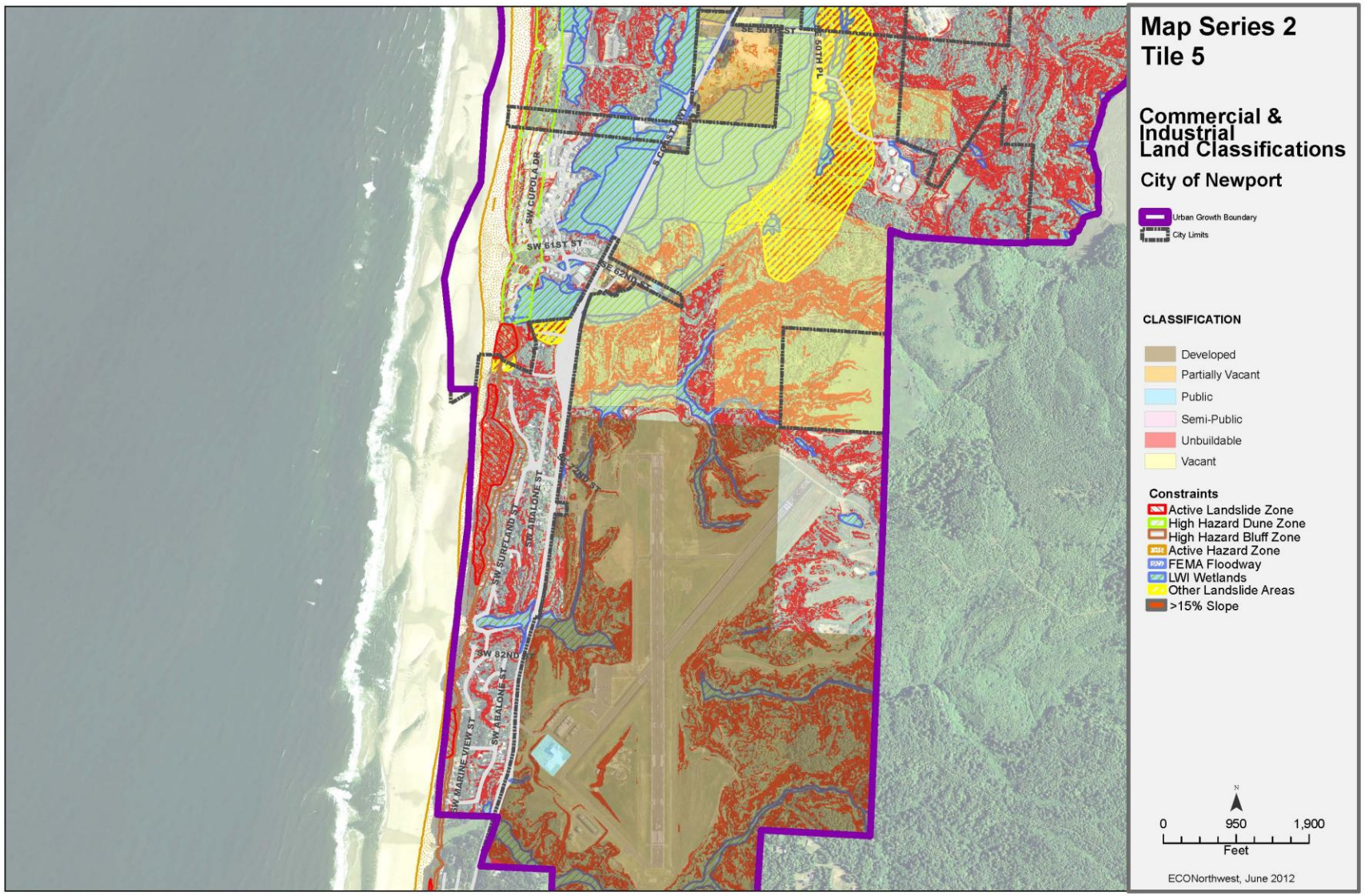
Map 2-9. Employment land by classification with development constraints, Tile 3, Newport UGB, 2012



Map 2-10. Employment land by classification with development constraints, Tile 4, Newport UGB, 2012



Map 2-11. Employment land by classification with development constraints, Tile 5, Newport UGB, 2012



Map 2-12. Employment land by classification with development constraints, Tile 6, Newport UGB, 2012

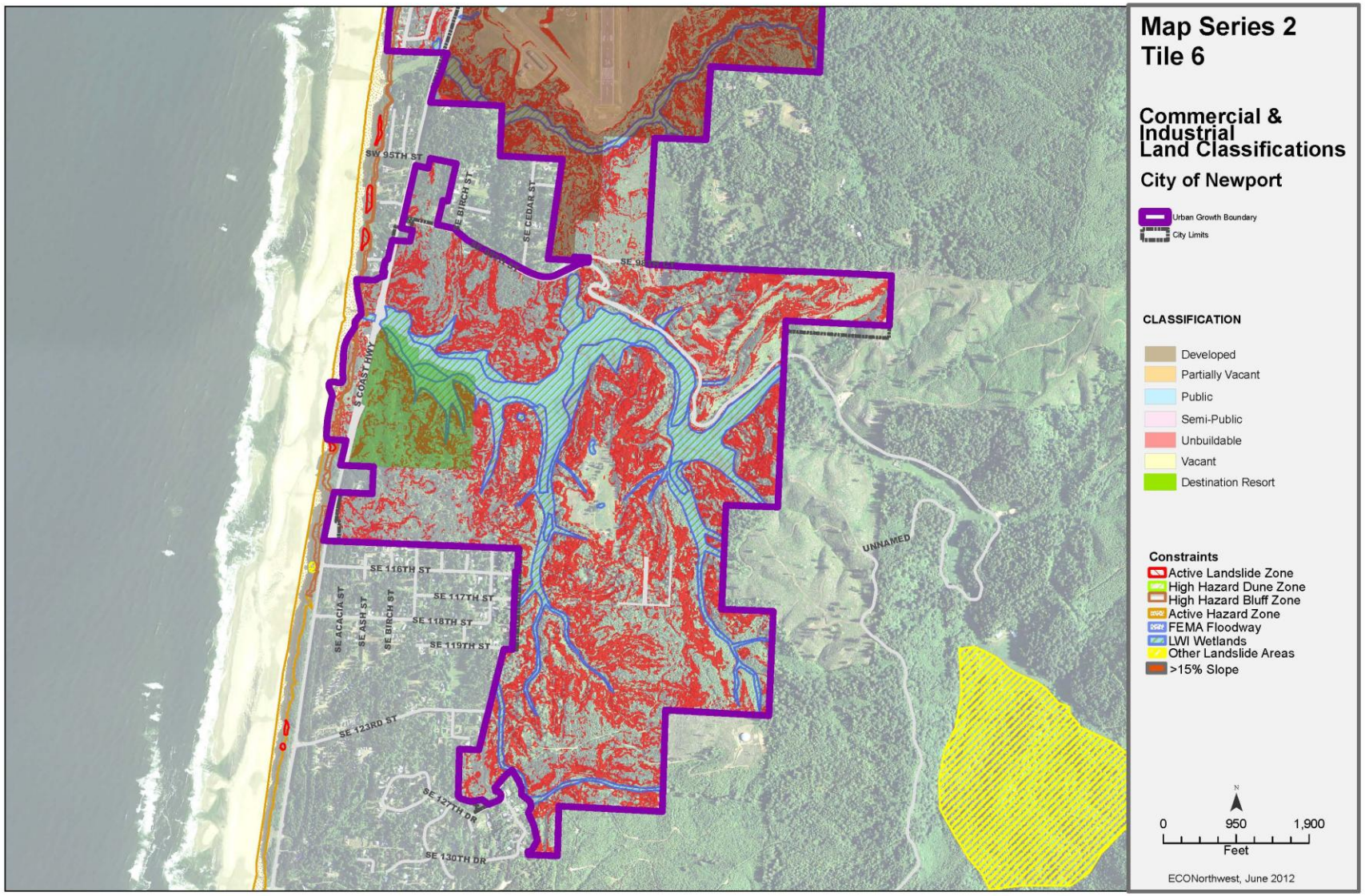


Table 2-6 shows the size of lots by plan designations for suitable employment land. Newport has nearly 195 lots that are smaller than 2 acres (with 106 acres of land). Newport has 16 lots between 2 and 10 acres (80 acres of land), four lots between 10 and 20 acres in size (51 acres of land), and six lots 20 acres and larger (171 acres of land).

Table 2-6. Lot size by plan designation, suitable acres, Newport UGB, 2012

	Suitable Acres in Tax Lot								
Plan Designation	<0.25	>=0.25 and <0.50	>=0.50 and <1.00	>=1.00 and <2.00	>=2.00 and <5.00	>=5.00 and <10.00	>=10.00 and <20.00	>=20.00 and <50.00	Total
Acres									
Commercial	7	4	5	2	3	16	24	0	62
Industrial	13	3	17	9	19	34	12	94	199
Public	1	2	1	0	8	0	15	78	104
Shoreland	42	0	1	0	0	0	0	0	42
Subtotal	**62**	**9**	**23**	**12**	**30**	**50**	**51**	**171**	**408**
Tax Lots									
Commercial	88	11	7	2	1	2	2	0	112
Industrial	27	9	21	7	5	5	1	3	78
Public	9	3	1	0	3	0	1	3	20
Shoreland	9	0	1	0	0	0	0	0	10
Subtotal	**133**	**23**	**30**	**9**	**9**	**7**	**4**	**6**	**220**

Source: City of Newport GIS data; analysis by ECONorthwest

The data in Table 2-6 suggest that Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, 2 sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres) . Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

REDEVELOPMENT POTENTIAL

Redevelopment potential addresses land that is classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. Different studies have used different improvement to land value ratio thresholds to identify redevelopment potential.

One of the key issues in preparing an accurate inventory of employment lands in Newport is how to identify and inventory under-utilized or redevelopable lands. For the purpose of this study, ECO does not make a distinction between under-utilized and redevelopable sites. The inventory consistently uses the term "redevelopable" since it is consistent with the

terminology of the statewide land use program.[2] For the purpose of this study, however, the definition of "redevelopable" land is considered synonymous with "under-utilized" properties.

In the context of the Newport commercial and industrial buildable lands inventory, redevelopment potential addresses land that was initially classified as developed that may redevelop during the planning period. While many methods exist to identify redevelopment potential, a common indicator is improvement to land value ratio. A threshold used in some studies is an improvement to land value ratio of 1:1. Not all, or even a majority of parcels that meet this criterion for redevelopment potential will be assumed to redevelop during the planning period.

The factors that affect redevelopability are many, but the economics are pretty straightforward. Redevelopment occurs when achievable rents exceed the current return on investment of the land and improvements. The reality, of course, is much more complicated. One way to think about the market for land is "highest and best use" which is a function of:

1. Achievable Pricing – Given the product type and location, what lease rates or sales prices are achievable?
2. Entitlements – What do local regulations allow to be built?
3. Development Cost – What is the cost to build the range of product types allowed (entitled) at that location?
4. Financing – What is the cost of capital, as well as the desired returns necessary to induce development of that form?

In our many conversations with commercial realtors and developers for this and other studies, the conclusion has been consistent: it is very difficult to develop reliable models of redevelopment potential. The factors are complicated and are location and time specific. Moreover, public policy can play a significant role in facilitating redevelopment.

In previous studies, ECO has explored supply side approaches using GIS datasets. The problem with supply side approaches is that the base data available to conduct empirical analyses is quite coarse and as a result, the analyses are limited and the results have varying levels of inaccuracy. The improvement to land value approach has some problems; for example, it does not make distinctions for land intensive employment uses that

[2] In this instance, the terminology is a little confusing. OAR 660-009-0005(1) defines redevelopment as follows: "Developed Land" means non-vacant land that is likely to be redeveloped during the planning period. For the purpose of clarity, we use the term developed to mean land committed to existing productive employment uses and redevelopable as lands that have potential for redevelopment during the planning period.

require minimal built structure investments. Despite this limitation, it has utility in identifying districts that may be worth focusing resources on.

More robust approaches can consider employment densities, floor area ratios, and other factors. Often, however, the quality of the data is a limiting factor and the cost of generating new or cleaning existing data sets is prohibitive. For this study, we attempted to use employment density combined with improvement to land value ratios. Our assessment was the results were unreliable and unsuitable as a valid indicator of redevelopment potential.

Thus, this study uses a demand-based approach to estimating how much land will be redeveloped over the 20-year planning period. ECO typically approaches the issue from the demand side by making deductions from total employment growth to account for new employment that will not need any new land (see Chapter 4). This approach, however, will not meet key city objectives in developing economic development strategies.

One foundational element of the city's strategy is to identify districts that are "ripe" for redevelopment and then to focus efforts on those districts. To identify potential districts, we analyzed the improvement to land value ratio of all commercial properties within the UGB. That analysis was followed by field assessment and discussions with city staff and other experts.

Table 2-6 shows improvement to land ratios for developed land in Newport. About one-quarter of Newport's developed sites (319 acres of land) have an improvement to land value ratio of less than 0.25, suggesting that these sites have high redevelopment potential. Another 8% of Newport's developed land has an improvement to land ratio of between 0.25 and 1.0 and 11% of Newport's land has a ratio of between 1.0 and 2.0, suggesting redevelopment potential. Higher improvement to land value ratios suggest decreasing probability of redevelopment potential.

Table 2-6. Improvement to land value ratio, land classified as "developed," Newport UGB, 2012

	Improvement to Land Value Ratio								
Plan Designation	>0.00 - <0.25	>=0.25 - 0.50	>=0.50 - <0.75	>=0.75 - <1.00	>=1.00 and <2.00	>=2.00 - <3.00	>=3.00	No Data	Total
Acres									
Airport	167	-	-	-	-	-	-	370	537
Commercial	15	20	35	19	82	20	28	42	263
Industrial	5	11	11	6	14	9	14	11	82
Public	131	2	-	0	1	2	71	43	250
Shoreland	1	3	1	1	48	1	42	95	192
Total									
Acres	**319**	**36**	**47**	**27**	**147**	**33**	**155**	**561**	**1,324**
Percent of Acres	**24%**	**3%**	**4%**	**2%**	**11%**	**2%**	**12%**	**42%**	**100%**
Tax Lots									
Airport	1	-	-	-	-	-	-	1	2
Commercial	54	74	100	87	188	51	71	282	907
Industrial	6	17	11	11	16	10	7	24	102
Public	6	4	-	5	5	5	15	4	44
Shoreland	5	11	7	9	21	3	17	480	553
Total									
Tax Lots	**72**	**106**	**118**	**112**	**230**	**69**	**110**	**791**	**1,608**
Percent of Acres	**4%**	**7%**	**7%**	**7%**	**14%**	**4%**	**7%**	**49%**	**100%**

Source: City of Newport GIS data; analysis by ECONorthwest

Of particular interest for the purpose of this study is low-improvement value commercial land. The improvement to land value ratio analysis in Table 2-7 shows 89 acres of commercial land with an improvement to land value ratio of less than 1.0:1.0; 35 of those acres have an improvement to land value ratio of less than 0.5:1.0. Rows with darker shading have more redevelopment potential.

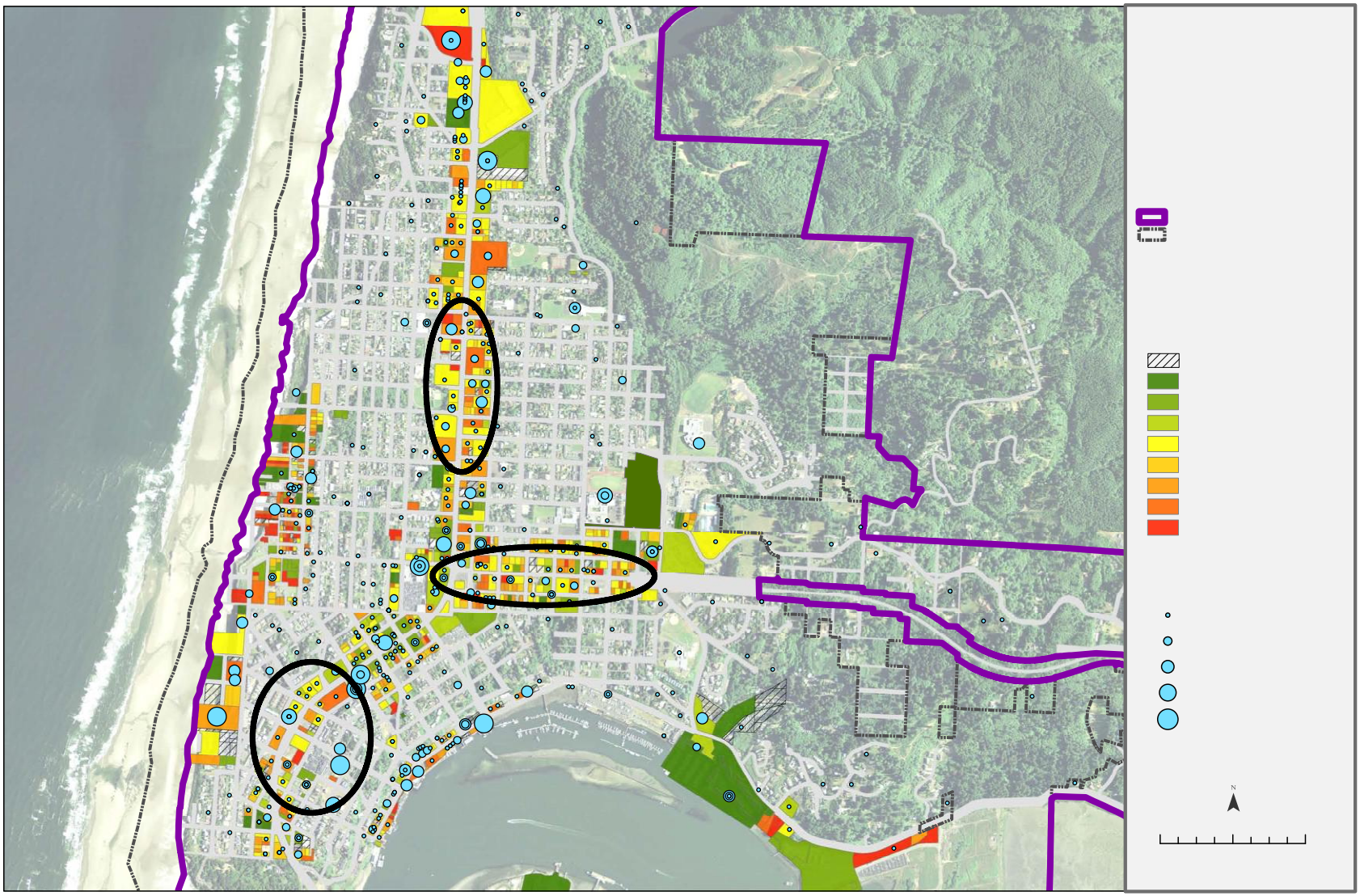
Table 2-7: Developed commercial land by improvement-to-land value ratio, Newport UGB, 2012

Improvement to	Tax Lots		Acres	
Land Value Ratio	Number	Percent	Number	Percent
>0.00 - <0.25	54	6%	15	6%
>=0.25 - 0.50	74	8%	20	8%
>=0.50 - <0.75	100	11%	35	13%
>=0.75 - <1.00	87	10%	19	7%
>=1.00 and <2.00	188	21%	82	31%
>=2.00 - <3.00	51	6%	20	8%
>=3.00	71	8%	28	11%
No Data	282	31%	42	16%
Total	**907**	**100%**	**263**	**100%**

Source: City of Newport GIS data; analysis by ECONorthwest

ECO developed a series of maps with the location of employers and the improvement to land value ratio to aid in this process. The Technical Advisory Committee and city staff chose to focus commercial redevelopment strategies on the Highway 101 and Highway 20 corridors north of Yaquina Bay. Map 2-13 shows the location of potential commercial redevelopment districts.

Map 2-13. Potential commercial redevelopment districts



Source: City of Newport GIS data; analysis by ECONorthwest

Chapter 3 Land Demand in Newport

OAR 660-009 requires cities to maintain a 20-year inventory of sites designated for employment. To provide for at least a 20-year supply of commercial and industrial sites consistent with local community development objectives, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Demand for commercial and industrial land will be driven by development in the target industry clusters, the expansion and relocation of existing businesses, and new businesses locating in Newport. The level of this business expansion activity can be measured by employment growth in Newport.

This chapter summarizes key findings from: (1) Appendix A: National, State, County, and Local Economic Trends, (2) Appendix B: Factors Affecting Future Economic Growth in Newport, and (3) Appendix C: Employment Forecast and Site Needs for Industrial and other Employment Uses. This chapter focuses on the issues related to growth of industries that the Technical Advisory Committee identified as potential growth industries for Newport.

NEWPORT'S COMPETITIVE AND COMPARATIVE ADVANTAGES

Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions described in Appendix A. Economic conditions in Newport relative to these conditions in other coastal communities form Newport's competitive and comparative advantages for economic development, which is described in detail in Appendix B. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport's primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal communities and a regional center for retail trade, services, and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport), rail (in Toledo via the Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or access to markets in the Willamette Valley.
- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
    - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
    - **Marine industries.** Newport has a wide-ranging of existing marine industries: the NOAA fleet, research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of a marine research and ocean observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.
    - **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport,

NOAA, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, energy production, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.

  - **Existing marine infrastructure.** Newport's existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.

- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in $116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately $2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

  Newport's tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport's tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport's households, residents of nearby communities, and visitors provide a market for goods and services. Newport's role as a regional center for retail and services is a competitive advantage for attracting retail and other services.

- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of

available workers.

Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.

- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

POTENTIAL GROWTH INDUSTRIES

An analysis of growth industries in Newport should address two main questions: (1) Which industries are most likely to be attracted to Newport? and (2) Which industries best meet Newport's vision for economic development? The types of industries that Newport wants to attract have the following attributes: high-wage, stable jobs with benefits; jobs requiring skilled and unskilled labor; employers in a range of industries that will contribute to a diverse economy; and industries that are compatible with Newport's community values.

NEWPORT'S VISION FOR ECONOMIC DEVELOPMENT

Economic data, such as the data in this document, provides decisionmakers with information necessary for planning for economic growth. Economic information on its own, however, is not sufficient for making decisions to plan for economic growth. Having an economic development vision and strategy that articulates how the community wants to grow in the future can help decisionmakers plan to accommodate growth. Goal 9 recognizes the importance of having a

vision to guide growth. OAR 660-009 encourages cities use a public process to assess community economic development potential and to use the results of that process to develop the community's economic development objectives.

The City of Newport worked with a Technical Advisory Committee (TAC) to develop a strategy to guide economic development in Newport over the planning period. The purpose of the strategy is to articulate the community's vision for economic development, develop actions to implement that vision, and define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures.

The economic development strategy is articulated in the technical memorandum "Economic Development Strategy" dated June ## 2012. This section presents the vision and goals of the strategy. The TAC identified potential growth industries, through the process of developing the strategy.

Vision

Newport's vision for economic development is:

> **The City of Newport embraces change and works collaboratively to create a dynamic, entrepreneurial, and forward looking community.**
>
> Newport's dynamic and collaborative waterfront community represents its diverse economy – an innovative and technologically advanced fishing and seafood industry; a rapidly growing marine research enterprise; and a resourceful coastal tourism and recreation industry. Newport's citizens place a high value on education, invest in lifelong learning, and upgrade skills for tomorrow's economy. People and families are attracted to the region for its diverse job opportunities and entrepreneurial environment. Residents invest in a quality of life reflected in numerous recreational opportunities, substantial infrastructure and support services, a vibrant arts community, and a beautiful and sustainable natural environment.

Goals

The TAC identified four broad goals necessary to achieve the City's vision for economic development.

- **Job Growth.** Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

- **Workforce Availability and Quality.** Provide appropriate workforce training opportunities to meet the needs of Newport's target industries.
- **Supply of Commercial and Industrial Land.** Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.
- **Infrastructure and public facilities.** Make investments in infrastructure and public facilities to support the target industries.

TARGET INDUSTRIES

The TAC identified target industries for growth based, in part, on the Community's aspirations for economic development, as articulated in the vision. In addition, the TAC considered Newport's competitive and comparative advantages that make it attractive to specific industries. The industries that fit with the Community's aspirations for growth and identified as having growth potential in Newport are:

- **Marine and ocean observing research and education.** Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)'s Pacific Marine Operations Center.

  Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document "Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework." This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

  The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor "cabled" observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

Key economic development opportunities in the ocean-observing industry cluster include:

- *Operations and maintenance of marine research vessels.* With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.
- *Development of facilities to support marine research operations and maintenance.* These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- *Development of facilities and programs to support marine education.* These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- *Instrument design, manufacturing, deployment, sales, and service.* With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- *Expanded marine research.* As federal and state investments in marine research and education increase, so will Newport's role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.

- **International commerce.** The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and

Port infrastructure required repairs. The Port in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

At completion of renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The Port is considering export opportunities for the International Terminal, such as exporting logs, which would result in about four to six ships carrying cargo from Newport per year. Over the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

- **Fishing and seafood processing.** Newport is one of Oregon's largest commercial fishing port, accounting for about one-third of the State's commercial fishing activity. In 2008, Newport was home to about 238 fishing vessels, including both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries. Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of $32.5 million in 2008, accounting for about one-third of the seafood harvested in Oregon. The economic contribution of the fishing industry on personal income in Newport in 2008 was about $123 million, accounting for about 30% of statewide economic contribution from fishing.[3]
- **Tourism.** Tourism plays an important role in Newport's economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport's tourism cluster include:
    - Destinations such as the Oregon Coast Aquarium

[3] The most recently available report describing Newport's fishing industry is: "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

- Recreational amenities, such as sightseeing tours or fishing charters
- Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
- A wide range of restaurants, including fine dining
- Arts and cultural opportunities, such as art dealers, museums, or performance arts

EMPLOYMENT AND EMPLOYMENT FORECASTS

Goal 9 requires that cities provide for an adequate supply of commercial and industrial sites consistent with plan policies. To meet this requirement, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Appendix C presents the forecast for employment growth in Newport in detail. This section summarizes the results of the forecast for employment growth and land needs

Table 3-1 presents the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032. Table 3-1 shows Newport's employment base in 2012, with about 10,060 *total* employees,[4] and forecast for 12,276 employees in 2032, an increase of 2,216 employees at an average annual growth rate of 1.0%.

Table 3-1 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport's employment:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land, such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.
- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 70% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport's growing population.

[4] The forecast of employment in Newport is based on an estimate of *covered* employment in 2010. Covered employment does not include all workers in an economy, most notably excluding sole proprietors. Appendix C describes the approach to converting from covered employment to total employment.

Table 3-1. Forecast of employment growth in by building type, Newport UGB, 2012–2032

	2012		2032		
Land Use Type	Employment	% of Total	Employment	% of Total	Change 2012 to 2033
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
Total	**10,060**	**100%**	**12,276**	**100%**	**2,216**

Source: ECONorthwest
Note: Green shading denotes an assumption by ECONorthwest

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table 3-1 shows employment growth on underutilized lands and on vacant lands. Table 3-2 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- **Some employment growth will occur on sites with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). ECO assumes that 10% of commercial employment can be accommodated this way and that 50% of government employment can be accommodated in existing built space.
- **Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. ECO assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

Table 3-2. New employment locating on underutilized land or vacant land, Newport, 2032

Land Use Type	New Employment	Employment on Underutilized Land: Existing Built Space	Employment on Underutilized Land: Land with Additional Capacity	Emp. on Vacant Land
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
Total	**2,216**	**211**	**199**	**1,805**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table 3-3 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table 3-3 are:

- **Employment density.** Table 3-3 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

  These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-to-gross acres**. The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.[5] A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

[5] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, ECO uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.

Table 3-3 . Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032

Land Use Type	Emp. on Vacant Land	EPA (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
Total	**1,805**		**127**	**154**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Chapter 4 Implications

This chapter provides a brief summary of the implications of the economic opportunities needs analysis for Newport. This study looked at economic trends and land needs from a regional and local perspective. This chapter includes a general comparison of land supply and demand and description of the characteristics of needed sites. The buildable lands analysis is followed by a discussion of the key implications of the EOA for Newport.

COMPARISON OF LAND CAPACITY AND DEMAND

Table 2-5 shows the inventory of suitable employment land by plan designation. Table 3-3 presented an estimate of demand for vacant (including partially vacant) land needed to accommodate employment growth over the planning period. Table 4-1 compares the supply of buildable land with the demand for employment land:

- **Industrial.** Newport has a supply of nearly 200 acres of buildable land designated for industrial uses. The employment forecast projects demand for 86 acres of industrial land. **Newport has more industrial land than the City is projected to need over the 20-year period, with a surplus of 113 gross acres of industrial land.**
- **Commercial.** Newport has 62 acres of land designated for commercial uses and 42 acres designated for Shoreland uses. According to the City's zoning code, the purpose of land designated for shore land uses is for use by water-dependent businesses. **Newport has a surplus of 41 acres of land for commercial uses.**

Table 4-1. Sufficiency of employment land to accommodate employment growth, gross acres, Newport, 2012 to 2032

Land Use Type	Land Supply (Gross Acres)	Land Demand (Gross Acres)	Land Surplus (Deficit)
Industrial	199	86	113
Commercial			
Commercial	62		
Shoreland	42		
Commercial Subtotal	104	63	41

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

The employment forecast identified demand for five acres of land to accommodate government uses. These uses can be accommodated in a number of ways: (1) on land designated for Public uses, (2) on land designated for Commercial use, or (3) through redevelopment of land with underutilized buildings.

Newport has a deficiency of larger commercial sites. Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5 and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

CHARACTERISTICS OF NEEDED SITES

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. The Administrative Rule defines site characteristics as follows in OAR 660-009-0005(11):

> (11) "Site Characteristics" means the attributes of a site necessary for a particular industrial or other employment use to operate. Site characteristics include, but are not limited to, a minimum acreage or site configuration including shape and topography, visibility, specific types or levels of public facilities, services or energy infrastructure, or proximity to a particular transportation or freight facility such as rail, marine ports and airports, multimodal freight or transshipment facilities, and major transportation routes.

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land and 63 gross acres of commercial land.

Marine and ocean observing research and education

- **Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.

- Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
- Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.

- **Size of sites.** The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make use of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.
- **Constraints and topography.** Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.
- **Transportation access.** All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

International commerce

- **Location within the City.** Businesses involved in international commerce will prefer to locate near the Port of Newport's facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

  Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport's facilities. The Port, however, has some vacant land near the terminal that could be made available for related uses. The City and

Port should identify opportunity sites in these areas for use by businesses in this cluster.

- **Size of sites.** Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

Fishing and seafood processing

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.
- **Size of sites.** Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to the Bay Front.

Tourism

- **Location within the City.** Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.
- **Size of sites.** Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or

overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.

- **Constraints and topography.** These businesses can locate on sites with slopes.
- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.
- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

IMPLICATIONS

The conclusion of the economic opportunities analysis is that Newport has enough land to accommodate the forecast for employment growth over the next 20-years. The City's challenge is managing the existing land base and infrastructure to retain existing businesses and attract new businesses. The actions proposed in the Economic Development Strategy focus on these issues, emphasizing the City's role in managing these issues.

- **Identify and manage opportunity sites for the target industries.** The community's aspiration for economic development is growth of businesses related to marine and ocean observing research and education. In addition, the community wants to grow employment in international commerce, fishing, and tourism. A key factor in growing employment in these clusters to Newport is whether the City has an attractive land-base with the characteristics and infrastructure needed by businesses in these cluster.

  Businesses in all of these clusters complete for land in similar areas: along the Bay Front and in South Beach. There is a limited amount of vacant land with direct access to the Bay Front. The Economic Development Strategy includes an action of identifying opportunity sites for the marine and ocean observing cluster.

  Some vacant land along the Bay is likely to be used for international commerce (e.g., land owned by the Port) and some will continue to be used for fishing and related industries. For other land with direct Bay access, the City will need to work with stakeholders and land-owners to prioritize development of key properties with Bay access.

  Newport has no commercial sites over 20 acres, two sites between 10 and 20 acres (with a total of 24 acres) and two sites between 5

and 10 acres (with a total of 16 acres). Both sites over 10 acres are located in the Wolf Tree destination resort area and are not currently serviced. Not sites over five acres are available north of Yaquina Bay. Newport's industrial zone allows commercial uses outright—which could address part of the deficit. Some of this deficiency could potentially be addressed through redevelopment.

The City's economic development strategy also identifies annexation policy as a potential tool to work with property owners in the unincorporated areas of the UGB to clarify issues such as infrastructure provision outside of the city limits. The project ultimately will result in an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area. The Newport City Council has a goal of accomplishing this in the next five years. Having a well-defined annexation strategy is important to the City because it can ensure efficient provision of municipal services and adequate sites for businesses.

- **Facilitating redevelopment along Highway 101.** Newport has a substantial amount of land that is potentially redevelopable. Map 2-2 shows three districts with concentrations of redevelopment potential: (1) along Highway 101 around the City Center District, (2) along Highway 20, east of the intersection with Highway 101, and (3) along Highway 101 between NE 6th Street and NE 12th Street. These areas all include underutilized and vacant land.

  The City has limited resources available to encourage redevelopment. While each of these areas offers redevelopment opportunities, we recommend the City consider focusing effort on redevelopment around the City Center District. This area is a gateway from the south to the northern side of Newport. It is connected to the Historic Bayfront and is near City Center. This area includes larger parcels with relatively low improvement to land value ratio, some of which are unused.

  The Economic Development Strategy includes an action to evaluate creating an urban renewal district (URD) north of Yaquina Bay. The purpose of the District is address the issues of underutilized commercial and industrial properties and infrastructure deficiencies, with the purpose of spurring new development. We recommend considering the commercial portions of the Highway 101 and Highway 20 corridors in the District.

  The URD would provide a source of financing for upgrades and improvements to public infrastructure. Improvements in areas the City targets for redevelopment along Highway 101 can catalyze

redevelopment of key commercial areas. Without a source of financing for the improvements, encouraging redevelopment in key areas of Highway 101 will be more difficult for the City.

- **Making infrastructure investments in key areas.** The City has limited funds to maintain existing infrastructure and facilities and very little financial capacity to make strategic investments. Existing funds are generally used for basic maintenance. The lack of funds leaves the City in a reactive position for addressing infrastructure problems.

  The City has some funds available from urban renewal for investment in the South Beach area. We recommend making investments in South Beach on key opportunity sites that need infrastructure improvements to enable development of marine and ocean observing businesses.

  The Strategy also includes actions for maintaining and improving infrastructure: to the International Terminal, necessary to support fishing, and infrastructure used by visitors. There may be opportunities for infrastructure investments that benefit businesses in multiple clusters, such as improvements to marine infrastructure used by fisherman and the Port. In addition, improvements to roads connecting the Bay Front with Highway 20 may benefit multiple users.

  Given the limited funding available, the City will need to seek infrastructure grants. There may be opportunities for public-private partnerships that improve infrastructure.

Appendix A National, State, County, and Local Trends

This appendix summarizes national, state, county, and local trends affecting Newport. It presents a demographic and socioeconomic profile of Newport (relative to Lincoln County and Oregon) and describes trends that will influence the potential for economic growth in Newport. This appendix covers recent and current economic conditions in the City, and forecasts from the State Employment Department for employment growth in Lincoln County. This appendix meets the intent of OAR 660-009-0015(1).

NATIONAL, STATE, AND REGIONAL TRENDS

NATIONAL TRENDS

Economic development in Newport over the next twenty years will occur in the context of long-run national trends. The most important of these trends include:

- **The aging of the baby boom generation, accompanied by increases in life expectancy.** The number of people age 65 and older will more than double by 2050, while the number of working age people under age 65 with grow only 19 percent. The economic effects of this demographic change include a slowing of the growth of the labor force, an increase in the demand for healthcare services, and an increase in the percent of the federal budget dedicated to Social Security and Medicare.[6]

  Baby boomers are expecting to work longer than previous generations. An increasing proportion of people in their early to mid-50s expect to work full-time after age 65. In 2004, about 40% of these workers expect to work full-time after age 65, compared with about 30% in 1992.[7] This trend can be seen in Oregon, where the share of workers 65 years and older grew from 2.9% of the workforce in 2000 to 4.1% of the workforce in 2010, an increase of

[6] The Board of Trustees, Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds, 2011, *The 2011 Annual Report of the Board of Trustees of the Federal Old-Age and Survivors Insurance and Federal Disability Insurance Trust Funds*, May 13, 2011.

[7] "The Health and Retirement Study," 2007, National Institute of Aging, National Institutes of Health, U.S. Department of Health and Human Services.

41%. Over the same ten-year period, workers 45 to 64 years increased by 15%.[8]

- **Need for replacement workers.** The need for workers to replace retiring baby boomers will outpace job growth. According to the Bureau of Labor Statistics, net replacement needs will be 33.7 million job openings over the 2010-2020 period, compared with growth in employment of 21.1 million jobs. The occupations with the greatest need for replacement workers includes: retail sales, food service, registered nurses, office workers and teachers.[9]

- **Increases in labor productivity.** Productivity, as measured by output per hour, increased over the 1995 to 2005 period. The largest increases in productivity occurred over the 1995 to 2000 period, led by industries that produced, sold, or intensively used information technology products. Productivity increased over the 2000 to 2005 period but at a slower rate than during the later half of the 1990's. The sectors that experienced the largest productivity increases over the 2000 to 2005 period were: Information, Manufacturing, Retail Trade, and Wholesale Trade. Productivity in mining decreased over the five-year period. [10]

- **Continued shift of employment from manufacturing and resource-intensive industries to the service-oriented sectors of the economy.** Increased worker productivity and the international outsourcing of routine tasks lead to declines in employment in the major goods-producing industries. Projections from the Bureau of Labor Statistics indicate that U.S. employment growth will continue to be strongest in healthcare and social assistance, professional and business services, and other service industries. Construction employment will also grow but manufacturing employment will decline.[11]

- **The importance of high-quality natural resources.** The relationship between natural resources and local economies has changed as the economy has shifted away from resource extraction.

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[8] Analysis of 2000 Decennial Census data and 2010 U.S. Census American Community Survey, 1-Year Estimates for the table Sex by Age by Employment Status for the Population 16 Years and Over

[9] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

[10] Corey Holman, Bobbie Joyeaux, and Christopher Kask, "Labor Productivity trends since 2000, by sector and industry," Bureau of Labor Statistics *Monthly Labor Review*, February 2008.

[11] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

High-quality natural resources continue to be important in some states, especially in the Western U.S. Increases in the population and in households' incomes, plus changes in tastes and preferences, have dramatically increased demands for outdoor recreation, scenic vistas, clean water, and other resource-related amenities. Such amenities contribute to a region's quality of life and play an important role in attracting both households and firms.[12]

- **The growing importance of education as a determinant of wages and household income.** According to the Bureau of Labor Statistics, a majority of the fastest growing occupations will require an academic degree, and on average they will yield higher incomes than occupations that do not require an academic degree. The fastest growing of occupations requiring an academic degree will be: health care service, computer programing, management and business services, college teachers, and architectural and engineering services. Occupations that do not require an academic degree (e.g., retail sales person, food preparation workers, and home care aides) will grow, accounting for more than two-thirds of all new jobs by 2020. These occupations typically have lower pay than occupations requiring an academic degree.[13]

  The national median income in 2010 was about $40,700. Workers without a high school diploma earned $17,600 less than the median income and workers with a high school diploma earned $8,100 less than median income. Workers with some college earned slightly less than median and workers with a bachelor's degree earned $13,300 more than median. Workers in Oregon experience the same patterns as the nation but pay is generally lower in Oregon than the national average.[14]

- **Continued increase in demand for energy.** Energy prices are forecast to remain at relatively high levels, with continued, gradual increased prices over the planning period. Output from the most energy-intensive industries is expected to decline, but growth in the population and in the economy is expected to increase the total

[12] For a more thorough discussion of relevant research, *see,* for example, Power, T.M. and R.N. Barrett. 2001. *Post-Cowboy Economics: Pay and Prosperity in the New American West*. Island Press, and Kim, K.-K., D.W. Marcouiller, and S.C. Deller. 2005. "Natural Amenities and Rural Development: Understanding Spatial and Distributional Attributes." *Growth and Change* 36 (2): 273-297.

[13] "Occupational Employment Projections to 2010-2020," Bureau of Labor Statistics, February 2012.

[14] Bureau of Labor Statistics, Employment Projections, May 2011. http://www.bls.gov/emp/ep_chart_001.htm

amount of energy demanded. Energy sources are expected to diversify and the energy efficiency of automobiles, appliances, and production processes are projected to increase. Despite increases in energy efficiency and decreases in demand for energy by some industries, demand for energy is expected to increase over the 2012 to 2035 period because of increases in population and economic activity. Growth will remain slow early in the planning period, as the economy continues a gradual recovery from the recent recession.[15]

- **Impact of rising energy prices on commuting patterns.** Energy prices may continue to be high (relative to historic energy prices) or continue to rise over the planning period.[16] The increases in energy prices may impact willingness to commute long distances.

- **Possible effect of rising transportation and fuel prices on globalization.** Increases in globalization are related to the cost of transportation: When transportation is less expensive, companies move production to areas with lower labor costs. Oregon has benefited from this trend, with domestic outsourcing of call centers and other back office functions. In other cases, businesses in Oregon (and the nation) have "off-shored" employment to other countries, most frequently manufacturing jobs.

  Increases in either transportation or labor costs may impact globalization. When the wage gap between two areas is larger than the additional costs of transporting goods, companies are likely to shift operations to an area with lower labor costs. Conversely, when transportation costs increase, companies may have incentive to relocate to be closer to suppliers or consumers.

  This effect occurs incrementally over time and it is difficult to measure the impact in the short-term. If fuel prices and transportation costs decrease over the planning period, businesses may not make the decision to relocate (based on transportation costs) because the benefits of being closer to suppliers and markets may not exceed the costs of relocation.

- **Potential impacts of global climate change.** There is growing support for, but not a consensus about whether global climate

[15] Energy Information Administration, 2012, *Annual Energy Outlook 2012 with Projections to 2035*, U.S. Department of Energy, DOE/EIA-0383(2012), April.

[16] Energy Information Administration, 2012, *Annual Energy Outlook 2012 with Projections to 2035*, U.S. Department of Energy, DOE/EIA-0383(2012), April

change is occurring as a result of greenhouse gas emissions. There is a lot of uncertainty surrounding global climate change, including the pace of climate change and the ecological and economic impacts of climate changes. Climate change may result in the following changes in the Pacific Northwest: (1) increase in average temperatures, (2) shift in the type of precipitation, with more winter precipitation falling as rain, (3) decrease in mountain snow-pack and earlier spring thaw, (4) increases in carbon dioxide in the air, and (5) increases in sea-level.[17] Assuming that global climate change is occurring and will continue to occur over the next 20-years, a few broad, potential economic impacts for the nation and Pacific Northwest include:[18]

- *Potential impact on agriculture and forestry.* Climate change may impact Oregon's agriculture through changes in: growing season, temperature ranges, and water availability.[19] Climate change may impact Oregon's forestry through increase in wildfires, decrease in the rate of tree growth, change in mix of tree species, and increases in disease and pests that damage trees.[20]

- *Potential impact on tourism and recreation.* Impacts on tourism and recreation may range from: (1) decreases in snow-based recreation if snow-pack in the Cascades decreases, (2) negative impacts to tourism along the Oregon Coast as a result of damage and beach erosion from rising sea levels,[21] (3) negative impacts on availability of water summer river recreation (e.g., river rafting or sports fishing) as a result of lower summer river flows, and (4) negative impacts on the availability of water for domestic and business uses.

[17] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

[18] The issue of global climate change is complex and there is a substantial amount of uncertainty about climate change. This discussion is not intended to describe all potential impacts of climate change but to present a few ways that climate change may impact the economy of cities in Oregon and the Pacific Northwest.

[19] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

[20] "Economic Impacts of Climate Change on Forest Resources in Oregon: A Preliminary Analysis," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, May 2007.

[21] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

- *Potential changes in government policies*. There is currently no substantial national public policy response to global climate change. States and regional associations of states are in the process of formulating policy responses to address climate change including: increasing renewable energy generation, selling agricultural carbon sequestration credits, and encouraging energy efficiency.[22] Without clear indications of the government policies that may be adopted, it is not possible to assess the impact of government policies on the economy.

Global climate change may offer economic opportunities. The search for alternative energy sources may result in increased investment and employment in "green" energy sources, such as wind, solar, and biofuels. Firms in the Northwest are well positioned to lead efforts on climate change mitigation, which may result in export products, such as renewable technologies or green manufacturing. [23]

Short-term national trends will also affect economic growth in the region, but these trends are difficult to predict. At times these trends may run counter to the long-term trends described above. A recent example is the downturn in economic activity in 2007 following declines in the housing market and the mortgage banking crisis. The result of the economic downturn has been a decrease in employment related to the housing market, such as construction and real estate. Employment in these industries will recover as the housing market recovers and will continue to play a significant role in the national, state, and local economy over the long run. This report takes a long-run perspective on economic conditions (as the Goal 9 requirements intend) and does not attempt to predict the impacts of short-run national business cycles on employment or economic activity.

STATE TRENDS

State and regional trends will also affect economic development in Newport over the next twenty years. The most important of these trends includes: continued in-migration from other states, distribution of population and employment across the State.

[22] Pew Center on Global Climate Change website: http://www.pewclimate.org/what_s_being_done/in_the_states/

[23] "The Economic Impacts of Climate Change in Oregon: A preliminary Assessment," Climate Leadership Initiative, Institute for Sustainable Environment, University of Oregon, October 2005.

- **Continued in-migration from other states.** Oregon will continue to experience in-migration from other states, especially California and Washington. According to a U.S. Census study, Oregon had net interstate in-migration (more people moved *to* Oregon than moved *from* Oregon) during the period 1990-2010. Oregon had an annual average of 26,290 more in-migrants than out-migrants during the period 1990-2000. The annual average dropped to 9,800 during the period 2000-2010.[24] Most in-migrants come from California, Washington, and other western states.[25]

- **Concentration of population and employment in the Willamette Valley.** Nearly 70% of Oregon's population lives in the Willamette Valley. About 10% of Oregon's population lives in Southern Oregon, 9% lives in Central Oregon, and 6% live in Coastal counties. The Oregon Office of Economic Analysis (OEA) forecasts that population will continue to be concentrated in the Willamette Valley through 2040, increasing slightly to 71% of Oregon's population.

  Employment growth generally follows the same trend as population growth. Employment growth varies between regions even more, however, as employment reacts more quickly to changing economic conditions. Total employment increased in each of the state's regions over the period 1970-2006 but over 70% of Oregon's employment was located in the Willamette Valley.

- **Change in the type of the industries in Oregon.** As Oregon has transitioned away from natural resource-based industries, the composition of Oregon's employment has shifted from natural resource based manufacturing and other industries to service industries. The share of Oregon's total employment in Service industries increased from its 1970s average of 19% to 45% in 2011, while employment in Manufacturing declined from an average of 18% in the 1970s to an average of 10% in 2011.

- **Shift in manufacturing from natural resource-based to high-tech and other manufacturing industries.** Since 1970, Oregon started to

[24] Portland State University Population Research Center, Population Report, Components of Population Change for 1990-2000 and 2000-2010. http://pdx.edu/prc/annual-oregon-population-report

[25] Oregon Department of Motor Vehicles collects data about state-of-origin for drivers licenses surrendered by people applying for an Oregon drivers license from out-of-state. Between 2000 and 2007, about one-third of licenses surrendered were from California, 15% to 18% were surrendered from Washington, and about 17% to 19% were from the following states: Arizona, Idaho, Nevada, Colorado, and Texas.

transition away from reliance on traditional resource-extraction industries. A significant indicator of this transition is the shift within Oregon's manufacturing sector, with a decline in the level of employment in the Lumber & Wood Products industry and concurrent growth of employment in other manufacturing industries, such as high-technology manufacturing (Industrial Machinery, Electronic Equipment, and Instruments), Transportation Equipment manufacturing, and Printing and Publishing. [26]

- **Continued importance of manufacturing to Oregon's economy.** Oregon's exports totaled $19.4 billion in 2008, nearly doubling since 2000. Oregon's largest export industries were computer and electronic products and agricultural products, account for nearly 60% of Oregon's exports. Manufacturing employment is concentrated in five counties in the Willamette Valley or Portland area: Washington, Multnomah, Lane, Clackamas, and Marion Counties.[27]

- **Small businesses continue to account for over 50% of employment in Oregon.** Small business, with 100 or fewer employees, account for 51% of private sector employment in Oregon in 2009, up from about 50.2% of private employment in 2000 and down from 52.5% in 1996. Workers of small businesses typically had lower wages than the state average, with average wages of $33,977 compared to the statewide average of for large businesses about $45,814 in 2009. [28]

The changing composition of employment has not affected all regions of Oregon evenly. Growth in high-tech and Services employment has been concentrated in urban areas of the Willamette Valley and Southern Oregon. The brunt of the decline in Lumber & Wood Products employment was felt in rural Oregon, where these jobs represented a larger share of total employment and an even larger share of high-paying jobs than in urban areas.

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[26] Although Oregon's economy has diversified since the 1970's, natural resource-based manufacturing accounts for more than nearly 40% of employment in manufacturing in Oregon in 2010, with the most employment in Wood Product and Food manufacturing.

[27] Business Oregon, "*Economic Data Packet*"

[28] Business Oregon, "*Economic Data Packet*"

ECONOMIC TRENDS IN LINCOLN COUNTY AND NEWPORT

Future economic growth in Newport will be affected in part by demographic and economic trends in the city and surrounding region. A review of historical demographic and economic trends provides a context for establishing a reasonable expectation of future growth in Newport. In addition, the relationship between demographic and economic indicators such as population and employment can help assess the local influence of future trends and resulting economic conditions. This section addresses the following trends in Newport:

- Population and demographics
- Household and personal income
- Employment
- Business activity
- Outlook for growth in Newport

POPULATION AND DEMOGRAPHIC CHARACTERISTICS

Population growth in Oregon tends to follow economic cycles. Historically, Oregon's economy is more cyclical than the Nation's, growing faster than the national economy during expansions, and contracting more rapidly than the nation during recessions. Oregon grew more rapidly than the U.S. in the 1990s (which was generally an expansionary period) but lagged behind the U.S. in the 1980s. Oregon's slow growth in the 1980s was primarily due to the nationwide recession early in the decade. As the nation's economic growth has slowed during 2007, Oregon's population growth began to slow.

Oregon's population grew from 2.8 million people in 1990 to 3.8 million people in 2010, an increase of more than 1,000,000 people at an average annual rate of 1.5%. Oregon's growth rate slowed to 1.1% annual growth between 2000 and 2010.

Lincoln County and Newport grew more slowly than the State average between 1990 and 2010, growing at 0.8% annually. Lincoln County added 7,145 residents and Newport added 1,552. Twenty-two percent of the County's population lived in Newport in 2010.

Table A-1. Population in the U.S., Oregon, Lincoln County, and Newport, 1990-2010

	Population			Change 1990 to 2010		
Area	**1990**	**2000**	**2010**	**Number**	**Percent**	**AAGR**
U.S.	248,709,873	281,421,906	308,745,538	60,035,665	21%	1.1%
Oregon	2,842,321	3,421,399	3,831,074	988,753	29%	1.5%
Lincoln County	38,889	44,479	46,034	7,145	16%	0.8%
Newport	8,437	9,532	9,989	1,552	16%	0.8%

Source: U.S. Census, 2000, 2010 DP-1

Migration is the largest component of population growth in Oregon. Between 2000 and 2010, in-migration accounted for 62% of Oregon's population growth. Over the same period, in-migration accounted for 100% of the of population growth in Lincoln County, adding nearly 1,135 residents over the ten-year period.

The average age of Newport residents is increasing. The average age of Newport residents in 2010 was 43.1 years old, compared with 40.9 in 2000. In comparison, Lincoln County's average age was 49.6 years old in 2010 and 42.6 in 2000. The average age of Oregon's population in 2010 was 38.4 years and 36.3 in 2000. The average age in Newport increased at about the same rate as the State. The average age for Lincoln County increased faster than the State or Newport.

Table A-2 shows the change in age distribution for Newport between 2000 and 2010. Population increased in all age groups. The age group that increased the most was people aged 45 and older, which grew by 2,189 people (an increase of more than 50%). This age group's proportion of the total population increased from 44% to 51% during this time period. Newport's younger population grew slowly, with people under 17 years accounting for 19% of the City's population in 2010, down from 23% in 2000.

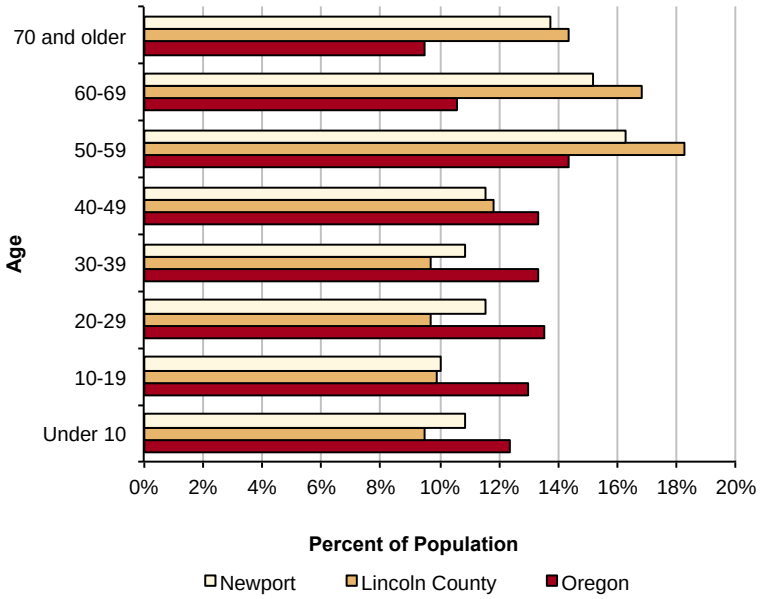
Table A-2. Change in age distribution, Newport, 2000-2010

	2000		2010		Change 2000 to 2010		
Age Group	**Number**	**Percent**	**Number**	**Percent**	**Number**	**Percent**	**Share**
Under 5	533	6%	730	6%	197	37%	0%
5-17	1,590	17%	1,605	13%	15	1%	-4%
18-24	770	8%	892	7%	122	16%	-1%
25-44	2,452	26%	2,772	22%	320	13%	-3%
45-64	2,548	27%	3,871	31%	1,323	52%	5%
65 and over	1,639	17%	2,505	20%	866	53%	3%
Total	**9,532**	**100%**	**12,375**	**100%**	**2,843**	**30%**	**0%**

Source: U.S. Census Bureau, 2010

Figure A-1 shows the age structure for Oregon, Lincoln County, and Newport in 2010. Lincoln County and Newport had a larger share of people over 50 years old (49% and 45%) than Oregon (34%).

Figure A-1. Population by age, Oregon, Lincoln, and Newport, 2010



Source: U.S. Census Bureau, 2010

The Office of Economic Analysis forecasts that Lincoln County's percent of people 65 years and older will increase from 20% in 2000 to 30% in 2030, compared to Oregon's increase from 13% to 19% of the population.[29]

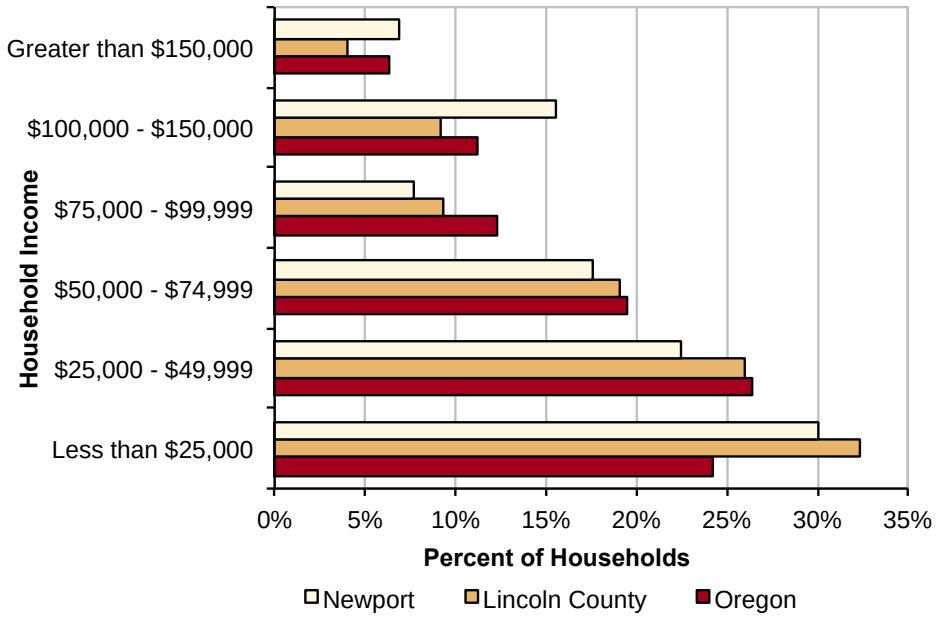
HOUSEHOLD INCOME

Income for residents of Newport is higher on average than the County and slightly lower than the State. In 2010, Newport's median household income was $48,247, compared with the County median of $39,738 or the State median of $49,260.

Figure A-2 shows the distribution of household income in Oregon, Lincoln County, and Newport in 2010. Figure A-2 shows that a larger share of households in Newport (16%) had an income between $100,000 and $150,000, compared to Lincoln County (9%) or the State (11%). Newport and Lincoln County also had a higher share of households with income below $25,000 (between 30 and 32%), compared to the State (24%).

[29] Oregon Office of Economic Analysis, Long Term County Forecast, State and County Population Forecasts by Age and Sex, 2000 to 2040

Figure A-2. Distribution of household income of Oregon, Lincoln County, and Newport, 2010



Source: U.S. Census Bureau 2010/American Community Survey 2006-2010 B19001

Table A-3 shows average annual pay per employee in the U.S., Oregon, and Lincoln County for 2001 to 2010. The national average wage grew faster than State or County averages. The average U.S. wage increased by 29%, compared to the State and County increase of 26%. As a percentage of the U.S. average, wages in Lincoln County decreased by 2% over the ten-year period, from 66% to 64%. Wages in Lincoln County have consistently been 18% below the State average.

In 2010, average annual pay for workers in Lincoln City was $30,014, compared to Oregon's average of $41,700 and the national average of about $46,750.

Table A-3. Average annual pay, Oregon and Lincoln County (nominal dollars), 2000-2010

Year	U.S	Oregon	Lincoln County	Lincoln County % of U.S.	Lincoln County % of State
2001	$36,219	$33,202	$23,852	66%	72%
2002	$36,764	$33,685	$24,449	67%	73%
2003	$37,765	$34,455	$25,156	67%	73%
2004	$39,354	$35,627	$26,026	66%	73%
2005	$40,677	$36,593	$26,821	66%	73%
2006	$42,535	$38,070	$27,883	66%	73%
2007	$44,450	$39,566	$28,384	64%	72%
2008	$45,563	$40,486	$29,310	64%	72%
2009	$45,559	$40,742	$29,665	65%	73%
2010	$46,751	$41,669	$30,014	64%	72%
Change 2000 to 2010					
Nominal Change	$10,532	$8,467	$6,162		
Percent Change	29%	26%	26%		

Source: Oregon Employment Department: OLMIS, http://www.qualityinfo.org/olmisj/CEP and U.S. Bureau of Labor Statistics, 2010

LINCOLN COUNTY EMPLOYMENT TRENDS

Tables A-4 and A-5 present data from the Oregon Employment Department that show changes in covered employment[30] for Lincoln County between 1980 and 2005. The changes in sectors and industries are shown in two tables: (1) between 1980 and 2000 and (2) between 2001 and 2010. The analysis is divided in this way because of changes in industry and sector classification system that made it difficult to compare information about employment collected after 2001 with information collected prior to 2000.[31]

Employment data in this section is summarized by *sector*, each of which includes several individual *industries*. For example, the Retail Trade sector includes General Merchandise Stores, Motor Vehicle and Parts Dealers, Food and Beverage Stores, and other retail industries.

Table A-4 shows the changes in covered employment by sector in Lincoln County between 1980 and 2000. Covered employment in the County grew from 11,828 to 16,949, an increase of 43% or 5,121 jobs. Most sectors added jobs during this period, except for Mining; Manufacturing; Agriculture, Forestry, and Fishing; and Wholesale Trade. Manufacturing saw the

[30] Covered employment refers to jobs covered by unemployment insurance, which includes most wage and salary jobs but does not include sole proprietors, seasonal farm workers, and other classes of employees.

[31] Prior to 2001, data were organized by Standard Industrial Classification (SIC) codes. That system was completely revamped and replaced with the North American Industrial Classification System (NAICS) in 2001.

largest decline in terms of its share of total employment from 18% to 8%, translating to 792 fewer jobs. Covered employment in Agriculture, Forestry, and Fishing also declined by over half, from 409 to 202. The sectors with the greatest positive change in employment were Services and Retail Trade, adding a total of 4,948 jobs or about 80% of all new jobs.

Average pay per employee increased from about $11,947 in 1980 to $23,226 in 2000. The sectors that grew the fastest generally paid less than average, with Services paying between 66% to 82% of average and Retail Trade paying about 64% to 66% of average. Manufacturing jobs generally paid more than the average, varying between 152% of average in 1980 to 168% of average by 2000.

Table A-4. Covered employment in Lincoln County, 1980-2000

				Change 1980 to 2000		
Sector	**1980**	**1990**	**2000**	**Difference**	**Percent**	**AAGR**
Agriculture, Forestry & Fishing	409	534	202	-207	-51%	-3.5%
Mining	72	51	N/A*	0	0%	0.0%
Construction	475	496	690	215	45%	1.9%
Manufacturing	2,157	1,670	1,365	-792	**-37%**	-2.3%
Trans., Comm., & Utilities	437	408	488	51	12%	0.6%
Wholesale Trade	208	205	205	-3	-1%	-0.1%
Retail Trade	3,035	4,056	4,914	1,879	**62%**	2.4%
Finance, Insurance & Real Estate	391	445	535	144	37%	1.6%
Services	2,108	3,203	5,177	3,069	**146%**	4.6%
Nonclassifiable/all others	21	31	40	19	90%	3.3%
Government	2,515	2,975	3,334	819	33%	1.4%
Total	**11,828**	**14,074**	**16,949**	**5,121**	**43%**	**1.8%**

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages. http://www.qualityinfo.org/olmisj/CEP Accessed 1/30/12. Summary by industry and percentages calculated by ECONorthwest.
*No covered employment data was available for Mining in the year 2000.

Table A-5 shows the change in covered employment by sector for Lincoln County between 2001 and 2010. Employment increased by 534 jobs or 3% during this period. There were modest fluctuations across all sectors with regard to share of total employment. The sector with the largest increase in number of employees was Health and Social Assistance. That sector grew 6% annually and increased its share of total employment by 3.85%. The sector that lost the greatest number of employees during this period were Accommodations and Food Services and Retail.

Table A-5. Covered employment in Lincoln County, 2001-2010

			Change 2001 to 2010		
Sector	**2001**	**2010**	**Difference**	**Percent**	**AAGR**
Natural Resources and Mining	319	274	-45	-14%	-1.7%
Construction	631	714	83	13%	1.4%
Manufacturing	1,102	1,016	-86	-8%	-0.9%
Wholesale	162	158	-4	-2%	-0.3%
Retail	2,838	2,669	-169	-6%	-0.7%
Transportation & Warehousing	239	289	50	21%	2.1%
Information	253	175	-78	-31%	-4.0%
Finance & Insurance	242	291	49	20%	2.1%
Real Estate Rental & Leasing	226	314	88	39%	3.7%
Professional, Scientific & Tech. Srv.	283	(c)	(c)	(c)	(c)
Management of Companies	46	(c)	(c)	(c)	(c)
Admin. Support & Cleaning Srv.	593	538	-55	-9%	-1.1%
Education	27	126	99	367%	18.7%
Health & Social Assistance	1,001	1,695	694	69%	6.0%
Arts, Entertainment & Recreation	215	228	13	6%	0.7%
Accomodations & Food Services	3,967	3,766	-201	-5%	-0.6%
Other Services (except Public Admin.)	583	637	54	9%	1.0%
Private Non-Classified	13	(c)	(c)	(c)	(c)
Government	3,933	3,988	55	1%	0.2%
Total	**16,673**	**17,207**	**534**	**3%**	**0.4%**

Source: Oregon Employment Department, Oregon Labor Market Information System, Covered Employment & Wages.
Summary by industry and percentages calculated by ECONorthwest
Note: (c) denotes confidential data

EMPLOYMENT IN NEWPORT

Table A-6 shows a summary of employment data for the Newport UGB in 2010. Newport had 7,055 jobs at 725 establishments in 2010, with an average firm size of 9.7 employees. The sectors with the greatest employees were: Government (23%), Accommodation and Food Service (19%), and Retail Trade (16%), and Health Care and Social Assistance (14%). These sectors accounted for 5,051 jobs or 72% of Newport's jobs.

Table A-6. Covered employment in Newport UGB, 2010

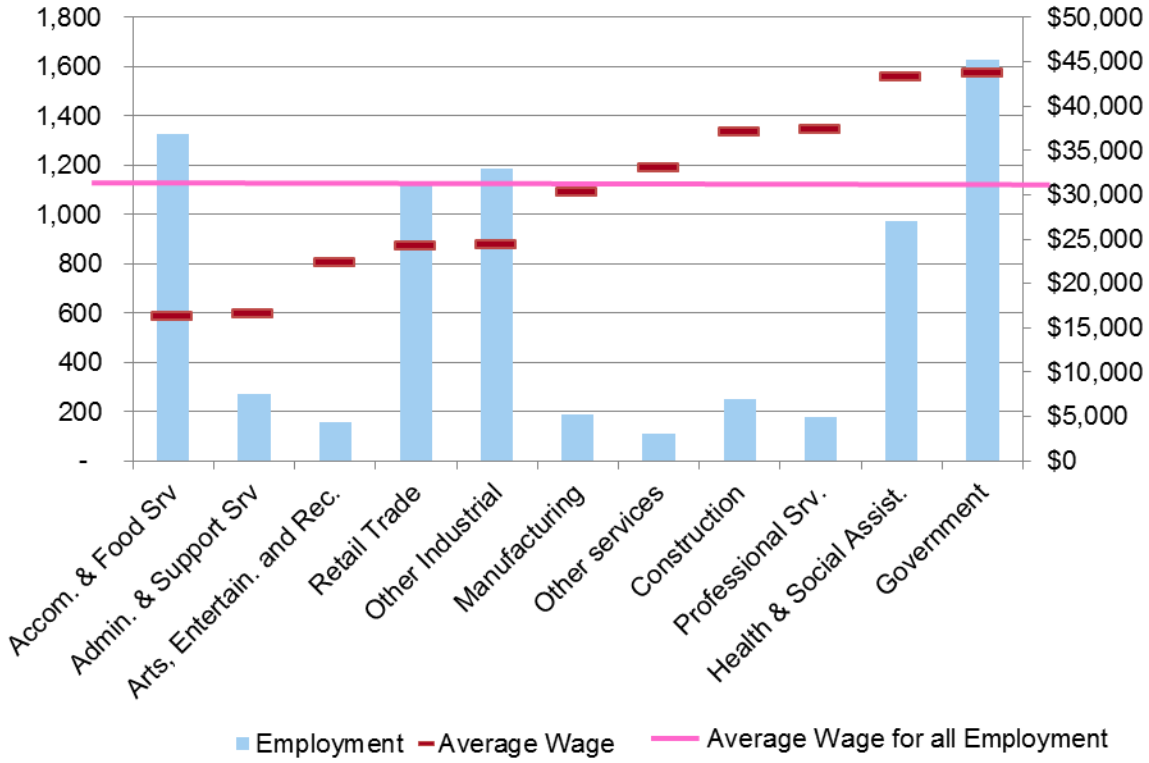
Industry/Sector	Establish-ments	Employment	Average Pay/Emp.
Agriculture, Forestry, Fishing & Hunting, and Mining	**28**	**69**	**$44,515**
Construction	**54**	**250**	**$37,078**
Manufacturing	**26**	**189**	**$30,306**
Food Manufacturing	6	94	$21,563
Other Manufacturing	20	95	$38,957
Wholesale Trade	**16**	**89**	**$38,219**
Retail Trade	**106**	**1,121**	**$24,280**
General Merchandise Stores	5	395	$25,322
Food and Beverage Stores	15	199	$21,237
Motor Vehicle and Parts Dealers	10	153	$31,557
Other Retailers	76	374	$21,823
Transportation & Warehousing & Utilities	**17**	**91**	**$33,688**
Information	**14**	**83**	**$29,578**
Finance & Insurance	**32**	**165**	**$41,390**
Real Estate & Rental & Leasing	**31**	**83**	**$22,803**
Professional, Scientific, and Technical Services	**56**	**177**	**$37,320**
Management of Companies and Enterprises	**4**	**18**	**$39,602**
Admin. & Support & Waste Mgt. & Remediation Srv	**23**	**272**	**$16,626**
Private Educational Services	**4**	**12**	**$30,092**
Health Care & Social Assistance	**70**	**972**	**$43,269**
Arts, Entertainment, & Recreation	**10**	**159**	**$22,379**
Accommodation & Food Services	**110**	**1,329**	**$16,255**
Accommodation	29	493	$16,779
Food Services and Drinking Places	81	836	$15,946
Other Services (except Public Administration)	**83**	**347**	**$19,589**
Government	**41**	**1,629**	**$43,669**
Federal Government	4	49	$72,729
State Government	13	402	$42,096
Local Government	24	1,178	$42,997
Total	**725**	**7,055**	**$31,224**

Source: Oregon Employment Department Quarterly Census of Employment and Wages (QCEW). Summary by industry and percentages calculated by ECONorthwest

Figure A-3 shows covered employment and average wage by sector in Newport in 2010. The average wage for all covered employment in Newport was about $31,000 in 2010. The sectors with at least 10% of Newport's employment and above average wages were Government, Health Care and Social Assistance. The sectors with at least 10% of

Newport's employment and below average wages were Accommodations and Food services, Retail Trade, and other industrial.

Figure A-3. Covered employment and average wage per sector in Newport UGB, 2010



Source: Oregon Employment Department Quarterly Census of Employment and Wages (QCEW). Summary by ECONorthwest

Employment in Newport is seasonal, with peak employment during the summer and lower employment in the winter. In 2010, employment was highest between June and September, peaking at 7,350 employees in August. Employment was lowest from November to April, with a low of 6,641. Some of the most seasonal sectors are: manufacturing (except food manufacturing), transportation, finance and real estate, and other services. Some of the most seasonal sectors are: food products manufacturing, educational services, and accommodation and food services.

ACTIVITY IN TARGET INDUSTRIES

The 2005 EOA report[32] identified the following target industry clusters: tourism, fishing and value added manufacture, non-seafood food products and beverage manufacture, arts & culture, higher education and research, and surgical appliance and suppliers manufacture. Discussions with the project advisory committee and changes in Newport's economy

[32] "Employment Lands and Conceptual Land Use Planning Project: Economic Planning," September 2005.

resulted in some re-organizing of these target industries. The target industries used in this report are:

- **Ocean observing and research**, which is similar to the pervious target industry of higher education and research
- **Tourism** includes tourism and arts and culture
- **Marine shipping and fisheries** considers marine-related industries, including fishing and value added manufacture, and adding shipping from the renovated International Terminal

Marine and ocean observing research and education

Newport has been a growing center for marine and ocean research and education, with establishment of the Hatfield Marine Science Center in Newport more than 50 years ago. Since then, other marine and ocean research and educational institutions have located in Newport, such as the Oregon Coast Aquarium and, most recently, the National Oceanic and Atmospheric Administration (NOAA)'s Pacific Marine Operations Center.

Growing the existing cluster of marine and ocean research and educational institutions has been a goal in Newport. In 2008, The Yaquina Bay Economic Foundation (YBEF) developed the document "Establishing Newport, Oregon as a Hub of Ocean Observing Activities in the Pacific Northwest: A Strategic Framework." This document describes the goal of developing an ocean observing industry cluster as a method of economic development to attract jobs to and grow jobs in Newport.

The Framework describes a range of ocean-observing economic activities, including research (aboard vessels and from sea floor "cabled" observatories), marine education, developing hardware used for ocean observing, and repair and maintenance of vessels and equipment. The data generated through the local research is valuable to commercial and recreational fishermen or cargo shippers.

Key economic development opportunities in the ocean-observing industry cluster include:

- **Operations and maintenance of marine research vessels.** With the deployment of UNOLS vessel R/V Oceanus, the NOAA Pacific research fleet, and wave energy test berth, there will be a steady demand for personnel and services to operate and maintain these vessels. These include vessel piloting, navigation, crew support services, equipment operation, vessel maintenance, and logistics.

- **Development of facilities to support marine research operations and maintenance.** These include development and expansion of dock facilities, construction of storage and maintenance buildings, deployment of cranes and loaders, construction of access roadways and surfaces for forklift transport of equipment to vessels, and hiring skilled operations and maintenance personnel.
- **Development of facilities and programs to support marine education.** These include expansion of facilities at the Oregon Coast Aquarium, development of marine education camps and facilities, implementation of educational programs including eco-tourist based learning experiences, and expansion of marine education research.
- **Instrument design, manufacturing, deployment, sales, and service.** With the Newport region being a hub for marine science research, the demand will grow for companies to supply, operate, and maintain ocean instruments, including sensors, underwater instrumentation, telecommunications gear, and autonomous underwater vehicles, along with skilled personnel in the fields of design, engineering, manufacturing, operations, maintenance, and customer relations.
- **Expanded marine research.** As federal and state investments in marine research and education increase, so will Newport's role grow, adding scientists, researchers, technicians, and students. This will result in expanded research facilities, including labs, conference facilities, residential facilities, and offices.

Marine Shipping and Fishing

Newport's marine industries include cargo shipping and fishing.

Cargo shipping

The Port of Newport is one of the few deep draft ports on the Oregon Coast, which is accessible by large cargo vessels. The Port stopped shipping via large cargo vessels about a decade ago because the physical condition of the docks and Port infrastructure required repairs. The Port in the process of renovating the International Terminal of the Port. The Terminal is a 17-acre facility with about 1,000 feet of deep-water waterfront, docks, and storage facilities.

Once renovation of the International Terminal is completed, the Port will be able to accommodate cargo ships, by the beginning of the second quarter of 2013. The International Terminal will begin by shipping logs, with about four to six ships carrying cargo from Newport per year. Over

the long term, the International Terminal may attract one ship per month and may ship other goods in addition to logs, such as value added lumber, other wood products (e.g., paper products or wood chips), or other agricultural products (e.g., hay bales). One goal of renovation of the International Terminal is creating 50 new jobs between 2013 and 2018.

Operation of the International Terminal depends access to Highways 20 and Highway 101 from the north, for trucks carrying logs.

Fishing and seafood processing

Newport is one of Oregon's largest commercial fishing ports, accounting for about one-third of the State's commercial fishing activity. The following section describes Newport's fishing industry, in 2008 (the most recently available information).[33]

- Newport was home to about 238 fishing vessels in 2008, an increase from 188 vessels in 2005. Newport's fishing fleet includes both short-haul boats that fish in Oregon's Coastal fisheries and distant-haul boats that fish in Alaska's fisheries.
- Newport's commercial fishing vessels generated 61 million pounds of seafood, with a value of $32.5 million in 2008. This volume of seafood and value accounts for about one-third of the seafood harvested in Oregon in 2008.
- The economic contribution of the fishing industry on personal income in Newport in 2008 was about $123 million, accounting for about 30% of statewide economic contribution from fishing. Between 1986 and 2008, the economic contributions from fishing grew from $83 million, with an average annual growth rate of 1.8%.
- The species of fish most commonly sold in Newport in 2008 were: crab, groundfish, and shrimp. According to the 2005 EOA, restrictions on Oregon's groundfish and flatfish fisheries discouraged growth in fishing and seafood processing.
- In 2008, Newport had more than 30 seafood processors.

Tourism

Tourism plays an important role in Newport's economy. The 2005 EOA showed that about 33% of employment in Newport was related to tourism or arts. In 2010, about 36% of employment was in the sectors most directly

[33] "Oregon's Commercial Fishing Industry, Year 2007 and 2008 Review." Oregon Department of Fish and Wildlife and Oregon Coastal Zone Management Association, Inc.

related to tourism: accommodation and food service, arts and recreation, and retail trade. The strengths of Newport's tourism cluster include:

- Destinations such as the Oregon Coast Aquarium
- Recreational amenities, such as sightseeing tours or fishing charters
- Overnight accommodations, such as bed and breakfast inns, hotels, motels, RV parks and campgrounds, and private vacation rentals
- A wide range of restaurants, including fine dining
- Arts and cultural opportunities, such as art dealers, museums, or performance arts

Table A-7 shows direct travel spending in Lincoln County and Newport over the 2001 to 2009 period, the most recently available data for Newport. In 2009, direct travel spending in Newport was $116.8 million. Over the eight-year period, travel spending in Newport grew by about $9 million, growth of about 1% per year. In comparison, Lincoln County's travel spending grew by about $120.7 million or 4.2% per year. Newport's share of the County's direct travel spending decreased from 35% in 2001 to 27% in 2009.

Table A-7. Direct Travel Spending, millions of dollars
Lincoln County and Newport, 2001 to 2010

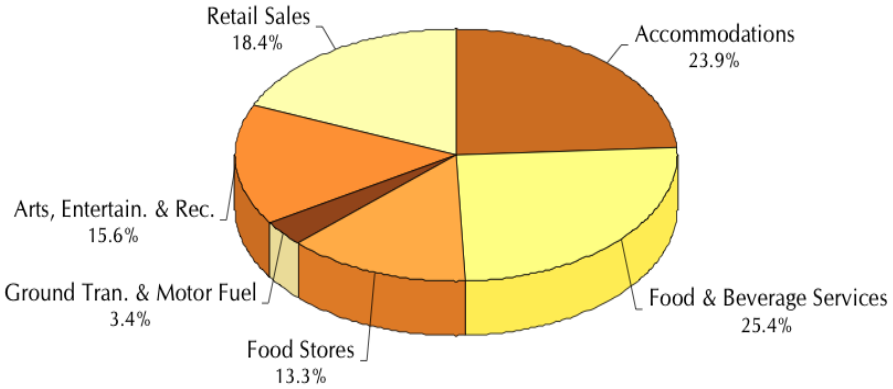
Year	Lincoln County	City of Newport	Newport's % of County
2001	$311.9	$107.8	35%
2003	$326.2	$107.4	33%
2004	$340.0	$111.9	33%
2005	$353.9	$113.8	32%
2006	$426.6	$119.4	28%
2007	$436.2	$121.4	28%
2008	$453.8	$114.8	25%
2009	$432.6	$116.8	27%
2010	$440.9	Not Available	
Change 2001-2009			
Amount	$120.7	$9.0	
% change	39%	8%	
AAGR	4.2%	1.0%	

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates
Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

Table A-4 shows travel spending by type of commodity in 2009 in Newport. Of the $116.8 million spent in Newport in 2009, about half of spending was on accommodations or food and beverages. Remaining

spending was for retail sales, arts and entertainment, food stores, and transportation.

Table A-4. Travel Spending by Type of Commodity Purchased, City of Newport, 2009



Source: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

Table A-8 shows employment and earnings generated by travel spending in Newport over the 2001 to 2009 period. In 2009, travel spending in Newport generated 1,580 jobs and $32.9 million in earnings. Table A-8 shows that earnings grew while employment changed little over the eight-year period.

Table A-8. Employment and earnings generated by travel spending, Newport, 2001 to 2010

Year	Employment (jobs)	Industry Earnings ($million)
2001	1,620	$28.0
2003	1,560	$27.9
2004	1,600	$29.1
2005	1,550	$29.4
2006	1,560	$30.9
2007	1,660	$33.1
2008	1,560	$32.2
2009	1,580	$32.9
Change 2001-2009		
Amount	-40	$4.9
%	-2%	18%
AAGR	-0.3%	2.0%

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates
Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

Table A-9 shows lodging tax receipts for Newport and Lincoln County between 2001 and 2010. Newport collected about $2.2 million in lodging tax receipts in 2010, an increase of about $912,000 since 2000. Newport's lodging tax receipts accounted for about one-quarter of lodging taxes collected in Lincoln County over the 10-year period.

Table A-9. Lodging tax receipts, thousands of dollars Lincoln County and Newport, 2001 to 2010

Year	Lincoln County	Newport	Newport's % of County
2000	$5,539.0	$1,311.0	24%
2001	$5,982.0	$1,453.0	24%
2002	$6,363.0	$1,464.0	23%
2003	$6,395.0	$1,492.0	23%
2004	$6,715.0	$1,716.0	26%
2005	$7,004.0	$1,866.0	27%
2006	$8,398.0	$2,113.0	25%
2007	$8,071.0	$2,272.0	28%
2008	$8,144.0	$2,378.0	29%
2009	$8,996.0	$2,232.0	25%
2010	$9,067.0	$2,223.0	25%
Change 2000-2010			
Amount	$3,528.0	$912.0	
%change	64%	70%	
AAGR	5.1%	5.4%	

Source: Lincoln County data from: "Oregon Travel Impacts 1991-2010p," May 2011, Dean Runyan Associates
Newport data from: "Newport Travel Impacts, 1991-2009p," May 2010, Dean Runyan Associates

OUTLOOK FOR GROWTH IN NEWPORT

Table A-10 shows the population forecast developed by the Office of Economic Analysis for Oregon and Lincoln County for 2000 through 2040. Lincoln County is forecast to grow at a slower rate than Oregon from 2010 to 2040. The forecast shows Lincoln County's population will grow by about over 10,300 people over the 30-year period—a 22% increase. Over the same period, Oregon is forecast to grow by more than 1.5million people, or 41%.

Table A-10. State population forecast, Oregon and Lincoln County, 2000 to 2040

Year	Oregon	Lincoln County
2000	3,436,750	44,600
2005	3,618,200	45,365
2010	3,843,900	46,945
2015	4,095,708	48,776
2020	4,359,258	50,379
2025	4,626,015	52,039
2030	4,891,225	53,710
2035	5,154,793	55,364
2040	5,425,408	57,247
Change 2010 to 2040		
Amount	1,581,508	10,302
% Change	41%	22%
AAGR	1.2%	0.7%

Source: OEA 2004 population forecast
http://www.oregon.gov/DAS/OEA/demographic.shtml

Table A-11 shows the Oregon Employment Department's forecast for employment growth by industry for Lincoln County over the 2010 to 2020 period. The sectors that will lead employment growth in Lincoln for the ten-year period are Health Care & Social Assistance (adding 3,180 jobs), Government (adding 2,060 jobs), Professional and Business Services (adding 2,420 jobs), Leisure & Hospitality (adding 1,970 jobs), and Retail Trade (adding 1,330 jobs). Together, these sectors are expected to add 10,960 new jobs or 69% of employment growth in Lincoln County.

Table A-11. Nonfarm employment forecast by industry in Lincoln County, 2010-2020

Sector / Industry	2010	2020	Change 2010-2020 Amount	Change 2010-2020 % Change
Natural resources & Mining	3,600	4,080	480	13%
Construction	3,390	4,320	930	27%
Manufacturing	10,960	12,220	1,260	11%
Durable Goods	7,930	9,230	1,300	16%
Wood prodcut mfg.	1,760	2,030	270	15%
Nondurable goods	4,000	4,100	100	3%
Transportation, & utilities	15,860	18,290	2,430	15%
Wholesale trade	2,090	2,470	380	18%
Retail trade	**10,380**	**11,710**	**1,330**	**13%**
Information	1,410	1,510	100	7%
Financial activities	3,430	3,880	450	13%
Professional & business srv.	**7,590**	**10,010**	**2,420**	**32%**
Administrative & support srv.	3,270	4,230	960	29%
Education	930	1,050	120	13%
Health care & social assist.	**11,330**	**14,510**	**3,180**	**28%**
Health care	9,610	12,370	2,760	29%
Leisure & hospitality	**10,460**	**12,430**	**1,970**	**19%**
Accommodation & food srv.	9,420	11,230	1,810	19%
Food srv. & drinking places	7,210	8,710	1,500	21%
Other srv.	3,090	3,590	500	16%
Government	**25,620**	**27,680**	**2,060**	**8%**
Federal government	1,300	1,370	70	5%
State government	12,420	13,770	1,350	11%
Local government	11,900	12,540	640	5%
Local education	6,410	6,610	200	3%
Total nonfarm employment	**97,670**	**113,580**	**15,910**	**16%**

*Note: Region 4 is Lincoln, Benton, and Linn Counties
Source: OR Employment Department. Employment Projections by Industry 2010-2020
http://www.qualityinfo.org/pubs/projections/r4.pdf

Factors Affecting Future Economic Growth in Newport

Appendix B

This appendix presents a detailed analysis consistent with the requirements of OAR 660-009-0015(4) of Newport's competitive advantage relative to Lincoln County, the Oregon Coast, and Oregon. The information presented in this appendix is summarized in Chapter 3.

Each economic region has different combinations of productive factors: land (and natural resources), labor (including technological expertise), and capital (investments in infrastructure, technology, and public services). While all areas have these factors to some degree, the mix and condition of these factors vary. The mix and condition of productive factors may allow firms in a region to produce goods and services more cheaply, or to generate more revenue, than firms in other regions.

By affecting the cost of production and marketing, competitive advantages affect the pattern of economic development in a region relative to other regions. Goal 9 and OAR 660-009-0015(4) recognizes this by requiring plans to include an analysis of the relative supply and cost of factors of production.[34] An analysis of competitive advantage depends on the geographic areas being compared. In general, economic conditions in Newport will be largely shaped by national and regional economic conditions affecting Coastal communities. Chapter 3 and Appendix A present trends and forecasts of conditions in Oregon and Newport to help establish the context for economic development in Newport. Local economic factors will help determine the amount and type of development in Newport relative to other communities in Oregon.

This appendix focuses on the competitive advantages of Newport relative to the mid-Oregon Coast and the rest of Oregon. The implications of the factors that contribute to Newport's competitive advantage are discussed at the end of this chapter.

[34] OAR 660-009-0015(4) requires assessment of the "community economic development potential." This assessment must consider economic advantages and disadvantages—or what Goal 9 broadly considers "competitive advantages."

LOCATION

Newport is a city with a population of approximately 9,989 people in 2010, located on the Central Oregon Coast, adjacent to the Pacific Ocean. The City is located along Highway 101, with the intersection of Highway 101 and Highway 20. Newport's location will continue to impact its future economic development.

- The Central Coast is composed mostly of smaller cities with fewer than 10,000 people, of which Newport is the largest. Lincoln City is the next largest nearby city (located 25 miles to the north) with a population of 7,930. The largest city within approximately 50 miles is Corvallis, with a population of more than 50,000 people.

- Newport has direct access to the State's highway system, as well as other options for passenger transportation. Highway 101 is the main north-south route at the Oregon Coast and runs through Newport. Interstate 5 about 60 miles to the east of Newport and is accessible by Highway 20. Greyhound operates bus service to and from Newport. Residents and businesses in Newport can access other modes of transportation in Albany (Amtrak), and Eugene (Eugene Airport and Amtrak).

- Residents of Newport have easy access to shopping, cultural activities, indoor and outdoor recreational activities, and other amenities in Newport, Lincoln City, Corvallis, other Willamette Valley communities, and in other communities along the Central Coast.

- The Pacific Ocean is a major tourism draw to Newport and the Central Coast. Tourists from all over the world come to Newport to visit attractions such as the Oregon Coast Aquarium or for recreational activities like fishing, whale watching, or surfing. Ocean-going vessels can get from Yaquina Bay to the open ocean in about 10 minutes, which is considerably faster than access from other large Northwest ports.

- Newport residents have several nearby opportunities for post-secondary education. The Oregon Coast Community College is located in Newport and offers associate degrees, GEDs, non-credit classes and credits toward the first two years of a bachelor's degree. The Hatfield Marine Science Center is also located in Newport and operated by Oregon State University. Corvallis also has a number

of opportunities for post-secondary education, including Oregon State University and Linn-Benton Community College.

Newport's distance from major urban centers and arterials and access to the Pacific Ocean and Highway 101 will affect the types of businesses that locate in Newport. Newport is unlikely to attract businesses that need direct access to Interstate 5 or communities in the Willamette Valley. Newport is likely to attract businesses that need to locate near the ocean, Highway 101, or other coastal communities.

AVAILABILITY OF TRANSPORTATION FACILITIES

Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highway 101, Highway 20, and local roads); rail (Amtrak via Albany or Willamette and Pacific Railroad in Toledo); transit (Lincoln County Transit); shipping (Newport International Terminal) and air (Newport Municipal Airport and other regional airports).

Newport has automotive access for commuting and freight movement along Highway 101 and Highway 20. Newport is located about 63 miles from Interstate 5, the primary north-south transportation corridor on the West Coast, linking Newport to domestic markets in the United States and international markets via West Coast ports.

Other transportation options are:

- **Rail.** The Willamette and Pacific Railroad provides freight service from Toledo (just 7 miles east of Newport) to Albany, where it connects to Union Pacific lines. Passenger rail service (Amtrak) is also available in Corvallis. Traffic on the Willamette and Pacific Railroad is approximately 38,000 cars a year with cargo primarily of forest and paper products, scrap, and steel.
- **Transit.** Lincoln County Transit provides limited transit service to and from Newport, Lincoln City, Depoe Bay, Toledo, Waldport, Yachats, Siletz, Otis, and Corvallis. Most routes have 2 to 3 morning and afternoon/evening departure times. Valley Van Pool provides weekday shuttle service from Newport to Corvallis that leaves at 6:15am. The Newport loop runs through Newport and up to Lincoln City and back, and makes approximately 5-6 trips per day.
- **Port.** The Port of Newport operates an international shipping terminal, a commercial fishing marina, and a recreational marina. The Port is in the process of renovating the International Terminal,

which will provide facilities for shipping bulky goods (e.g., wood products) via large cargo vessels.

- **Air.** The Newport Municipal Airport offers aviation service to for small privately owned planes. Until July 2011, the Airport offered commercial passenger service to the Portland International Airport. The Eugene Airport is the closest mid-sized airport providing passenger and freight service and is about 90 miles from Newport. Newport is about 150 miles away from the Portland International Airport, Oregon's largest airport.

Newport has greater access to transportation than many coastal communities in Oregon. The considerable distance to major arteries and urban centers will affect the types of businesses that locate in Newport and overall employment growth for the City. Newport's transportation access provides the City with competitive advantages for attracting some businesses, such as businesses that prefer to locate on Highway 101 or those who prefer to locate near Highway 20. In addition, Newport's location along Highway 101 gives the City access to workers along the Coast and heavy seasonal tourist traffic.

Newport has advantages for shipping freight. The City has one of three deep draft ports on the Oregon Coast, making it attractive to businesses that need access to ship freight. Businesses in Newport have access to rail transportation via the Willamette and Pacific Railroad in nearby Toledo, which may be important for businesses that ship bulky or heavy products that do not need to be shipped fast.

Newport's distance from I-5 is a competitive disadvantage for businesses that depend on quick, easy access to the Interstate. These businesses include large-scale regional warehousing and distribution firms, or firms that ship large amounts of freight by truck.

BUYING POWER OF MARKETS

The buying power of Newport and Lincoln County forms part of Newport's competitive advantage by providing a market for goods and services. Table B-1 shows average household expenditures for common purchases in Lincoln County and Newport in 2010. Newport's households spend an average of $48,044 on commonly purchased items, nearly $1,700 more than the County average.

Table B-1. Average household expenditures, Lincoln County, and Newport 2010

	Lincoln County		Newport	
	$ per Household	% of total	$ per Household	% of total
Transportation	9,235	20%	9,509	20%
Shelter	8,934	19%	9,263	19%
Food and Beverages	7202	16%	7,420	15%
Utilities	3,335	7%	3,426	7%
Health Care	2,966	6%	3,037	6%
Entertainment	2,564	6%	2,666	6%
Apparel	2,202	5%	2,279	5%
Household Furnishings & Equ	1,989	4%	2,081	4%
Contributions	1,679	4%	1,762	4%
Household Operations	1,599	3%	1,684	4%
Gifts	1,201	3%	1,273	3%
Education	1,065	2%	1,156	2%
Miscellaneous Expenses	790	2%	822	2%
Personal Care	675	1%	699	1%
Personal Insurance	458	1%	480	1%
Tobacco	325	1%	327	1%
Reading	153	0.3%	160	0.3%
Total	**46,372**	**100%**	**48,044**	**100%**

Source: Oregon Prospector, 2010

Businesses in Newport may benefit from being located in one of the larger cities on the Coast. Residents in smaller nearby cities such as Waldport, Depoe Bay, or Yachats, may find a larger selection of goods and services in Newport, increasing the size of the market for area businesses.

PUBLIC FACILITIES AND SERVICES

Provision of public facilities and services can impact a firm's decision on location within a region but ECO's past research has shown that businesses make locational decisions primarily based on factors that are similar with a region. These factors are: the availability and cost of labor, transportation, raw materials, and capital. The availability and cost of these production factors are usually similar within a region.

Once a business has chosen to locate within a region, they consider the factors that local governments can most directly affect: tax rates, the cost and quality of public services, and regulatory policies. Economists generally agree that these factors do affect economic development, but the effects on economic development are modest. Thus, most of the strategies available to local governments have only a modest affect on the level and type of economic development in the community.

TAX POLICY

The tax policy of a jurisdiction is a consideration in economic development policy. In Fiscal Year 2010 to 2011, property tax rates in Newport for the City was $7.00 per $1,000 of assessed value. Newport's property tax rate was similar to Coos Bay ($7.01), lower than Astoria ($8.67), and higher than Lincoln City ($5.07) or Florence ($3.23). The range of tax rates of cities at the Coast is comparable to tax rates of cities in the Willamette Valley, which generally range between $5 and $8 per $1,000 of assessed value.

WATER

Newport's municipal water is supplied from the Big Creek Raven Area and the Siletz River. The City stores water in two reservoirs, with the City's water treatment plant located at the lower reservoir. The cost of water service in Newport is similar to the costs in other Central Coastal communities.

The water-intensive economic uses are fish processing and tourism. Fish processing is by far the heaviest single employment-related water user in the City. Fish processing uses the most water in the spring and fall. Tourism, which peaks in the summer, requires a substantial amount of water at the driest part of the year. The City typically draws down the water stored in its reservoirs to meet summertime water demand.

The City has sufficient water rights to meet current and future needs. The City has water rights to six cubic feet per second (CFS) or the equivalent of about 3.9 million gallons of water per day. At peak usage in summer, Newport uses a maximum of 5.5 CFS of water. The City could meet increased demand for water during the summer, if they had more capacity for water storage at reservoirs, so that they could pump more water earlier and later in the year when the City uses significantly less than the amount allowed in their water rights.

The City is planning the following upgrades to the water system: (1) upgrading the raw water storage capacity, (2) extending service to the northern part of Newport, and (3) extending service to the southern part of Newport.

- The City is studying the long-term sustainability of the existing reservoirs and exploring long-term options for expanding the storage capacity of water. The results of these studies will likely result in a need to modify the water system master plan to address

and fund changes to the City's reservoirs and storage capacity for raw water.

- The City is planning to address the water capacity issues at the northern edge of town. The City plans to service this area by building a 1 million gallon water storage tank and upsizing water lines and the pump stations to the tank. Construction on these improvements is scheduled to begin in Fall 2012. These improvements will serve the industrial areas north of 71st Street but will not serve much further north than 78th Street. The City has long-term plans for constructing another water storage tank in the most northern part of the City.
- The City is planning to extend water service on the south side of the City, around 40th and 50th Streets. The City does not currently have the capacity to serve south of 62nd Street, which would require additional infrastructure, such as a lift station.

The City's ability to meet future commercial and industrial demand for municipal water service will depend on the timing of the growth, the location of the growth, and the amount and character of growth. For example, while the City has enough water, storage capacity, and water treatment capacity to accommodate growth of one or two water-intensive users (e.g., fish processors), the City's water system would be strained to accommodate growth of many water-intensive users. This difficulty would be intensified if a new water-intensive user needed large quantities of water in the summer, which would require building additional water storage facilities.

Given the amount of growth expected in Newport, the types of industries likely to grow or locate in Newport, and the City's plans for upgrading the existing water system, the City has sufficient water system capacity to accommodate expected growth.

WASTEWATER

Newport's wastewater treatment plan is located on the south side of the City. The City typically treats between 1.5 and 2 million gallons per day. The treatment plant has capacity to treat up to 15 million gallons per day and the City's permit is for 5 million gallons per day. The City's peak load is 14 million gallons per day, as a result of rainwater infiltration into the wastewater treatment distribution and collection system.

The City has sufficient capacity to treat wastewater and can accommodate the forecasts for growth. The constraints for wastewater system are in the collection system. One issue is the condition of the collection system, with a need to replace mains and lifts. The City plans to replace problematic

mains and lifts between 2012 and 2017, which will decrease infiltration of rain water.

Another issue is that some parts of the City are not served by the wastewater system, such as the northern or southern parts of the City. The City is planning to serve some of these areas, such as the areas being newly served with municipal water. The City will be updating the wastewater system master plan in 2014, which will include new mapping of infrastructure deficiencies.

The ability of Newport's wastewater system to accommodate the needs of new or growing employers will depend on the needs of the employers and the need to comply with new Federal regulations. The wastewater needs of existing businesses vary. For example, the effluent of fruit processors has a high level of biological oxygen. In comparison, the NOAA vessels discharge ocean water into the wastewater system. The different types of effluent have different effects on the City's wastewater system. In addition, the EPA will require communities on the mid-Oregon Coast to comply with revised total daily maximum loads (TMDL) standards for bacteria, sediments, and temperatures.

Given the amount of growth expected in Newport, the types of industries likely to grow or locate in Newport, and the City's plans for upgrading the existing wastewater system, the City has sufficient wastewater system capacity to accommodate expected growth. The City may need to work with businesses with high or unusual wastewater effluent, to ensure that the City is able to meet Federal standards for wastewater treatment.

LABOR MARKET FACTORS

The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available, but the quality, skills, and experience of available workers as well. This section examines the availability of workers for Newport.

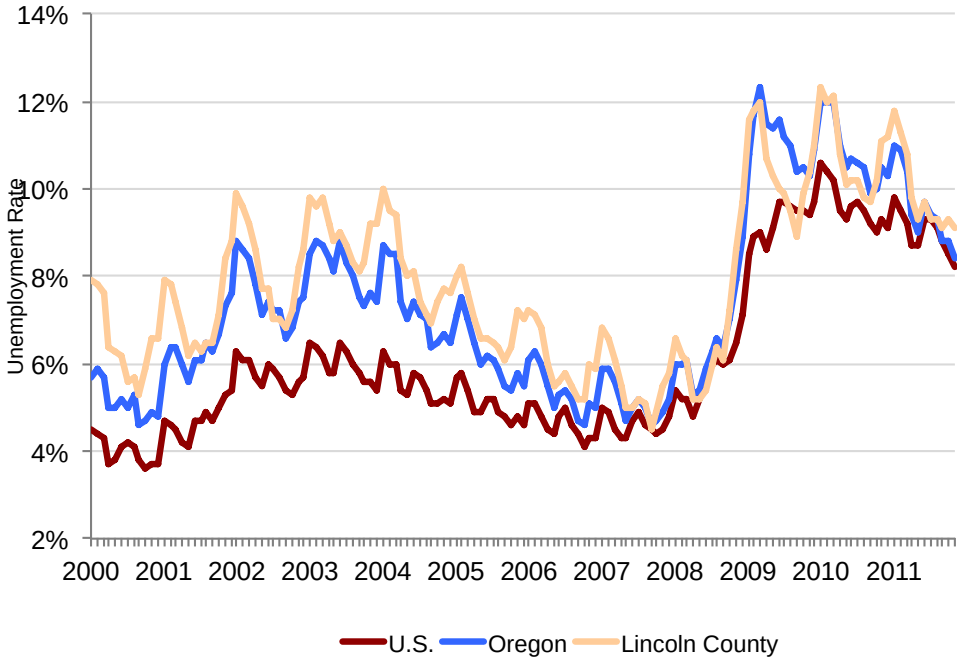
The labor force in any market consists of the adult population (16 and over) who are working or actively seeking work. The labor force includes both the employed and unemployed. Children, retirees, students, and people who are not actively seeking work are not considered part of the labor force.

Newport's labor force participation rate (percent of adult population who are employed or actively seeking work) was about 59% in 2010. In comparison, Lincoln County's labor force participation rate was 56%, compared with the State average of 64%. The lower labor force

participation rate in Newport (and Lincoln County) is a result, in part, of the older population in Newport, many of whom are retired.

The unemployment rate is one indicator of the relative number of workers who are actively seeking employment. Labor force data from the Oregon Employment Department shows that unemployment in Lincoln County 9.1% in November 2011 was higher than the State average of 8.4%. Figure B-1 shows the unemployment rate for Lincoln County, Oregon, and the United States for the past decade. During this period, Lincoln County's unemployment has been similar to the statewide unemployment rate. The County and State unemployment rates have been consistently higher than the national average, but the difference has decreased in recent years.

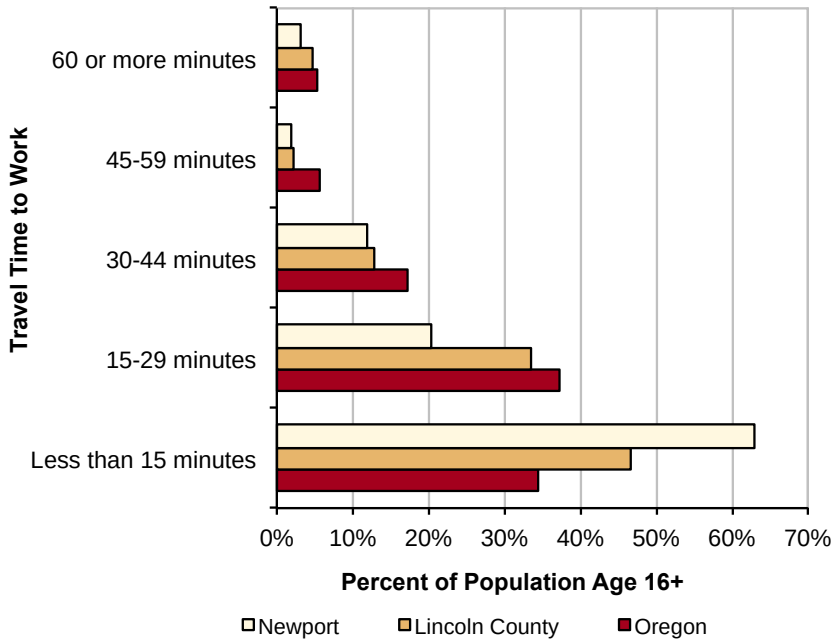
Figure B-1. Unemployment rates for Lincoln County, Oregon, and the U.S., January 2000 through November 2011



Source: Bureau of Labor Statistics
Note: unemployment data is not seasonally adjusted

Another important factor in the labor force is the distance that workers are willing to commute. Figure B-2 shows a comparison of the commute time to work for residents 16 years and older for Oregon, Lincoln County, and Newport in 2010. Commute times for Newport residents are below County and State averages. The majority of Newport residents (63%) have a commute time of fewer than 15 minutes; Eighty-three percent have a commute time of 29 minutes or less.

Figure B-2. Commuting time to work in minutes for residents 16 years and older, Oregon, Lincoln County, and Newport, 2010



Source: American Community Survey 5-Year Estimates 2006-2010

Table B-3 show where residents of Newport worked in 2002 and 2009. During the seven-year period, the percentage of residents working in the County and City decreased approximately 16% and 15%. In 2009, 62% of Newport's residents were employed in Lincoln County, with 47% working in Newport. Multnomah County had the next highest percentage of workers living in Newport at 8%; Marion County had 6%.

Table B-3. Places that residents of Newport were employed, 2002 and 2009

	2002		2009	
Location	**Number**	**Percent**	**Number**	**Percent**
Lincoln County	2,830	78%	2,722	62%
Newport	2,228	62%	2,063	47%
Toledo	63	2%	126	3%
Lincoln City	178	5%	143	3%
Marion County	147	4%	266	6%
Salem	118	3%	181	4%
Multnomah County	131	4%	334	8%
Portland	109	3%	294	7%
Linn County	97	3%	99	2%
Benton County	96	3%	175	4%
Corvallis	90	2%	164	4%
Washington County	67	2%	199	5%
Clackamas County	62	2%	139	3%
Jackson County	32	1%	44	1%
Lane County	26	1%	51	1%
Clatsop County	19	1%	58	1%
All Other Locations	105	3%	322	7%
Total	**3,612**	**100%**	**4,409**	**100%**

Source: U.S. Census Bureau: LED on the Map Work Destination Report - Where Workers are Employed Who Live in the Selection Area - by Places (Cities, CDPs, etc.), 2010

Table B-4 shows where employees of firms located in Newport lived in 2002 and 2009. During the 7-year period, the percentage of workers commuting to Newport from outside the City and County increased approximately 5% and 7%. In 2009, 72% of Newport's workers lived in Lincoln County with 33% living in Newport. The 28% of workers commuting from other counties are mostly divided between Lane, Marion, Washington, Multnomah, Tillamook, Benton, Clackamas, Linn, and Clatsop Counties.

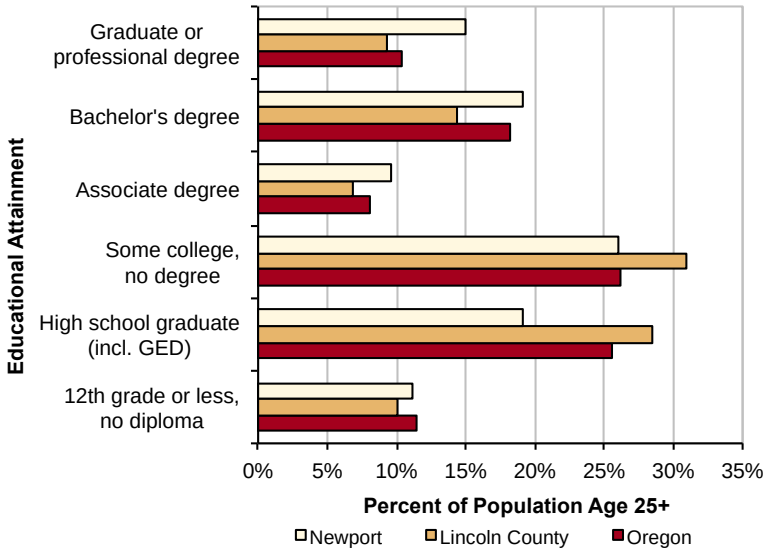
Table B-4. Places where workers in Newport lived, 2002 and 2009

	2002		2009	
Location	**Number**	**Percent**	**Number**	**Percent**
Lincoln County	4,643	79%	4,506	72%
Newport	2,228	38%	2,063	33%
Toledo	628	11%	662	11%
Lincoln City	140	2%	179	3%
Lane County	282	5%	285	5%
Eugene	77	1%	75	1%
Marion County	172	3%	155	3%
Washington County	115	2%	106	2%
Multnomah County	101	2%	133	2%
Tillamook County	98	2%	75	1%
Benton County	97	2%	179	3%
Corvallis	53	1%	109	2%
Clackamas County	77	1%	89	1%
Linn County	63	1%	169	3%
Clatsop County	29	1%	93	2%
All Other Locations	225	4%	469	8%
Total	**5,902**	**100%**	**6,259**	**100%**

Source: U.S. Census Bureau: LED on the Map Home Destination Report - Where Workers Live Who are Employed in the Selection Area - by Places (Cities, CDPs, etc.)

Educational attainment is an important labor force factor because firms need to be able to find educated workers. Figure B-5 shows the share of population by education level completed in Oregon, Lincoln County, and Newport in 2010. About 44% of Newport's residents had an associate's degree or higher, compared with 31% of Lincoln County residents and 37% of Oregonians.

Figure B-5. Educational attainment for the population 25 years and over, Oregon, Lincoln County, and Newport, 2010



Source: U.S. Census Bureau B15002 Sex By Educational Attainment for Population 25 Years and Over

Opportunities for workforce training and post-secondary education for residents of Newport and Lincoln County is primarily through the Oregon Coast Community College, with courses about marine science offered at the Hatfield Marine Science Center. Newport residents also have access to post-secondary institutions in or near Corvallis at Oregon State University and Linn-Benton Community College.

While Newport currently has a higher percentage of workers with bachelor's degrees and graduate degrees than either the State or County, they also have a higher percentage of residents age 50 and above - many of whom may soon reach retirement age and leave the workforce.

NEWPORT'S COMPETITIVE AND COMPARATIVE ADVANTAGES

Economic development opportunities in Newport will be affected by local conditions as well as the national and state economic conditions described in Appendix A. Economic conditions in Newport relative to these conditions in other coastal communities form Newport's competitive and comparative advantages for economic development. These advantages have implications for the types of firms most likely to locate or expand in Newport.

There is little that Newport can do to influence national and state conditions that affect economic development. Newport can, however, influence local factors that affect economic development. Newport's

primary advantages are: access to the ocean, location in the central Oregon Coast, access to Highways 101 and 20, range of businesses in Newport, interest of business groups to work together, and high quality of life. Newport is likely to attract businesses that prefer to locate near to the ocean or businesses that have a choice of where to locate and prefer the quality of life factors in Newport.

The local factors that form Newport's competitive and comparative advantages are summarized below.

- **Location.** Newport is located in Lincoln County, along Highway 101, at the center of Oregon's Coast. Newport is one of the largest coastal community and a regional center for retail and government activity. Businesses in Newport have access to natural resources from surrounding rural areas, such as ocean products, wood products, agricultural products, and other resources. Businesses that need access to or want to attract customers from other coastal communities may locate in Newport.
- **Transportation.** Businesses and residents in Newport have access to a variety of modes of transportation: automotive (Highways 101 and 20), cargo vessels (at the newly renovated International Terminal), air (the Newport Municipal Airport), rail (Willamette and Pacific Railroad), and transit (Lincoln County Transit). Businesses that need access to multiple modes of transportation, especially automotive and cargo vessels, may choose to locate in Newport. Newport's distance from Interstate 5, the Willamette Valley, and Portland are a barrier to attracting businesses that need direct access to I-5 or markets in the Willamette Valley.
- **Marine-related.** One of Newport's primary advantages is being on the Oregon Coast, with direct access to the Pacific Ocean. Newport's economy has developed with the following advantage:
    - **Proximity and access to the ocean.** Access to the ocean from Yaquina Bay is direct and fast. Boats in the Bay can get to the open ocean in about 10 minutes. This direct access to the ocean from a protected bay is relatively unique in the Northwest. Businesses that make frequent trips to and from the ocean may find Newport's access to the ocean appealing.
    - **Marine industries.** Newport has a wide-ranging of existing marine industries: research and education, law enforcement, commercial fishing, seafood processing, recreational fishing, tourism-related ocean activities, and services for the marine industries. These industries form the base of an ocean

observing industry cluster. Newport has opportunities to attract more marine industries, including small businesses that provide goods or services to marine businesses.

  - **Agreement about marine uses.** Newport has a wide-range of marine stakeholders, such as: the Port of Newport, the Hatfield Marine Science Center, commercial or recreational fishermen, the Coast Guard, and many others. These stakeholders are generally in agreement about the types of uses that should occur in Yaquina Bay, which focus on research, aquaculture, and transportation. The collaborative nature of the relationship among marine users is an advantage for economic development because there is broad agreement about the types of marine uses in and around Newport.
  - **Existing marine infrastructure.** Newport's existing marine infrastructure is an advantage for attracting businesses. The community will need to make investments, such as those that brought the NOAA fleet to Newport or the renovation to the International Terminal, to continue attracting marine-related businesses. In addition, the concentration of marine uses in Newport gives the Port advantages in attracting funding for the dredging necessary to accommodate large vessels.

- **Tourism.** The existing tourism industry in Newport is an advantage for economic development. Tourism results in $116.8 million in direct spending annually, supporting about 1,600 jobs, and resulting in lodging tax revenues of approximately $2.2 million annually. While direct spending and lodging tax revenues have grown since 2000, employment in tourism industries has remained relatively flat over the 10-year period.

  Newport's tourism infrastructure includes destinations such as the Oregon Coast Aquarium, recreational amenities, overnight accommodations, restaurants, retail, and cultural amenities. The amenities not only contribute to the success of Newport's tourism industries but enhance the quality of life for residents in and around Newport. The existing tourism industry in Newport offers opportunities to increase tourism and grow employment directly and indirectly related to tourism.

- **Buying power of markets.** The buying power of Newport's households, residents of nearby communities, and visitors provide a market for goods and services. Newport's role as a regional center

for retail and services is a competitive advantage for attracting retail and other services.

- **Labor market.** The availability of labor is critical for economic development. Availability of labor depends not only on the number of workers available but the quality, skills, and experience of available workers.

  Businesses in Newport have access to workers in Newport and from neighboring communities. Businesses need access to reliable skilled workers, both with and without higher education. Businesses that need skilled workers but that do not require a specialized college degree may find workers within the greater Newport area. These workers can gain job skills through training at the Oregon Coast Community College or on-the-job training. Some businesses, especially organized involved in research and education, may need to attract workers that have specialized college degrees from other parts of Oregon or out-of-state.

- **Public policy.** Public policy can impact the amount and type of economic growth in a community. The City can impact economic growth through its policies about the provision of land and redevelopment. Success at attracting or retailing firms may depend on the availability of attractive sites for development and public support for redevelopment. In addition, businesses may choose to locate in Newport (rather than another coastal community) based on: the City's tax policies, development changes (i.e., systems development charges), the availability and cost of public infrastructure (i.e., transportation or sanitary sewer), and attitudes towards businesses.

Appendix C Employment Forecast and Site Needs for Industrial and other Employment Uses

This appendix presents a detailed analysis of Newport's site needs consistent with the requirements of OAR 660-009-0015(2) and of OAR 660-009-0025(1). This appendix includes an employment forecast and an analysis of site needs to accommodate industrial and other employment uses in Newport for the 2012 to 2032 period. The information presented in this appendix is summarized in Chapter 4.

EMPLOYMENT FORECAST

To provide for an adequate supply of commercial and industrial sites consistent with plan policies, Newport needs an estimate of the amount of commercial and industrial land that will be needed over the planning period. Goal 9 requires cities identify "the number of sites by type reasonably expected to be needed to accommodate the expected employment growth based on the site characteristics typical of expected uses." The number of needed sites is dependent on the site requirements of employers. The estimate of land need is presented in the site needs analysis in the next section.

Demand for commercial and industrial land will be driven by the expansion and relocation of existing businesses and new businesses locating in Newport . The level of this business expansion activity can be measured by employment growth in Newport . This section presents a projection of future employment levels in Newport for the purpose of estimating demand for commercial and industrial land.

The projection of employment has three major steps:

1. **Establish base employment for the projection.** We start with the estimate of covered employment in Newport 's UGB presented in Chapter 3. Covered employment does not include all workers, so we adjust covered employment to reflect total employment in Newport .

2. **Project total employment.** The projection of total employment will be calculated using the safe harbor method suggested in OAR 660-024.

3. **Allocate employment.** This step involves allocating employment to different land use types.

EMPLOYMENT BASE FOR PROJECTION

To forecast employment growth in Newport , we must start with a base of employment growth on which to forecast. Table C-1 shows ECO's estimate of total employment in the Newport UGB in 2010. To develop the figures, ECO started with estimated covered employment in the Newport UGB from confidential QCEW (Quarterly Census of Employment and Wages) data provided by the Oregon Employment Department (presented in Table A-6).

Covered employment, however, does not include all workers in an economy. Most notably, covered employment does not include sole proprietors. Analysis of data shows that covered employment reported by the Oregon Employment Department for Lincoln County is only about 68% of total employment reported by the U.S. Department of Commerce. We made this comparison by sector for Lincoln County and used the resulting ratios to convert covered employment to total employment in Newport. Table C-1 shows Newport had an estimated 10,060 employees within its UGB in 2010.

Table C-1. Estimated total employment in the Newport UGB by sector, 2010

Sector	Covered Employment		Estimated Total Employment
	Number	% of Total Emp.	
Agriculture, Forestry, Fishing & Hunting	69	68%	102
Construction	250	50%	495
Manufacturing	189	81%	233
Wholesale Trade	89	59%	150
Retail Trade	1,121	75%	1,502
Transportation & Warehousing & Utilities	91	71%	128
Information	83	68%	122
Finance & Insurance	165	51%	324
Real Estate & Rental & Leasing	83	22%	371
Professional, Scientific, and Technical Services	177	68%	261
Management of Companies and Enterprises	18	68%	27
Admin. & Support & Waste Mgt. & Remediation Srv.	272	52%	522
Private Educational Services	12	51%	23
Health Care & Social Assistance	972	68%	1,439
Arts, Entertainment, & Recreation	159	36%	437
Accommodation & Food Services	1,329	91%	1,461
Other Services (except Public Administration)	347	45%	780
Government	1,629	97%	1,683
Total	**7,055**	**68%**	**10,060**

Source: 2006 covered employment from confidential Quarterly Census of Employment and Wage (QCEW) data provided by the Oregon Employment Department. Covered employment as a percent of total employment calculated by ECONorthwest using data for Lincoln County employment from the U.S. Department of Commerce, Bureau of Economic Analysis (total) and the Oregon Employment Department (covered).

Note: The estimate of the percent of covered to total employment was not available for the following sectors because confidential employment data could not be disclosed for these sectors by either the Oregon Employment Department or the Bureau of Economic Analysis: Natural Resources ad Mining; Information; Professional, Scientific, and Technical Services; and Management of Companies.

EMPLOYMENT PROJECTION

Table C-1 presents an estimate of total employment in Newport's UGB in 2010, 10,060 employees. Given the recent recession and the slow employment growth in Oregon between 2010 and 2012, we assume that Newport's employment base in 2012 has not changed substantially since 2010.

Forecasting employment growth in Newport requires making assumptions about future economic conditions in Newport and Lincoln County over the next 20-years. Some factors that we considered in forecasting employment growth in Newport are: historical growth trends in the County, the State's forecast for employment growth in the region, and Newport's expectations for population growth:

- **Long-term growth trends in Lincoln County.** Employment in Lincoln County grew from about 14,000 jobs in 1990 to 17,200 jobs in 2010, adding about 3,100 jobs at an average annual growth rate of 1.0%. Non-retail commercial employment more than doubled and government employment increased by 50% over the 20-year period. Employment in retail decreased by about 9% and manufactured decreased by 40% over the 20-year period.
- **Forecast of employment growth in Region 4.** The Oregon Employment Department's projection of employment growth over the 2010 to 2020 period shows Region 4 (which includes Benton, Linn, and Lincoln Counties) growing at an average annual growth rate of 1.5%, adding nearly 16,000 new employees. Lincoln County accounts for nearly 20% of the employment in Region 4. The forecast shows the majority growth in Health Care, Professional Services, Transportation and Warehousing, and Leisure and Hospitality. While employment in these sectors are likely to grow in Newport (except for Transportation and Warehousing, which is unlikely to grow substantially in Newport), growth of these sectors is likely to be faster in larger urban areas like Corvallis and Albany.
- **Newport's population is forecast to grow at about 0.7% annually.** Newport's population forecast shows that Newport will grow from approximately 11,318 people in 2012 to 12,932 persons in 2032.[35] Based on this forecast, Newport's ratio of persons to employees (PE ratio) will decrease from 1.13 persons per job in 2012 to 1.05 persons per job in 2032. It is reasonable to expect that employment in Newport may grow somewhat faster than population, given that Newport is a regional employment center.

Table C-2 presents a forecast of employment in Newport for the 2012 to 2032 period based on these considerations. It is reasonable to assume that Newport's employment will grow at the 1.0% annually. This rate is consistent with historical growth in Lincoln County and the forecast for growth in Region 4. This rate assumes that employment growth will be faster than population growth, which is consistent with Newport's position as a regional employment center.

Table C-2 shows the result of applying this growth rate to the total employment base of 10,060 employees in Newport in 2012. Table C-2

[35] Newport does not have a coordinated, adopted population forecast. The population forecast presented here is based on the population forecast used in the 2011 Newport Housing Needs Analysis. This forecast assumed that Newport would grow from 11,243 persons in 2011 to 12,846 persons in 2031, at an average annual growth rate of 0.7%. We estimated population in 2012 and 2032 based on the 0.7% average annual growth rate.

shows that employment is forecast to grow by 2,216 employees (an 18% increase) between 2012 and 2032.

Table C-2. Employment growth in Newport's UGB, 2012-2032

Year	Total Employment
2012	10,060
2032	12,276
Change 2012 to 2032	
Employees	2,216
Percent	18%
AAGR	1.0%

Source: ECONorthwest

ALLOCATE EMPLOYMENT TO DIFFERENT LAND USE TYPES

The next step in the employment forecast is to allocate future employment to land use types by grouping employment into land use types with similar building and site requirements, based on the North American Industry Classification System (NAICS), which assigns a classification code to every business with employment. The land use types are:

- **Industrial** businesses in the following sectors: Natural Resources and Mining, Construction, Manufacturing, Wholesale Trade, and Transportation, Warehousing, and Utilities. Industrial employment accounted for 11% of Newport's employment in 2010.
- **Commercial** businesses in the following sectors: Retail trade, Information, Finance and Insurance, Real Estate, Professional and Scientific Services, Management of Companies, Administrative and Support Services, Private Educational Services, Health Care and Social Assistance, Accommodations and Food Services, and Other Services. Commercial employment accounted for 72% of Newport's employment in 2010.
- **Government** includes employment local, state, and federal agencies, including public educational services. Government employment accounted for 15% of Newport's employment in 2010.

Table C-3 shows the forecast of employment growth by land use type in Newport's UGB from 2012 to 2032. Table C-3 forecasts growth in all land-use types and it forecasts a shift in the composition of Newport's employment based on:

- **Industrial** will increase from 11% of employment in Newport in 2010 to 15% by 2032. The cause of this expected growth is faster growth in target industry businesses that require industrial land,

such as manufacturing related to ocean observing businesses, ship and boat repair businesses, seafood processing, or businesses related to international shipping.

- **Commercial** employment will decrease from 72% of employment in Newport in 2010 to 72% by 2032. Although employment in commercial businesses will decrease as a percent of total employment, commercial employment will account for the majority of employment growth (1,300 new jobs).
- **Government** employment will decrease from 17% of employment in Newport in 2010 to 15% by 2032. Even with this decrease in the share of total employment, government employment will grow by nearly 160 people over the 20-year period. This employment will be the result of growth in public educational and research organizations, as well as growth in government to provide additional services to Newport's growing population.

Table C-3. Forecast of employment growth in by building type, Newport UGB, 2012–2032

	2012		2032		
Land Use Type	Employment	% of Total	Employment	% of Total	Change 2012 to 2033
Industrial	1,108	11%	1,841	15%	733
Commercial	7,269	72%	8,593	70%	1,324
Government	1,683	17%	1,841	15%	158
Total	**10,060**	**100%**	**12,276**	**100%**	**2,216**

Source: ECONorthwest
Note: Green shading denotes an assumption by ECONorthwest

LAND AND SITE NEEDS

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

Firms wanting to expand or locate in Newport will be looking for a variety of site and building characteristics, depending on the industry and specific circumstances. Previous research conducted by ECO has found that while there are always specific criteria that are industry-dependent and firm-specific, many firms share at least a few common site criteria. In general, all firms need sites that are relatively flat, free of natural or regulatory constraints on development, with good transportation access and adequate public services. The exact amount, quality, and relative importance of these factors vary among different types of firms. This section discusses the site requirements for firms in industries with growth potential in Newport, as identified in the analysis of target industries.

LAND NEEDED ACCOMMODATE EMPLOYMENT GROWTH

Table C-3, presented earlier in this appendix, discusses Newport's forecast for employment by land use type. The analysis of long-term land and sites needs in Newport builds off of the employment forecast for Newport .

Some new employment will locate on underutilized land, such as the districts along Highway 101 identified in the buildable lands analysis as having development capacity. Table C-4 shows employment growth on underutilized lands and on vacant lands. Table C-4 assumes that some employment will locate on underutilized lands, reducing the need for vacant employment land:

- **Some employment growth will occur on with existing built space.** Some employment will locate in existing buildings, such as buildings with vacant spaces that can accommodate business tenants. In addition, existing businesses may be able to accommodate new employment by making more efficient use of existing office space (e.g., adding a new cubicle). ECO assumes that 10% of commercial employment can be accommodated this

way and that 50% of government employment can be accommodated in existing built space.

- **Some employment growth will be accommodated on land with additional capacity.** Some employment growth will be accommodated on land with additional development capacity, through infill or redevelopment. Some parcels with an existing building may have capacity to add another building, which is infill development. In other cases, the existing building may be obsolete, resulting in redevelopment of the existing building, with increased capacity to accommodate employment. ECO assumes that 15% of commercial employment will be accommodated through infill or redevelopment.

Using these assumptions, 211 new employees will be accommodated on underutilized land and 1,805 new employees will require vacant (including partially vacant) land over the 2012 to 2032 period.

Table C-4. New employment locating on underutilized land or vacant land, Newport, 2032

		Employment on Underutilized Land		
Land Use Type	New Employment	Existing Built Space	Land with Additional Capacity	Emp. on Vacant Land
Industrial	733	0	0	733
Commercial	1,324	132	199	993
Government	158	79	0	79
Total	**2,216**	**211**	**199**	**1,805**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

Table C-5 shows demand for vacant (including partially vacant) land in Newport over the 20-year period. The assumptions used in Table C-5 are:

- **Employment density.** Table C-5 assumes the following number of employees per acre (EPA): Industrial will have an average of 10 employees per acre and Commercial and government will have an average of 20 EPA.

  These employment densities are consistent with employment densities in Oregon cities of similar size as Newport. Some types of employment will have higher employment densities (e.g., a multistory office building) and some will have lower employment densities (e.g., a convenience store with a large parking lot).

- **Conversion from net-**to-gross acres. The data about employment density is in *net* acres, which does not include land for public right-of-way. Future land need for employment should include land in tax lots needed for employment plus land needed for public right-of-way. One way to estimate the amount of land needed for employment including public right-of-way is to convert from *net* to *gross* acres based on assumptions about the amount of land needed for right-of-way.[36] A net to gross conversion is expressed as a percentage of gross acres that are in public right-of-way.

  Net-to-gross factors generally range from 15% to 20% for cities like Newport. Given that Newport has an existing well developed street system, ECO uses a net-to-gross conversion factor of 15% for industrial and 20% for commercial and government.

Using these assumptions, the forecasted growth of 1,805 new employees will result in the following demand for vacant (and partially vacant) employment land: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government uses.

Table C-5. Demand for vacant land to accommodate employment growth, Newport, 2012 to 2032

Land Use Type	Emp. on Vacant Land	EPA (Net Acres)	Land Demand (Net Acres)	Land Demand (Gross Acres)
Industrial	733	10	73	86
Commercial	993	20	50	63
Government	79	20	4	5
Total	**1,805**		**127**	**154**

Source: ECONorthwest
Note: Vacant land includes land identified in the buildable lands inventory as vacant or partially vacant.

FACTORS THAT AFFECT LOCATIONAL DECISIONS

Why do firms locate where they do? There is no single answer—different firms choose their locations for different reasons. Key determinates of a location decision are a firm's *factors of production*. For example, a firm that spends a large portion of total costs on unskilled labor will be drawn to

[36] OAR 660-024-0010(6) uses the following definition of net buildable acre. "Net Buildable Acre" consists of 43,560 square feet of residentially designated buildable land after excluding future rights-of-way for streets and roads. While the administrative rule does not include a definition of a gross buildable acre, using the definition above, a gross buildable acre will include areas used for rights-of-way for streets and roads. Areas used for rights-of-way are considered unbuildable.

locations where labor is relatively inexpensive. A firm with large energy demands will give more weight to locations where energy is relatively inexpensive. In general, firms choose locations they believe will allow them to maximize net revenues: if demand for goods and services is held roughly constant, then revenue maximization is approximated by cost minimization.

The typical categories that economists use to describe a firm's production function are:

- **Labor.** Labor is often and increasingly the most important factor of production. Other things equal, firms look at productivity—labor output per dollar. Productivity can decrease if certain types of labor are in short supply, which increases the costs by requiring either more pay to acquire the labor that is available, the recruiting of labor from other areas, or the use of the less productive labor that is available locally. Based on existing commuting patterns, Newport has access to labor from Lincoln County and the Central Coast.
- **Land.** Demand for land depends on the type of firm. Manufacturing firms need more space and tend to prefer suburban locations where land is relatively less expensive and less difficult to develop. Warehousing and distribution firms need to locate close to interstate highways. Some marine and ocean observing industries need land with direct access to the Bayfront and others can locate in areas away from the waterfront with other office buildings. Services for visitors need to be located in areas that attract visitors, such as along Highway 101 or near the waterfront.
- **Local infrastructure.** An important role of government is to increase economic capacity by improving quality and efficiency of infrastructure and facilities, such as roads, bridges, water and sewer systems, airport and cargo facilities, energy systems, and telecommunications.
- **Access to markets.** Though part of infrastructure, transportation merits special attention. Firms need to move their product, either goods or services, to the market, and they rely on access to different modes of transportation to do this. Newport has a deep water port, which provides the City with advantages to businesses that need access a deep water port. In addition, the City's access to Highway 101 and the municipal airport transportation provide advantages that may appeal to firms that use these methods of transportation. The City's distance from I-5 is a disadvantage for attracting firms that need to ship large volumes of freight by truck.

- **Materials.** Firms producing goods, and even firms producing services, need various materials to develop products that they can sell. Some firms need natural resources: lumber manufacturing requires trees. Or, farther down the line, firms may need intermediate materials: for example, dimensioned lumber to build manufactured housing.
- **Entrepreneurship**. This input to production may be thought of as good management, or even more broadly as a spirit of innovation, optimism, and ambition that distinguishes one firm from another even though most of their other factor inputs may be quite similar.

The supply, cost, and quality of any of these factors obviously depend on market factors: on conditions of supply and demand locally, nationally, and even globally. But they also depend on public policy. In general, public policy can affect these factors of production through:

- **Regulation.** Regulations protect the health and safety of a community and help maintain the quality of life. Overly burdensome regulations, however, can be a disincentive for businesses to locate in a community. Simplified bureaucracies and straightforward regulations can reduce the burden on businesses and help them react quickly in a competitive marketplace.
- **Taxes**. Firms tend to seek locations where they can optimize their after-tax profits. Studies show that tax rates are not a primary location factor within a region—they matter only after businesses have made decisions based on labor, transportation, raw materials, and capital costs. The cost of these production factors is usually similar within a region. Therefore, differences in tax levels across communities within a region are more important in the location decision than are differences in tax levels between regions.
- **Financial incentives**. Governments can offer firms incentives to encourage growth. Studies have shown that most types of financial incentives have had little significant effect on firm location between regions. For manufacturing industries with significant equipment costs, however, property or investment tax credit or abatement incentives can play a significant role in location decisions. Incentives are more effective at redirecting growth within a region than they are at providing a competitive advantage between regions.

This discussion may suggest that a location decision is based entirely on a straight-forward accounting of costs, with the best location being the one with the lowest level of overall costs. Studies of economic development,

however, have shown that location decisions depend on a variety of other factors that indirectly affect costs of production. These indirect factors include agglomerative economies (also known as industry clusters), quality of life, and innovative capacity.

- **Industry clusters**. Firms with similar business activities can realize operational savings when they congregate in a single location or region. Clustering can reduce costs by creating economies of scale for suppliers. For this reason, firms tend to locate in areas where there is already a presence of other firms engaged in similar or related activities. A key element of Newport's vision for economic development is developing a marine and ocean observing employment cluster.
- **Quality of life.** A community that features many quality amenities, such as access to recreational opportunities, culture, low crime, good schools, affordable housing, and a clean environment can attract people simply because it is a nice place to be. A region's quality of life can attract skilled workers, and if the amenities lure enough potential workers to the region, the excess labor supply pushes their wages down so that firms in the region can find skilled labor for a relatively low cost. The characteristics of local communities can affect the distribution of economic development within a region, with different communities appealing to different types of workers and business owners. Sometimes location decisions by business owners are based on an emotional or historical attachment to a place or set of amenities, without much regard for the cost of other factors of production.
- **Innovative capacity.** Increasing evidence suggests that a culture promoting innovation, creativity, flexibility, and adaptability is essential to keeping U.S. cities economically vital and internationally competitive. Innovation is particularly important in industries that require an educated workforce. High-tech companies need to have access to new ideas typically associated with a university or research institute. Innovation affects both the overall level and type of economic development in a region. Government can be a key part of a community's innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

Table C-6 provides a summary of production factors in Newport as well as comments on local opportunities and constraints. It also discusses implications of each factor for future economic development in Newport.

Table C-6. Summary of production factors and their implications for Newport

Category	Opportunities	Challenges	Implications
Labor	• Access to labor from across Lincoln County • Workforce development through Oregon Coast Community College programs	• Businesses, especially those involved in research and education, may need workers with specialized college degrees, who will most likely be attracted from outside the Central Coast region	The City has access to labor from the region. Commuting patterns may be negatively impacted by increases in energy prices.
Land	• Opportunities for development along the Bayfront • Underutilized commercial properties along Highway 101	• Limited supply of land with development capacity in South Beach • Constraints on some lands that will prohibit development • Land without municipal services • Short-term availability	Newport's commercial and industrial land base has substantial constraints, such as steep slopes, that will prohibit development and will require careful siting of businesses. Land with development capacity in South Beach is limited. The City will need to work with businesses in the marine and ocean observing research and education cluster to identify other locations for new or expanded businesses, especially those that do not require close proximity to the waterfront.
Local infrastructure	• Existing services in areas with development, especially along Highway 101 • Increases in the capacity of water and wastewater systems resulting recent upgrades • Extension of water and wastewater services to the northern and southern ends of the City • Urban renewal district in South Beach can provide funding for investments	• Limitations on automotive (passenger and freight), pedestrian, and bicycle transportation across the Yaquina Bridge • Limitations on shipping because of low clearance on the Yaquina Bridge • Limited funds available for necessary maintenance and capacity upgrades • Little funding available for strategic investments	The lack of funds leaves the City in a reactive position for addressing infrastructure problems. Some funds are available in the South Beach area for infrastructure maintenance and improvements through the urban renewal district. As a result, the City may be able to pro-actively support growth in South Beach and make strategic infrastructure investments. The City is extending services to areas of the City with buildable land, such as areas around the Airport.

Category	Opportunities	Challenges	Implications
Access to markets	• Location along Highway 101 and Highway 20 • Opportunities to ship freight via highways, the International Terminal, or rail. • Ease of access to the ocean, 10 minutes from the Bay	• Distance from I-5 • Limits on freight shipping on Highway 101, especially south of the Yaquina Bridge	Newport is attractive to businesses that need direct access to the ocean or a deep draft port. The City is unattractive to businesses that need easy access to I-5.
Materials	• Proximity to natural resources (e.g., timber or agricultural products) • Access to ocean resources	• Cost of shipping raw and finished products	Newport may be attractive to manufacturers that need access to ocean and natural resources. However, firms dependent on highway access to transport large quantities of materials are unlikely to locate in Newport.
Entrepreneur-ship	• Access to the Oregon Coast Community College	• Distance from markets in the Willamette Valley	Newport may be attractive to entrepreneurs who value the City's quality of life attributes, access to the ocean, access to outdoor recreation, and other locational attributes. Newport has opportunities to encourage entrepreneurship through continued growth in marine and ocean observing industries
Regulation	• Pro-business attitudes among City officials and leaders		The City has the opportunity to develop a regulatory framework that can promote economic activity through economic development policies, plans for providing infrastructure, and provision of a variety of housing types.
Taxes	• Property taxes in Newport are lower than some cities on the Oregon Coast.	• Property taxes in Newport are higher than some cities on the Oregon Coast.	Newport's property tax rates are comparable to other cities on the Oregon Coast. Newport needs revenue sources for providing public services and infrastructure, just as other cities do. The City has options about how to raise these funds: through property taxes, development fees, and other fees to taxes.

Category	Opportunities	Challenges	Implications
Industry clusters	• Potential for additional development of marine and ocean-observing research and education • Potential for development of employment for tourism, international commerce, and fisheries • Newport's role as a regional center of activity on the Central Oregon Coast	• Newport's economic and business climate may be unattractive to some businesses • Little growth in employment in tourism employment over the past decade • Need for some substantial capital improvements to public facilities to grow international tourism	Newport has dedicated stakeholders who are committed to growing employment in marine and ocean observing research and education businesses. There has been considerable success in growing this cluster. Newport's direct access to the ocean, marine infrastructure (e.g., piers), fleet of fishing vessels, and deep draft port situate Newport for growth in marine businesses, such as international commerce and fisheries.
Quality of life	• High quality of life, including proximity to the ocean, access to recreation, regional shopping opportunities and environmental quality	• Growth management challenges, such as balancing development with protection of environmental quality	Newport's policy choices will affect the City's quality of life, such as decisions regarding development of natural areas, housing policies, or policies that lead to redevelopment along Highway 101.
Innovative capacity	• Campuses for Oregon State University Hatfield Marine Science Center and the Oregon Coast Community College • Other organizations involved in marine and ocean observing research and education • Existing regional businesses, clusters, and innovators	• Attracting and retaining good workers • Availability cultural amenities to attract creative class workers	Government can be a key part of a community's innovative culture, through the provision of services and regulation of development and business activities that are responsive to the changing needs of business.

CHARACTERISTICS OF SITES NEEDED TO ACCOMMODATE GROWTH IN NEWPORT

OAR 660-009-0015(2) requires the EOA identify the number of sites, by type, reasonably expected to be needed for the 20-year planning period. Types of needed sites are based on the site characteristics typical of expected uses. The Goal 9 rule provides flexibility in how jurisdictions conduct and organize this analysis. For example, site types can be described by plan designation (i.e., heavy or light industrial), they can be by general size categories that are defined locally (i.e., small, medium, or large sites), or it can be industry or use-based (i.e., manufacturing sites or distribution sites).

This section presents a high-level discussion of the characteristics of land needed to accommodate the targeted industries, based on the identified need for: 86 gross acres of industrial land, 63 gross acres of commercial land, and 5 gross acres of land for government employment

Marine and ocean observing research and education

- **Location within the City.** Locational requirements of businesses in marine and ocean observing research and education cluster vary, depending on the type of business.
    - Organizations involved in research and education may need access to the waterfront (i.e., a place to dock ships). While some organizations may prefer to have offices near the waterfront, others may find a location away from the water front acceptable.
    - Businesses involved with maintenance and manufacturing may need to have a location along the water front (e.g., for ship maintenance), while others may prefer a location near Highway 20 or the airport.

  Newport has a limited supply of land with direct or nearby access to the Bay Front and should identify opportunity sites in these areas for use by marine and ocean observing organizations. The economic development strategy includes an action item of identifying specific opportunity sites for growth of this cluster within Newport.

- **Size of sites.** The size of sites required by businesses in this cluster will vary. Some businesses may require no new space and make

sure of space within an existing building, such as a small firm involved in research. Other businesses may require a larger site (e.g., one to two acres) to build a new facility. A large organization could require a five- to ten-acre site.

- **Constraints and topography.** Office-based businesses may be willing to locate on land with slopes of 15% or more. Manufacturing, maintenance, and related businesses will need relatively flat sites.
- **Transportation access.** All businesses will need automotive access. Businesses that manufacture products for use outside of Newport will need sufficient access to Highway 101 and possibly to Highway 20. Businesses in this cluster are likely to require boat and shipping access in the Bayfront.

International commerce

- **Location within the City.** Businesses involved in international commerce are may prefer to locate near the Port of Newport's facilities. Some of these businesses may require a Bayfront location and some may not need waterfront access.

  Newport has a limited supply of land with direct or nearby access to the Bay Front, especially land near the Port of Newport's facilities. The City and Port should identify opportunity sites in these areas for use by businesses in this cluster.
- **Size of sites.** Warehouse and distribution firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 20- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to shipping from the International Terminal at the Port of Newport.

Fishing and seafood processing

- **Location within the City.** Businesses involved in fishing and seafood processing are likely to require a Bay Front location, with waterfront access.

- **Size of sites.** Some businesses may require relatively small locations on the waterfront, such as an office with a place to dock fishing vessels. Seafood processors firms may require a relatively small site (e.g., 1- to 2-acres) for small-scale businesses or may require a large site (e.g., 10- or more acres) for large-scale operations. Small businesses may prefer to locate in existing buildings (if available).
- **Constraints and topography.** These businesses will need relatively flat sites.
- **Transportation access.** Business in this cluster may need direct access to Highway 20 and to Highway 101. Businesses in this cluster will require access to the Bay Front.

Tourism

- **Location within the City.** Tourism businesses will require a location in areas where visitors frequent, such as along Highway 101, in Nye Beach, or in the Historic Bayfront. Some businesses may prefer a location with an ocean view, such as restaurants or overnight-accommodations.
- **Size of sites.** Some businesses, such as a retail store or small restaurant, in this cluster can locate on a small site (1-acre or less) and in an existing building. Some businesses, such as restaurants or overnight-accommodations, may need larger sites (2- to 5-acres) and may prefer to build new facilities. Need for sites larger than 5-acres will be restricted to large businesses, generally those building new facilities.
- **Constraints and topography.** These businesses can locate on sites with slopes.
- **Transportation access.** Businesses providing services to visitors will need access to local streets, with space for parking.
- **Visibility.** Businesses in this cluster generally requires a site with high visibility, either along Highway 101 or in one of Newport's districts with other services for visitors.

Appendix D Buildable Lands Inventory Methodology

A key component of the Newport Economic Opportunities Analysis is the buildable lands inventory (BLI). The BLI consists of several steps:

1. Classifying land into mutually exclusive categories
2. Netting out development constraints
3. Developing tabular summaries of lands by classification and plan designation
4. Estimating land capacity in terms of dwelling units

This section describes the methods and definitions ECONorthwest used to complete the Newport employment buildable lands inventory.

BLI Methods

The general structure of the buildable land (supply) analysis is based on the methods used for the residential buildable lands inventory included with the *Newport Residential Lands Study*. The buildable lands inventory uses methods and definitions that are consistent with OAR 660-009 and OAR 660-024. The steps in the inventory were:

- Generate employment "land base." This involved "clipping" all of the tax lots in the Newport UGB with the comprehensive plan layer. The GIS function was followed by a quality assurance step to review the output and validate that the resulting dataset accurately represents all lands designated for employment use in the Newport UGB.
- Classify lands. Each tax lot was classified into one of the following categories:
    - Vacant land
    - Partially vacant land
    - Undevelopable land
    - Developed land
    - Public land
    - Semi-public land

    - Destination resort

- Identify constraints. The City identifies areas in steep slopes (over 15%), floodways, wetlands identified in the Local Wetlands Inventory (LWI), shoreland protection areas, and land identified for future public facilities as constrained or committed lands. These areas are deducted from lands that were identified as vacant or partially vacant. To estimate the constrained area within each tax lot, all constraints listed above were merged into a single constraint file which was overlaid on tax lots.
- Evaluate redevelopment potential. According to statewide planning rules, redevelopable land is land on which development has already occurred but on which, due to present or expected market forces, there exists the potential that existing development will be converted to more intensive uses during the planning period.
- Tabulation and mapping. The results are presented in tabular and map format with accompanying narrative. The maps include lands by classification, and maps of vacant and partially vacant lands with constraints.

DEFINITIONS

The first step in the buildable inventory was to develop working definitions and assumptions. ECO began the buildable lands analysis with a tax lot database provided by the City's GIS Department. The tax lot database was current as of February 2012. The inventory builds from the tax lot-level database to estimates of buildable land by plan designation.

A key step in the buildable lands inventory was to classify each tax lot into a set of mutually exclusive categories. Consistent with applicable administrative rules, all tax lots in the UGB are classified into one of the following categories:

- *Vacant land.* Tax lots that have no structures or have buildings with very little value. For the purpose of this inventory, employment lands with improvement values under $10,000 are considered vacant.

- *Partially vacant land.* Partially vacant tax lots are those occupied by a use but which contain enough land to be further subdivided without need of rezoning. This determination was made through review of aerial photographs.

- *Undevelopable land.* Land that has no access or potential access, land that is already committed to other uses by policy, or tax lots that are more than 90% constrained. The majority of undevelopable land identified in the inventory is located in the active beach zone within the UGB.

- *Developed land.* Land that is developed at densities consistent with zoning with improvements that make it unlikely to redevelop during the analysis period. Lands not classified as vacant, partially-vacant, or undevelopable are considered developed.

- *Public land.* Lands in public ownership are mostly considered unavailable for employment uses. This includes lands in Federal, State, County, or City ownership. Public lands were identified using the Lincoln County Assessment property tax exemption codes. This category only includes public lands that are located in employment plan designations.

- *Semi-public land.* Lands in medical use, public or private utilities, churches, and fraternal organizations. These lands were identified using land use descriptions in the Lincoln County Assessment database.

- *Destination resort.* Lands in the Wolf Tree resort area that are designated for commercial uses.

ECO initially classified land using a rule-based methodology. ECO then generated maps that show the results of the application of those rules, with some adjustments made through a validation step based on review of aerial photos and building permit data. The preliminary classification maps were provided to City staff for review and comment.

DEVELOPMENT CONSTRAINTS

Consistent with state guidance on buildable lands inventories, ECO deducted certain constraints from the buildable lands inventory including wetlands and steep slopes. We propose to use categories that are more restrictive than the definition provided in OAR 660-009-0005(2):

> (2) "Development Constraints" means factors that temporarily or permanently limit or prevent the use of land for economic development. Development constraints include, but are not limited to, wetlands, environmentally sensitive areas such as habitat, environmental contamination, slope, topography, cultural and archeological resources, infrastructure deficiencies, parcel fragmentation, or natural hazard areas.

Based on the Division 9 rule and data provided by the City of Newport and discussions with City staff, ECO deducted the following constraints from the employment lands inventory.

- *Land constrained by natural hazards*. The City provided three GIS datasets that map the extent of Goal 7 hazards:

    - Active hazard zone region
    - Active landslide hazards
    - Bluff erosion hazard zones
    - Dune hazard zones

    We classified portions of employment taxlots considered that fall within areas considered "high risk" as constrained (unsuitable for employment uses).

- *Land within natural resource protection areas*. The Newport Local Wetlands Inventory was used to identify areas within wetlands. The City also adopted an Ocean Shorelands Overlay that prohibits development within Parks, Outstanding Natural Areas, and Significant Habitat are considered unsuitable for employment uses and were deducted from the buildable lands inventory.

- *Land with slopes over 15%*. Lands with slopes over 15% are considered unsuitable for commercial and industrial development.

- *Lands within floodplains*. We did not deduct these lands from the buildable lands inventory. Most jurisdictions, including Newport, allow development in floodplains contingent upon meeting specific conditions.

CITY OF NEWPORT
169 SW COAST HWY
NEWPORT, OREGON 97365

COAST GUARD CITY, USA

phone: 541.574.0629
fax: 541.574.0644
http://newportoregon.gov

mombetsu, japan, sister city

NEWPORT ECONOMIC OPPORTUNITY ANALYSIS
TECHNICAL ADVISORY COMMITTEE
2011-2012

Name	Affiliation
Caroline Bauman	Economic Development Alliance of Lincoln County
Chris Chandler	Central Lincoln PUD
John Clark	Whaler Motel
Lorna Davis	Greater Newport Chamber of Commerce
Will Emery/Bonnie Serkin	Industrial Property Owners
Guy Faust	Oregon Coast Community College, Small Business Development Center
Mike Larimer	Samaritan Pacific Communities Hospital
John Lavrakas	Advanced Research Corp. (small businesses)
Mark McConnell/Richard Beemer	Newport Mayor/City Council
Don Mann	Port of Newport
Woody Ouderkirk	Mishey Real Estate
Glen Small	Newport Planning Commission
Matt Spangler	Department of Land Conservation and Development
Will Summers	Oregon Employment Department
Gil Sylvia/George Boehlert	Hatfield Marine Science Center

MINUTES
Newport Economic Opportunity Analysis
Technical Advisory Committee Meeting
City Hall Council Chambers
Monday, June 25, 2012

TAC Members Present: Gil Sylvia, Will Emery, Patrick Wingard, Don Mann, John Lavrakas, Guy Faust, Caroline Bauman, Will Summer, Lorna Davis, Chris Chandler, Glen Small, and John Clark.

TAC Members Absent: George Boehlert, Bonnie Serkin, Mark McConnell, Richard Beemer, Mike Larimer, and Woody Ouderkirk.

Consultant Present: Bob Parker.

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

Audience Members: Don Huster, CM Jim Voetberg, Frank Geltner, Steve Chrisman (Advantage Real Estate), and Raquell Teague (Western Title).

The meeting came to order at 3:04 p.m. Tokos noted that this is the last regularly-scheduled TAC meeting. He trusted that everyone had received the two draft documents; the short version and the long version. He said the focus at this meeting would be on the small one; the strategies and actions.

Parker said that he wanted to spend today's meeting talking about the economic development strategies and get the committee's input on key issues and hopefully finalize this. He said the intent is to get the blessing from the group so we can move this forward. He explained that during the coming weeks they will be finalizing the big document and the EOA strategies. Parker noted that right now they are presenting this as two separate documents because this is a land use document that the City will take forward for adoption into the Comprehensive Plan. He thinks the City would want the strategies to be a little more flexible than that. This way, the City can review and modify them. If it is adopted into the Comprehensive Plan, there is not that much flexibility for modification. He added that the format can be changed. Tokos thought that we would want to at least adopt the strategies by reference so that it is an official tool. Parker said they could roll it into the big document or however the City would like to proceed. He said that he is not quite ready to say we are winding down; but we have done the bulk of the heavy lifting. He would like to go over the key conclusions that the group reached. ECONorthwest completed the buildable lands inventory. Based on modifications made, that amount of land that is suitable for employment is about 400 acres. They also developed a growth forecast; which shows that employment will grow slightly faster than what was indicated in the housing study. The annual growth rate is 1%, or just over 2,200 new employees over the 20-year period. Commercial land will be the bulk needed; also retail and service and office space. They modified the percentage of totals; and so industrial will be accounted for a little bit more. They increased the government a couple of percentages. They asked how much growth could be accommodated through the available lands. They tried to identify land right for redevelopment. They typically assume that some of the new employees will get located on some of that land that actually gets redeveloped. In the context of this study, they are only interested if that redevelopment results in employment; otherwise it is just a swap. They did include a map that shows the area north of the Bay and targeted areas that the City might focus on for redevelopment. There was discussion about the potential establishment of an URD north of the bridge including some areas adjacent to 101. Parker said the conclusion is that there are land surpluses in all categories; so the City won't need to look at UGB expansion. He said this report also articulates the target industries, but doesn't necessarily limit the City to those.

Parker said that one thing to think about is how to manage opportunity sites for target sites. What are land management strategies going to be? How to identify those sites? The properties have been inventoried, and there are many sites that would accommodate a variety of uses. One way to manage them is to work with owners for properties to be more consistent with what uses have been identified.

Parker said a second consideration has been discussion of redevelopment along Highway 101. He said it seems to them that one key area is just north of the bridge. Around the hospital site, there is some vacant land; and that might be one of the areas the City might consider focusing on first. Bauman wondered if we are harmonizing with

the hospital's plan for expansion. Tokos noted that Mike Larimer from the hospital has been on the Committee; and we are trying to be consistent with that. Tokos noted that the City just applied for planning grant funds for the Highway 101 corridor from the bridge to Highway 20. On the south side of the bridge there are a number of local streets that don't line up with Highway 101. Also, the entrance to the hospital needs some work there to re-work or realign those intersections. He said another long-standing issue is with parking and traffic flow downtown. Tokos noted that the hospital has tentative expansion plans about where they would like to locate future buildings in that area. They are looking at a central campus approach. Parker said that is something that could be added. If there is a health cluster, redevelopment needs to think about how surrounding properties can help support a health cluster.

Parker said the last thing to think about is the issue about infrastructure in key areas. He said a number of different strategies were identified for infrastructure that can be more specific. Investments should be made where you want things to happen. It will take effort. The question is what is the right timing for those? There is a strategy about how those investments remain and paying attention to results. Do they result in jobs we are thinking about? Lavrakas noted that something that happened since the last meeting is that Mann and Boehlert met with stakeholder organizations to look at property and possible investments. There is talk about a Yaquina Bay Ocean Technical Center being developed in South Beach. Parker thought that would fit under Action 1.3 and maybe also 1.5. Emery noted that economic development is about more jobs. He wondered if there was any difference between public jobs and private jobs. He noted that most operations south of the bridge are public-operated. He wondered if the same approach would be used. Bauman said where it gets unclear is, say the Oregon coast technology center is a real project funded with tax money and then hires construction workers that are private small businesses. She said there are times when it is easy to separate and times when it's not. Clark noted that in that area of South Beach, there are no property taxes at all. Summers agreed that makes it difficult to have an LID. Tokos said that it has the implication of a South Beach Urban Renewal approach with targets rather than public and private. Lavrakas said there is a proposal to make YBOOI larger than just the Yaquina Bay region and support job creation and innovation so that businesses start up and use some of the ocean technology. Parker said that the plan as constructed takes a broad look at economic development. Tokos said that he hopes the members go through this and make sure that the strategies outlined in the small document are consistent with what the group intended. Tokos thought there were a couple of areas not addressed in the document that he would like the group to have an opportunity to weigh in on. He said the document states that the City has enough commercial and industrial land; but we do have a shortage of larger lands. He wondered if there should be an urgency to start creating those either by working with land owners or annexation strategies. When looking at the north side, there is talk about the formation of a URD. This program is set up to go with development agreements. The idea is to see if the City can't create incentives for development. It involves marketing for targeted industries. The City offers to make a property owner's property more attractive to targeted industries to bring to the marketing table. The City will have to have resources; and a URD is probably one way because there are limited funds for infrastructure. Tokos said he would like to go back to those particular topics to get a sense of the right direction to go. Parker said that if the members had comments on the large document, to get them to Tokos by the second week in July.

In order to give the big picture, Parker noted that they had put together a matrix showing the goals and actions and where they would be sequenced in and how they link together. He asked if this was a reasonable work program. He said that between the last meeting and this, he worked with Tokos to refine these things. He said it is still a work in progress, and there are areas where more detail could be added to make it clearer. Lavrakas said that he liked the vision. He asked if there were any chance that the Council could derail this. Tokos said that the Planning Commission and the City Council are looking for this to be vetted with the TAC; and they are going to be heavily influenced by the TAC's recommendations. The Commission and the Council want to vet it through the committee. He said that he suspects they will be looking at this favorably.

Bauman had a couple of comments on the bullets on page 4. She noted that it mentions tourism, and deep draft port is there; but where is fishing. She thought that all the clusters should be carried all the way through. Bauman felt that the final bullet was not substantiated at all. Parker said it came out of interviews. Clark thought it maybe could be softened somewhat by saying there are some limitations. Bauman said that regarding the number three issue, lack of coordination, she feels the opposite of that. Davis said that is a perception out there, and the City has to take steps out there to address that perception. She suggested that this could say "may have some challenges" or "there is the perception of". Sylvia said that maybe to outsiders, they feel the City and some of the other agencies are not working together. Clark said that he thought item number one regarding lack of land is accurate in some

aspects. Chandler thought that using the word "developable" rather than "attractive land" might be a way to soften that. Parker said he will work with Tokos to clear up that point.

Review and Discussion of Strategies and Actions: Parker noted that the first action is to create and staff a Business Growth and Recruitment Coordinator position. He said the main thing to change on this is to outline the function in more detail. He thought it is one of those things that we haven't really stated exactly where that position will reside. It needs to be determined early on if this is a contract position. Is it along economic development lines; or is it something else? Faust noted that when he is working with the community college for grants from the federal and state governments, they all want something different and he gets torn in different directions. For this position, he said the ocean observing things makes more sense to have with the alliance; tourism things with the chamber. He wondered if it would be smart to create two positions; but then he thought we may not get a very good person part time in both areas. He said there might be a way to have a person, but actually do contracts and have two different offices where they would work out of one part time and the other part time. He said it seems to him there are two different job descriptions and two different entities. Lavrakas agreed that it sounds like two positions. Parker said they will look at it.

Parker said that Strategy 1 deals with the growth of the marine and ocean observing research and education cluster. Under Action 1.1, part of what they are trying to do is, if Lavrakas' group is successful in getting money from the state, hire someone to help with that effort. Lavrakas said that right now he is a volunteer and doesn't get paid. He is on the steering committee giving his time. Parker wondered if this is too focused on the ocean and marine observing and should be broadened. Lavrakas noted that on page 6, it talks about two separate positions. Davis said it would be two people. It wouldn't be funded by the City, but there would be a collaborative effort for the two positions. Emery noted the discussion has been about someone working with the public agencies to create the collaborative effort, and someone working with private industries to actively market Newport and solicit companies. He said expanding what is already here is different than attracting new businesses. He sees this person working on expansion of current businesses to make this the service center for the central Oregon coast. Tokos said that is how he understood this position; largely targeting businesses to bring them into the area or engaging existing businesses to help them with what they need to be successful. Parker said that function is addressed in the fourth paragraph on page 5; work with local businesses on expansion, work on recruiting new businesses, conduct research and analysis, and coordinate activities. He agreed that is a lot for one person. Chandler wondered if the City had funding for such a position. Tokos said the City would be a contributor, not a full funding source. This function is not targeted to the City exclusively. Davis said that is how it was before. Bauman thought that the couple of paragraphs under 1.1 need to be rewritten in a way so it doesn't specifically state OregonInC so prominently. She said that is only one possibility. Parker said they could reference both OregonInC and anything else in process now. Bauman suggested doing so without naming who they are in order for this to be a permanent-type document. Parker said he will work with Bauman on pinning that down. Bauman said maybe just use "State of Oregon funding sources". Sylvia noted that YBOOI is changing its name, and will be Oregon Ocean. He said maybe this language should state that.

Parker noted that Action 1.2 is about developing what that cluster actually is. It requires some kind of evaluation that would more clearly articulate what the cluster is and then create a business plan. He noted that this is already in process. Bauman said that is why she made a note to change "develop" to "update". Sylvia said that now they are transitioning that to an actual plan. He raised a question about the second paragraph that states "at the time the strategy was prepared it assures such and such is harmonious with each other". Parker said he would take that as a blanket comment and take time-specific things out of it.

Action 1.3 addresses identifying opportunity sites for marine and ocean observing cluster growth. Parker said it specifies a few things about the sites and then gets into details. Lavrakas said that rather than alluding to types of uses, it may be good to actually list them; such as offices, labs, warehouses, collaborative spaces, dock access, maintenance yards, and manufacturing facilities. He suggested making sure at least those are mentioned. He said there might be areas at the dock that we want to protect, so we need to be careful whether it says it is multi-use or collaborative.

Action 1.4 is about stakeholder workshops focused on ocean observing and marine research. Parker said that right now, it is being done with YBOOI and Economic Development Alliance, but the City needs to continue to be

involved in these discussions. Lavrakas noted that the City of Newport is an active member of YBOOI; CM Jim Voetberg participates.

Strategy 2 relates to growth of tourism-related employment. Parker said this is focused on private, but the City has contributed in the past. Another action under Goal 4 addresses the City's side of it. Lavrakas noted that under 2.2 and 2.3, the Greater Newport Chamber of Commerce is not mentioned under "Who does it". Emery asked everyone's opinion of golf courses. Clark said golf courses have had a tough go. If it is world class, people will seek it out. Mann noted that we have to get people here first and then many times they will decide they would like to live here. Davis said golf courses are facing challenges in Lincoln County. There are a few that are actually struggling to stay in business. Small said that if there were several world class courses together, they would draw more. He noted that in Montana there was one actually built on a cleanup site. They turned a negative into a positive. Parker noted that the City has a chunk of ground designated for a destination resort, and there are not many in the state any more. Clark said he would love to see it happen, but it is difficult.

Action 2.3 is to maintain meaningful tourism marketing. Parker said that he would like direction from the committee whether to focus on eco-tourism. This doesn't necessarily limit the type of marketing. It should allow flexibility. Bauman confirmed that Parker was going to add the Chamber to all of these actions, but she also wondered what about tourism business owners; particularly a partnership with the larger properties.

Strategy 3 is to coordinate with the Port of Newport. Parker said the City would be involved in that strategic planning process. Faust noted that in the past there was talk about turning fish waste into crab bait. The thing that stopped it was a lack of big cold storage areas. Parker said that may fit under 8.4 (infrastructure to support fishing). Mann said there is a difference between cold storage and an ice plant. Sylvia said it would require an economic analysis. Most cold storages don't work. Sylvia said that in these actions so much of what the City is going to do is evaluate, coordinate, and support; very soft stuff. Usually there is someone else that is the lead, but the City is there to help support that effort. He wondered, even though they are not the lead, if the City is checking back. He asked if tracking is a role the City can play. He said it would be nice to see an annual report to see progress being made and what the City did to support or coordinate. He suggested five years from now evaluating the plan to determine what worked and what didn't so the next group can see that. Parker said it is proposed to add a section on plan maintenance and review. In some cases the action plan can be used, but it doesn't get to the "how come" part.

On page 13, under Strategy 4, Bauman noted that where it talks about workforce availability, it doesn't mention entrepreneurial training. She said that our businesses are so micro that small business people have employees, but they themselves are their own employees.

Parker skipped on to Strategy 6, which is to encourage better use of underutilized commercial sites. He said that is one of the key goals the City has. It involves site consolidation and aggregation. He said there could be more detail added if the group felt it was necessary. Bauman said the only comment she had is that when it says underutilized, we might want to say "underutilized or blighted" since blight is the trigger. Tokos said that we might mention aggregating properties and we might mention revolving loan. Emery said that he is in favor a Newport URD. He said it would be helpful and would give the City a hard resource. Tokos said a URD is not without benefit to the other entities, but it has to be sold. It does increase the overall value of properties. When the district is released, the entities benefit. They have to buy into the concept. Parker said this action is saying to take a closer look at this.

Strategy 7 is to ensure an adequate supply of commercial and industrial sites. Parker said the primary action of this one is to develop policies to prioritize target industries on opportunity sites. It involves staff working with property owners in South Beach to explore development agreements. Tokos said we have the business recruitment goal designed to bring industry into the community. With this piece, the City can help line up those properties to create sites that are available and ready. Parker said this might get at the industrial sites that Emery had mentioned. Emery noted that he owns a large piece of industrial ground. He said it is a matter of having something shovel-ready. He said he would be happy to work with the City on a development agreement. Clark asked what happens if the property owner says they don't want participate to develop their property yet. Parker said the way a development agreement works is that it is voluntary on the land owner's part, and it has to go through a local

adoption process. The City brings something to the table, which might be that the City provides infrastructure or something. It is helpful for that person in charge of business recruitment to know about the land base. Parker said when they were initially putting this together, they were thinking about more regulatory strategies dealing with this. This is a more effective approach. It definitely relates to developing an annexation strategy. Tokos said that he thought we do need to work in a need for larger industrial properties into the actions. That is one of the things that helps. He said similar with 7.1, we need to try to get more context. Tokos said that he doesn't see zoning having much limitation. It is extremely flexible to the point of being problematic between commercial and industrial.

Strategy 8 is to ensure adequate infrastructure is available. Parker said this relates to 1.2 and 7.1. The idea is that once we have identified the site it dovetails with whether it is feasible to make those investments. Parker noted that in the document, the second Action 8.1 should be 8.2 and coordinates with the international terminal. Mann noted that the Port is working with the City to put together a task force to provide input on transportation. Tokos said that under lead, it is more collaborative in identifying infrastructure needs. It will influence that somewhat. There are going to be some sidebars of what can be done infrastructure-wise. Parker said this relates to the completion of 3.1, the Port's plan. He said that some more could be drawn out in the write-up so it is clearer.

Parker noted that Action 8.3, relating to infrastructure used by visitors, is something that the City has historically done. The City uses a gas tax. He said the idea here is to take a step further from right now and include policy language. Clark added that it can say "where legally allowed". He said, for example, tourism dollars can't be used for sidewalks. He said it doesn't make definition of what a tourism facility is. Bauman said it doesn't talk about maintaining. Parker agreed that you wouldn't want the City using room tax for certain things. Clark said the City can use a portion of it as defined in statute.

Emery asked what about whale watching. Sylvia said that the strategy for tourism could be broader to include ocean observing. Davis said there is already some of that in place; but primarily for students. She said there are a number of private businesses that do that. She said that encouraging private sector business to look at those activities is something the person in the new position could work on. Parker said that maybe 2.2 could reflect that. Tokos said he could see getting stakeholders to have more sidebars on it. He said the City has infrastructure that is tailored to tourism more so than other communities.

Parker said that Action 8.4 (infrastructure to support fishing) relates to 3.1. He said this is really doing an evaluation of what we have out there. Tokos said that he doesn't see this being a duty of the business recruitment position but rather collaboration between the Port and the City. Bauman thought the OSU Sea Grant Coordinator should also be added under "who does it". Tokos said that we don't have a real good handle on our water infrastructure, and that is something that needs attention. Mann said they have already started identifying failing infrastructure.

Parker said the last action (8.5) came out of the last meeting. Tokos had asked to add it. It is to work with ODOT about the bridge. There was a lot of frustration about the lack of a guarantee with ODOT trying to move something forward. This formalizes it. Tokos said this is just a statement of our interest; it's not a commitment from ODOT. Specific pieces of the EOA and the TSP relate to the bridge. Chandler thought that under 8.5, the Chamber should be added under "who does it".

Next Steps: Parker said that they would like to get an indication that the committee supports moving this forward. Tokos said that it will probably go to the Planning Commission later this summer; probably at one of the August meetings. It will be presented at a work session and then move to public hearing. He said that this document will get cleaned up, and will specifically make changes to the economic development portion of the Comprehensive Plan based on this content. He said that he can distribute that to the group so that they are aware. Parker said the committee may continue in a different role; there is a recommendation in here about doing that. Tokos said there will be follow-up work on the business recruitment function; so if the TAC is willing, they can come back and work specifically on that issue. Emery said that personally, he would be happy to talk to the Planning Commission and the City Council about what the TAC has done.

The consensus was that the group is comfortable with this set of strategies and actions as amended and is in favor of moving it forward at this point. Tokos said he will follow up with a cleaned-up version and will keep the group

apprised of the schedule. He added that the members should not be surprised if they get called together in the future to design the role of the Business Growth and Recruitment Coordinator position. Parker said that if anyone had additional comments or questions about either draft document to contact Tokos. He said that they appreciate all of the comments and should have a final document in a couple of weeks. Tokos added his thanks to the members for all of their time. He said it has been helpful.

Adjournment: The meeting adjourned at 5:05 p.m.

Respectfully submitted,

Wanda Haney

Wanda Haney
Executive Assistant

Annual 5K Run/Walk for Honor Sept. 22

Chinook Winds Casino Resort in Lincoln City will be hosting the third annual Run for Honor 5K on Saturday, Sept. 22, at 9 a.m.

This run is one of the many events scheduled at Chinook Winds to honor all veterans of the armed forces, active duty personnel and their families as part of the annual city-wide "Celebration of Honor" taking place Sept. 20-23.

This year, the Wounded Warrior Project will receive proceeds from the event.

The 5K run and walk is on a challenging up and back course between Chinook Winds Casino and Chinook Winds Golf Resort.

Both are owned and operated by the Confederated Tribes of Siletz Indians.

The course is not for the faint of heart but is demanding in order to honor those service men and women who live to serve and protect this country.

The finish will lead the runners onto the field of 1,000 flags overlooking the Pacific Ocean directly north of the casino.

Awards will be given for top female and male finisher, age groups and veteran/active duty personnel.

Veterans and active duty personnel will be honored and will also receive a free gift upon picking up their race packets.

Registration after Sept. 1 and on race day is $40.

Online registration is available at www.chinookwindcasino.com.

Middle school volleyball offered in Lincoln City

The registration deadline is near for volleyball, which is being offered by Lincoln City Parks and Recreation.

The registration deadline for the girls' 5th/6th grade and 3rd/4th grade volleyball leagues is Saturday, Sept. 8.

Practices will begin the week of Sept. 20 and continue for five to six weeks.

Games will be held on Saturdays, with time and location to be announced.

The fee for the 5th/6th and 3rd/4th grade leagues is $35 per student and includes a T-shirt.

For more information, call the Lincoln City Community Center at 541-994-2131 or Karl McShane, recreation supervisor, at 541-996-1233.

Middle school cross-country is also being offered for students in sixth through eighth grade.

Running abilities and features a variety of running routes, both on and off road, to keep youth motivated.

Organizers say cross-country is also a great way to get into shape for winter sports.

Practices will be held af school from 3:45 p.m. to 5 p. Monday through Thursd through Oct., 25, at the hi school track.

Meet dates and times will announced the first week of c ficial practice.

The cost is $35 per stude and includes a sweatshirt.

For more information, c the community center at 54 994-2131 or Coach Gail Kin berling at 541-557-1137.

PUBLIC NOTICES

LEGAL DEADLINES:

WEDNESDAY EDITION: 5:00PM Thursday Prior

FRIDAY EDITION: 5:00pm Tuesday Prior

IN THE CIRCUIT COURT OF THE STATE OF OREGON FOR THE COUNTY OF LINCOLN PROBATE DIVISION IN THE MATTER OF THE ESTATE OF: LINDA LEE DAY, DECEASED. CASE NO. 12-1972 NOTICE TO INTERESTED PERSONS

NOTICE IS HEREBY GIVEN that the undersigned has been appointed personal representative. All persons having claims against the estate are required to present them, with vouchers attached, to the undersigned personal representative at LARSEN AT LAW, 2604 NE HWY 101, SUITE B, LINCOLN CITY, OREGON 97367, within four months after the date of first publication of this notice, or the claims may be barred. All persons whose rights may be affected by the proceedings may obtain additional information from the records of the court, the personal representative, or the lawyers for the personal representative, Charles G. Day. Dated and first published on August 22, 2012. s/ Charles G. Day, Personal Representative. A-22, 29, S-05 (05-05)

AMENDED TRUSTEE'S NOTICE OF SALE AFTER RELIEF FROM STAY

The Trustee under the terms of the Trust Deed described herein, at the direction of the Beneficiary, hereby elects to sell the property described in the Trust Deed to satisfy the obligations secured thereby. Pursuant to ORS 86.735, the following information is provided: 1. PARTIES: Grantor: DORES WADDELL AND CHRIS WADDELL, Trustee: FIRST AMERICAN TITLE INSURANCE COMPANY OF OREGON, Successor Trustee: NANCY K. CARY, Beneficiary: WASHINGTON FEDERAL fka WASHINGTON FEDERAL SAVINGS. 2 RECORDING The Trust Deed was recorded as follows: Date Recorded: November 3, 2004, Recording No.: 200416758 Official Records of Lincoln County, Oregon. 3. DESCRIPTION OF PROPERTY: The real property is described as follows: Lot 15, Block 2, SOUTH VIEW POINT ADDITION TO DEPOE BAY, in Lincoln County, Oregon. 4. DEFAULT: The Grantor or any other person obligated on the Trust Deed and Promissory Note secured thereby is in default and the Beneficiary seeks to foreclose the Trust Deed for failure to pay: Monthly payments in the amount of $1,826.00 each, due the first of each month, for the months of January 2012 through August 2012; plus late charges and advances; plus any unpaid real property taxes, plus interest. 5. AMOUNT DUE: The amount due on the Note which is secured by the Trust Deed referred to herein is: Principal balance in the amount of $220,320.13; plus interest at the rate of the rate of 6.250% per annum from December 1, 2011; plus late charges of $714.10; plus advances and foreclosure attorney fees and costs. 6. SALE OF PROPERTY: The Trustee hereby states that the property will be sold to satisfy the obligations secured by the Trust Deed. A Trustee's Notice of Default and Election to Sell Under Terms of Trust Deed has been recorded in the Official Records of Lincoln County, Oregon. The Notice of Default and original Notice of Sale stated that the sale would be held on September 13, 2012 at 11:00 HUNTER, LLP, P.O. Box 1475, Eugene, OR 97440 (TS #15148.30737). FAIR DEBT COLLECTION PRACTICES ACT NOTICE. This communication is from a debt collector. A-29, S-5, 12, 19 (09-19)

PUBLIC NOTICE

The Confederated Tribes of Siletz Indians is proposing to solicit assistance from the Oregon Army National Guard under the Innovative Readiness Construction Assistance Program. This project will allow trained military reserve personnel to build cement curbs for the Siletz Tribal Memorial and lay a cement pad for the Elders Area of the PowWow grounds in Siletz. The work at the Tribal Memorial will involve curbing around the decorative area and a concrete walkway along the road. The cement pad for the Elders Area will consist of a new 70 foot concrete slab under the covered area and a new sidewalk next to the existing west ramp. No federal funds are available to complete this project without the National Guard's assistance. Local contractors, labor union organizations, or private individuals who have questions or who wish to voice opposition to the National Guard's assistance regarding this project may contact Tony Molina at 541-444-8330 no later than September 14, 2012. Persons not filing complaints within the timeframe noted will be considered to have waived their objections to the participation of the Oregon National Guard in this project. A-31, S-5 (14-05)

DEQ SELECTS CLEANUP REMEDY FOR THE FORMER FRED WAHL SHIPYARD IN TOLEDO

DEQ selected two cleanup actions at the former Fred Wahl Shipyard at 621 and 1000 Altree Lane, Toledo to address contaminated sediment and soil. Sediment in the Yaquina River at the shipyard was contaminated from historic sandblast and paint removal operations. At a few areas on the property soil has been contaminated with oil from boat repair and maintenance operations. The remedial action will include a removal of contaminated sediment underneath the floating dock, and a restriction of site use for industrial purposes. As required to secure funding for the purchase of the site, the Port entered into an agreement with DEQ that specified that existing contamination needed to be cleaned up. In December 2010, the agreement was completed as a consent judgment in Lincoln County court. An EPA Brownfield grant administered through Oregon Business Development Department will be used for the cleanup actions listed above. A Record of Decision or ROD was prepared by DEQ on Aug 23, 2012. The ROD documents DEQ's evaluation of the site and prescribes the required cleanup actions. The report and consent judgment are available for review on DEQ's Environmental Site Cleanup Inventory at http://www.deq.state.or.us/lq/ECSI/ecsi.htm. The Site ID number is 3563. Public comment was solicited in September 2010 for the recommended remedial action. No additional comments are being solicited since there have been no changes. For assistance with reviewing the report or questions please contact DEQ project manager Susan Turnblom by phone at 541-687-7464 legalization may be examined at the Lincoln County Road Department, 880 NE 7th Street, Newport, Oregon, between the hours of 8:30 am and 5:00 pm. Wayne Belmont, County Counsel. S-5, 19 (17-19)

TRUSTEE'S NOTICE OF SALE

Pursuant to O.R.S. 86.705, et seq. and O.R.S. 79-5010, et seq.

Trustee No.: FC28810-5
Loan No.: 494-720253
Title No.: 6557271

Reference is made to that certain Trust Deed made by DUSTIE L. ESPINOZA, as Grantor, to 1ST SANTA CLARA CORPORATION, as Trustee, in favor of BANK OF THE WEST, as Beneficiary, dated 10/07/05, recorded on 02/09/06, as Document No. 200602260, in the mortgage records of LINCOLN County, Oregon. The beneficial interest under said Trust Deed and the obligations secured thereby are presently held by BANK OF THE WEST. Said Trust Deed encumbers the following described real property situated in said county and state, to-wit: Lot 13, Block 1, Amended Plat of Goodard Addition No. 3, in the City of Toledo, County of Lincoln, State of Oregon. ACCOUNT NO.: R377997 The street address or other common designation, if any, of the real property described above is purported to be: 924 SE LOREN LN, TOLEDO, OR 97391 The undersigned Trustee disclaims any liability for any incorrectness of the above street address or other common designation. Both the beneficiary and the trustee have elected to sell the said real property to satisfy the obligations secured by said Trust Deed and a Notice of Default has been recorded pursuant to Oregon Revised Statutes 86.735 (3); the default for which the foreclosure is made is Grantor's failure to pay when due, the following sums: monthly payments of $714.58 beginning 12/08/11, together with any late charge(s), title expenses, costs, trustee's fees and attorney's fees incurred herein by reason of said default, and any further sums advanced by the beneficiary for the protection of the above described real property and its interest therein. ALSO, if you have failed to pay taxes on the property, provide insurance on the property or pay other senior liens or encumbrances as required in the note and Deed of Trust, the beneficiary may insist that you do so in order to reinstate your account in good standing. The beneficiary may require as a condition to reinstatement that you provide reliable written evidence that you have paid all senior liens or encumbrances, property taxes, and hazard insurance premiums. These requirements for reinstatement should be confirmed by contacting the undersigned Trustee. By reason of said default, the beneficiary has declared all sums owing on the obligation secured by said Trust Deed immediately due and payable, said sums being the following: Principal balance of $91,573.93 with interest thereon at the rate of 6.990% per annum from 11/08/11, together with any late charge(s), delinquent taxes, insurance premiums, impounds and advances; senior liens and encumbrances which are delinquent or become delinquent together with title expense, costs, trustee's fees and any attorney's fees, and ing all costs and expenses actually incurred in enforcing the obligation and Trust Deed, together with trustee's and attorney's fees. In construing this notice, the masculine gender includes the feminine and the neuter, the singular includes plural, the word "Grantor" includes any successor in interest to the Grantor as well as any other person owing an obligation, the performance of which is secured by said Trust Deed, and the words "trustee" and "beneficiary" include their respective successors in interest, if any. For Trustee Sale Information please call (916) 939-0772. Dated: 06/14/12 First American Title Insurance Company, Trustee By: Mortgage Lender Services, Inc., Agent, Lauren Meyer, Sr. Trustee Sale Officer. DIRECT INQUIRIES TO: BANK OF THE WEST C/O MORTGAGE DEFAULT SERVICES, LLC. P.O. BOX 18265, SPOKANE, WA 99228 (509) 325-5099 MORTGAGE LENDER SERVICES, INC. MAY BE A DEBT COLLECTOR ATTEMPTING TO COLLECT A DEBT. ANY INFORMATION OBTAINED WILL BE USED FOR THAT PURPOSE. NPP0203335 PUB: 09/05/12, 09/12/12, 09/19/12, 09/26/12 (18-26)

PUBLIC NOTICE

PUBLIC NOTICE is hereby given that the two-year period for the redemption of real properties included in the 2010 delinquent tax lien foreclosure proceedings instituted by Lincoln County, Oregon on August 25, 2010, in the circuit court of the State of Oregon for Lincoln County, suit No. 10-3225 and included in the judgment entered therein on September 27, 2010, will expire on September 27, 2012. All properties ordered sold under the judgment, unless redeemed on or before September 27, 2012, will be deeded to Lincoln County, Oregon, immediately upon expiration of the period of redemption, and every right and interest of any person in such properties will be forfeited forever to Lincoln County, Oregon. Linda Pilson, Tax Collector, Lincoln County, Oregon. S-5, 12 (19-12)

NOTICE OF A PUBLIC HEARING

The City of Newport Planning Commission will hold a public hearing on Monday, September 10, 2012, at 7:00 p.m., in the City Hall Council Chambers to review and make a recommendation to the Newport City Council on a Comprehensive Plan text amendment (File No.: 3-CP-11). A public hearing before the City Council will be held at a later date, and notice of that hearing will also be provided. The proposed legislative amendment is to the "Economy" section of the Newport Comprehensive Plan. The update serves to: (1) update the City's economic data, (2) develop a cohesive economic strategy and vision for the community, and (3) better define the City's role in helping to achieve community economic development aspirations through specific policies and implementation measures. The Newport Comprehensive Plan Section entitled "Administration of the Plan" (p. 287-288) requires findings regarding the following for the proposed amendment: A. Data, Text, Inventories or Graphics Amendment: 1) New or updated information B. Conclusions Amendment: 1) Change or addition to the data, text, inventories, or graphics which significantly affects a conclusion that is drawn for that information. C. Goal and Policy Amendments: 1) A significant change in one or more conclusions; or 2) A public need for the change; or 3) A significant change in community attitudes or priorities; or 4) A demonstrated conflict with another plan goal or policy that has a higher priority; or 5) A change in a statute or statewide agency plan; and 6) All the Statewide Planning Goals. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from proponents, testimony from opponents, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. Material related to the proposed amendment may be reviewed or a copy purchased at the Newport Community Development (Planning) Department (address above). Please note that this is a legislative public hearing process and changes to the proposed amendment may be recommended and made through the public hearing process and those changes may also be viewed or a copy purchased. The Newport Economic Opportunity Analysis materials are posted on the City of Newport website at: www.newportoregon.gov on the Community Development Department/Economic Opportunity Analysis webpage. Contact Derrick Tokos, AICP, Newport Community Development Director, (541) 574-0626, email address: d.tokos@newportoregon.gov (mailing address above). S-5 (20-05)

NOTICE

Notice is hereby given i in conformance with C Chapter 294, as amend by 1991 laws Chapter 2 Lincoln County has pe ed and made available review at the county co house and public libr ies within the county schedule of expenditu of the county which sim exceed $500 for the pre ous month, and a sta ment of the proceedings the County Board of Co missioners (Summary Minutes) from the previo month, and a list of yea salaries for county empl ees. Copies of all or p of the posted informati may be obtained from t county upon request a payment of a copying fe Further information can obtained by calling the L coln County Departme of Finance and Accoun ing, 265-4167, or by wr ing to the Financial Offi at this address: Financ and Accounting, 210 S 2nd Street, Newport, O 97365. Dana W. Jenkin Lincoln County Clerk. S (21-05)

NEWS TIMES

EXHIBIT "1"

LINCOLN COUNTY SHERIFF'S OFFICE – NOTICE OF SALE OF REAL PROPERTY

Public notice is hereby given that Dennis Dotson, the Sheriff of Lincoln County, will offer for sale the real property listed in Exhibit "1" below. The sale will be conducted in the Board of Commissioners Meeting Room located in Room 108 on the first floor of the Lincoln County Courthouse, 225 West Olive Street, Newport, Lincoln County, Oregon, on September 27, 2012, between the hours of 10:00 a.m. and 4:00 p.m. (beginning at 10:00 a.m.), and, if necessary, may be adjourned from day to day by public announcement made by the Sheriff at the time and place of the sale. Persons interested in bidding on a parcel or parcels will be assigned a bidder number from 9:30 a.m. to 10:00 a.m. Each parcel, or group of parcels, will be sold to the highest bidder in excess of the minimum bid indicated in Exhibit "1" below. Each sale shall be for:

(1) Cash paid at the time of sale (plus an additional fee of $58 for recording the quitclaim deed to the property); or

(2) On accepted bids over $2,500, the execution of an earnest money agreement that requires the purchaser to: (a) Pay an earnest money deposit equal to 20% of the sale price at the time of the sale, plus an additional fee of $68 for recording said contract; (b) Execute a land sales installment contract for the remaining balance due, with terms including, but not limited to: Equal monthly installment payments due each month for a period of five years from the date of sale, the balance due to accrue interest at the rate of 12% per annum; the purchaser will have possession of, and income from the parcel or group of parcels so long as the purchaser is not in default in the performance of the purchaser's agreement with the county; the purchaser will forfeit the purchaser's rights under the contract and to all payments made pursuant thereto if the purchaser fails to make payments under the contract, or any part thereof, principal or interest, or to pay, before delinquency, the taxes thereafter levied against the parcel or group of parcels, or violates any other term of the contract, the purchaser may prepay the full contract price, or any part of the contract price, without penalty, if the purchaser assigns rights or delegates duties under the contract, the full remaining unpaid balance of the contract price will become immediately due and payable; and until payment of the full contract price is made and a quitclaim deed is issued to the purchaser, the purchaser will not be permitted to remove timber or extract minerals from the property, deposit toxic or hazardous substances on the property, or lease the property or any portion of the property; and (c) Execute the land sales installment contract on Wed., October 3, 2012, in the office of the Lincoln County Board of Commissioners in the Lincoln County Courthouse, 225 West Olive Street, Room 110, Newport, Oregon, from 8:30 a.m. to 12:00 noon and 1:00 p.m. to 4:30 p.m., and it will be the purchaser's duty to come to the office of the Lincoln County Board of Commissioners on that date and during those times and execute the contract. Alternative arrangements can be made for execution of the contract, but if the contract is not fully executed by the purchaser and returned to the office of the Lincoln County Board of Commissioners, by Tues., October 10, 2012, the earnest money deposit will be forfeited to Lincoln County, and the sale will be canceled without further notice to the purchaser.

At the sale, the Sheriff will temporarily accept a personal check to hold a high bid for up to 2 hours or until 4:00 p.m., whichever occurs first. If that high bidder fails to return with the necessary amount of cash by that time, the high bid will be dishonored and the parcel or group of parcels will be sold to the next highest bidder.

NOTICE: Lincoln County does not warrant, guarantee, or make any claim as to ADVERSE TITLE to any parcel or group of parcels offered for sale. Lincoln County only sells and conveys the title, if any, that it has acquired by tax foreclosure. The purchaser only receives a statutory quitclaim deed upon payment of the full purchase price.

NOTICE: Lincoln County does not warrant, guarantee, or make any claim as to the CONDITION of any parcel or group of parcels offered for sale. No inspection, environmental assessment or audit has been performed.

NOTICE: Lincoln County does not warrant, guarantee, or make any claim that any particular USE may be made of any parcel or group of parcels offered for sale. Each parcel and group of parcels offered for sale is subject to land use laws and regulations, which may prohibit certain uses, such as the construction or siting of a residence. In addition, some parcels or groups of parcels offered for sale may not be within a fire protection district protecting structures.

THEREFORE, before bidding on any parcel or group of parcels, a prospective purchaser should check with the appropriate city or county planning department to verify approved uses and the existence of fire protection for structures. Before bidding on any parcel or group of parcels, prospective purchasers should also consult with an attorney, title company or real estate professional of their choice concerning the marketability of title, the existence of any liens or other encumbrances, and the condition of any parcel or group of parcels offered for sale.

The sale of the parcels and groups of parcels listed in Exhibit "1" below is conducted pursuant to an Order of the Lincoln County Board of Commissioners entered on August 22, 2012. The Board has reserved the right to adjust minimum bids and remove parcels from Exhibit "1" at any time up to and including the day of sale. NOTE: Lincoln County will not accept less than the minimum bid on auction properties for at least 1 year following auction date.

Copies of Assessor's Maps for each parcel or group of parcels listed in Exhibit "1" below may be obtained on the County's web site at www.co.lincoln.or.us or in person at the Lincoln County Assessor's Office at 225 West Olive Street in Newport, Oregon, between the hours of 8:30 a.m. - 12:00 noon and 1:00 - 5:00 p.m. Other questions concerning any parcel or group of parcels should be directed to Janet Scanlon, Property Manager, at jscanlon@co.lincoln.or.us, or (541) 574-1290, between the hours of 8:30 a.m. to 12:00 noon and 1:00 - 4:30 p.m. Monday - Wednesday.

s/ DENNIS DOTSON
Lincoln County Sheriff

	MAP #	TAX LOT	NEAREST CITY/COMMUNITY	ADDRESS (If Available) / GENERAL DIRECTIONS & PERTINENT INFORMATION	ZONING	APPROX. SIZE IN ACREAGE	2011 - TAX ROLL MEASURE 50 ASSESSMENT	2011- REAL MARKET VALUE	MINIMUM BID
1	6-10-34-CB	2400	Otis	**Directions**; go to N Bank Rd.; go to Panther Cr. Rd.; go to Dear Lane Dr. - **NEXT TO: 535 N Deerlane Dr., Otis.**	R-1, RC	0.19	$ 12,300	$ 32,790	$ 24,000
2	6-10-34-CB	2500	Otis	**Directions**; go to N Bank Rd.; go to Panther Cr. Rd.; go to Dear Lane Dr. - **NEXT TO: 535 N Deerlane Dr., Otis. TL 2500 has a manufactured home located on it. May be inhabited.**	R-1, RC	0.11	$ 17,900	$ 29,540	$ 19,000
3	9-11-29-CD	4600	Otter Rock	**OCEANVIEW LOT! Directions**; Hwy. 101 to Otter Crest Dr. Through the Sea Crest Subdivision gates on Sea Crest Dr. to Sea Crest Way to Sea Crest Pl. S of 218 Sea Crest Pl.	R-1, PD	0.09	NONE LISTED	$ 392,850	$ 325,000
4	9-11-29-CD	4600	Otter Rock	**OCEANVIEW LOT! Directions**; Hwy. 101 to Otter Crest Dr. Through the Sea Crest Subdivision gates on Sea Crest Dr. to Sea Crest Way to Sea Crest Pl. W of 207 Sea Crest Pl.	R-1, PD	0.11	NONE LISTED	$ 138,200	$ 125,000
				SILETZ RIVERFRONT! Has easement over Government Lots 17 & 18 for					

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