

**MINUTES**  
**City of Newport Planning Commission**  
**Regular Session**  
**Newport City Hall Council Chambers**  
**Monday, August 10, 2015**

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

**Commissioners Absent:** Bill Branigan and Mike Franklin (*both excused*).

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

A. **Roll Call:** Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:00 p.m. On roll call, Hardy, Berman, Croteau, Patrick, and East were present; Branigan and Franklin were absent but excused.

B. **Approval of Minutes.**

1. Approval of the Planning Commission work session and regular session meeting minutes of June 22, 2015. Croteau noted a grammatical error in the regular session minutes.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner Hardy, to approve the Planning Commission work session and regular session meeting minutes of June 22, 2015, as corrected. The motion carried unanimously in a voice vote.

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

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

E. **Action Items.** No items requiring action to be taken.

F. **Public Hearings.**

1. **File No. 4-CUP-15.** A request submitted by Mid-Coast Christian School (Greg Wood, authorized representative) (First Christian Church, property owner) for approval of a conditional use permit in order to operate a private elementary and secondary school within existing church buildings located at 809 SE 2<sup>nd</sup> Street, which is situated on a piece of property with the following multiple zoning designations: R-1/"Low Density Single-Family Residential," R-2/"Medium Density Single-Family Residential," and C-3/"Heavy Commercial" zoning districts

Patrick opened the public hearing for File No. 4-CUP-15 at 7:02 p.m. by reading the summary of the file from the agenda. He read the statement of rights and relevance and asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. All but Berman declared site visits. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard. He called for the staff report. Tokos explained that this is a conditional use permit application filed by Mid-Coast Christian School for an elementary and secondary school at 809 SE 2<sup>nd</sup>. He noted that the conditional use criteria are found in NMC Chapter 14.34.050 and are that the public facilities can adequately accommodate the proposed use; that the request complies with the requirements of the underlying or overlay zone; that the proposed use does not have an adverse impact greater than existing uses on nearby properties, or can be ameliorated through conditions; and that a proposed building or building modification is consistent with the overall development character of the neighborhood. He noted that included in the packet is his staff report outlining how these standards have been specifically addressed. He added that he also had the entire case record should any of the Commissioners have any questions about the material provided.

Going through the criteria, Tokos explained that with respect to the adequacy of public facilities, the packet included a map showing the services that are available. All services are in place and available and currently serving the existing structure. Tokos said there is sufficient data to find that this criterion has been met. Tokos said the purpose of the

criterion regarding the underlying zone typically is to address parking and landscaping standards. Tokos noted that as the Commissioners could see from the aerial photo, there is ample parking at the site to accommodate this use. He said as is often the case, the church and the school would operate at times that do not conflict and would not be vying for the same parking spots. The landscaping meets the current requirement. So, he noted that the Commission can find that this criterion has been met. Tokos said the third criterion, whether there's an adverse impact or it can be addressed through reasonable conditions of approval, is often the most relevant. He said here we're dealing with a situation where the school is operating when the church is not holding regular services. He did point out in the staff report that there is an elementary nearby and baseball field adjacent; and that parking is certainly used by those attending sporting events. But it's after school hours, and it shouldn't be a conflict; maybe a little as they're letting out. However, it shouldn't result in traffic congestion that would create a public safety issue. He thought with this information, the Commissioners could find that this standard has been met. Regarding the last criterion about building modifications, he did note that our Building Official took a look at the site and is requiring modifications to comply with the current building code for a school use to occur on the property; things like removal of deadbolts, installation of panic hardware, installation of illuminated exit signs, and replacement of a deteriorated handrail. These are safety requirements for this type of use and are not of such significance that it would be considered building modifications; so he believed the Commission could find that this standard has been met as well.

Tokos recommended that the Commission take testimony; and if so inclined, can take action tonight because there are adequate findings that the standards have been met. Tokos had provided a draft final order and a set of findings, should the Commission choose go down that path. He noted that there is one change that he would like to make to the findings if it's acceptable. Under item B1, criterion #2, there's a reference in the last sentence to a private school is allowed. For purposes of land use regulations, we wouldn't concern ourselves with whether it's public or private. It's whether it's an elementary or a secondary school. Tokos would change that last sentence to read that elementary and secondary schools are allowed in each of these zones. No change needs to be made to the Final Order itself. He said if that revision is acceptable, and if after taking testimony the Commission is prepared to move forward, he would ask them to accept that change to the findings and he'll make it after the meeting.

Berman said that Tokos mentioned under item D all the things that needed to be fixed up. He wondered why that isn't a condition of approval that those things do get accomplished. Tokos said it's a requirement under the building code that it would have to be done. We'll just exercise it under the building code. Berman asked if a permit is being pulled for these things. Tokos said it's a change of occupancy; they have to obtain a permit. The church has been in communication with the Building Official.

There were no proponents, opponents, or interested parties present wishing to testify; so Patrick closed the public hearing at 7:10 p.m. for Commission deliberation. Hardy had no problem with what was presented. Berman concurred. Croteau saw no issues. East thought it was fine. Patrick thought it met the criteria and does what it's supposed to do.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner Berman, to approve File No. 4-CUP-15 with the changes in conditions as stated. The motion carried unanimously in a voice vote.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner East, to approve the Final Order for File No. 4-CUP-15. The motion carried unanimously in a voice vote.

2. **File No. 4-Z-13.** Consideration of revisions to City of Newport Design Review land use regulations and the boundary of the Historic Nye Beach Design Review Overlay. Changes to land use regulations include new and updated design guidelines, clarifications to clear and objective standards, tighter thresholds for guideline review of large structures, updated illustrations, and consolidated procedures (NMC Chapter 14.30). Overlay boundary change removes some R-2 zoned property and adds R-4 land. The Commission will make a recommendation to the City Council on this matter.

Patrick opened the public hearing for File No. 4-Z-13 at 7:12 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos noted that the Commissioners have a staff report addressing a number of these issues in detail. He said that in addition the packet included a map and a legal description of the overlay boundary, a map showing where the changes are being made to the boundary (which also was the large map on display), the amended design review land use regulations, the amended design review guidelines, an amended glossary, and

illustrations that go along with the guidelines, the information about the notice of public hearing, and minutes from the December City Council meeting where the Council initiated the changes before the Commission tonight. He also had all the various materials since the amendment was initiated; the work from the ad hoc work group and various drafts that were developed to get to this point.

Tokos explained that in 2003, the City created the Nye Beach Design Review Overlay in its present form. At that time they put in place a provision that it would be re-evaluated in ten years. That was the purpose of the December 2013 City Council meeting. Tokos noted that the Nye Beach Design Review Overlay is intended to address a number of things; specifically enhance new and redeveloping architectural and landscape resources to preserve and strengthen the historic, scenic, and identified neighborhood character and function of each setting in the area, improve vehicular and pedestrian networks in order to provide for safety, efficiency, continuity in relationship to connecting Newport neighborhoods, strengthen the economic vitality of the area, and improve the visual appearance and attractiveness of developed areas. Those were the objectives of the Design Review Overlay. When the City Council held the hearing that they were required to under the ordinance for the ten-year review after providing notice to the public and inviting people to come and attend and speak to the Council about whether changes were needed or not, they did receive quite a bit of public testimony. From that testimony, the Council made a determination that changes were in fact needed and referred the matter to the Planning Commission. Specifically they asked that the Commission take a look at issues dealing with building width, mass, and setbacks, issues relating to maintaining village character, building height, building size, zoning, and boundaries. The City Council further directed that the Commission develop the necessary recommended amendments and present those to the City Council at a future date. After considering the scope of the project, the Planning Commission elected to put together an ad hoc work group of individuals who have businesses or own property in the Nye Beach Overlay to work through these issues and provide a recommendation to the Commission. The work group met ten times between March 2014 and June 2015. We also retained the services of SERA Architecture services to help identify strategies for refreshing the design guidelines and standards. They also did prepare a number of the illustrations that are in the packet. Out of this, the Commission has the package of recommendations before them. He said the key changes to the map on display and in the packet were that there was some R-2 zoned property that was originally included in the boundary. The design review guidelines and standards were set up for high density residential development and tourist commercial. There are ample references in the design review codes that's of record right now to the C-2 and R-4 zones; there's no mention of R-2 low density residential even being something that was conceived being covered under the design review guidelines and standards. So, the ad hoc work group is recommending that that area be removed. There's a small pocket of R-4 high density residential on the north end of the design review area that's recommended to be added. The other areas were along the perimeter and are primarily rights-of-way that are proposed to be removed because they didn't really make sense to be included. There is a small change that affects the Whaler Motel specifically where the line is being adjusted so that it cuts through that property in a logical manner so the undeveloped portion of the site is inside the Overlay, but the developed portion is not. The existing line cuts through the middle of the existing building, which doesn't make a whole lot of sense.

Tokos summarized what the other changes were. Design review under the guidelines will be required for a greater number of projects under these revisions. He said that was one of the points of frustration that was raised at the City Council and was deferred to the Planning Commission for further review. He explained that for guideline review in the design overlay you have two paths you can go through. You have a standards review, which are clear and objective standards that do not involve land use review by City staff administratively or by the Planning Commission. They're simply clear and objective standards that somebody meets when they come and pull a building permit to do some construction on their property within the overlay. State law requires that any jurisdiction that has design review standards must provide a clear and objective path for residential development. Then you have guideline review

Guideline review are discretionary standards that go before the Planning Commission to determine whether or not those standards are met. Currently structures over 100 feet in length would trigger a guideline review, and also if it's over 35 feet in height. That threshold in terms of the length is being proposed to be reduced to 65 feet; so a building over 65 feet in length would trigger a design review before the Planning Commission. The height threshold would remain the same at 35 feet in terms of the triggering mechanism for Planning Commission review. The design guidelines have been updated to clarify the intent of each design guideline and to identify approaches a developer can take to satisfy them. This was one of the points of frustration that had been raised to the City Council; the guidelines weren't clear or there was so much room to maneuver within them it was difficult for somebody who was subjected to guidelines and review to understand how they could successfully navigate the guidelines and demonstrate that they

met them. Quite a bit of work was done to clarify the intent of each of those guidelines. The new guidelines were developed to address solar impacts. That was an issue that had been raised; particularly with large projects that are built right up to a property line and say the property to the north that's a smaller development could face situations where they lose quite a bit of solar access on their property and be shadowed for much of the day. So, the guidelines have been addressed to ensure that new development takes steps to avoid excessively shading neighboring properties. That can be done in a number of ways including stepping back on say a third story of a building so that it's not up to the property line, and there are some other approaches that can be taken.

The design standards have been revised to make sure they are clear and objective; we're required to have that. One of the concerns that had been raised was some of those standards that were to be clear and objective still had a little bit too much discretion in them. So, that's been cleaned up so that they're much more explicit. There also have been some changes to ensure that the pallet that somebody has to choose from isn't overly broad. So, it's a little bit clearer in terms of design elements that somebody can incorporate in a structure to meet the standards.

The illustrations have been refreshed. They were getting old and hard to understand. Definitions and review procedures have been consolidated so that they align with how the Commission handles other types of land use actions.

Tokos said those are the primary changes that are a part of this package of amendments. The Commission tonight needs to hold a public hearing on this matter. Its charge is to make a recommendation to the City Council; the Planning Commission is not the approval authority. He said if the Commissioners believe at the end of the day after taking public testimony that the changes are consistent with the public welfare and are appropriate to be made, then you can make that recommendation to the City Council.

Berman wondered for the 100 feet down to 65 feet where that number came from. He wondered if that's some kind of compromise number. Tokos said there was some thought put to it based on an evaluation of some of the structures that have been approved under the current framework and at what point they became a concern in terms of their bulk to members of the ad hoc work group. SERA Architecture weighed in and took a look at some development elsewhere as part of that whole discussion. Tokos noted that there were members of the ad hoc work group present tonight who may choose to testify.

**Proponents:** Kathy Cleary, 112 SE Fogarty. Cleary noted that she was a member of the ad hoc committee that worked on this. She said there was a lot of compromise that went on. She added that the members took their job very seriously; to look at what was in place at the time and where they felt Nye Beach needed to go in order to continue to develop in a lovely way and not have things that were out of proportion and buildings that just really didn't fit. She said there were some pretty lively meetings. It wasn't a cohesive group at all times; but in the end, they compromised well. She thinks that they covered all of the areas as best they could. In any area where there could be a question or could be a misunderstanding, they tried to get things very clear and concise so that when you come in for a permit, you know what you can do and you know the groups of choices that you can make and just cleaning up the language and making it very clear and very fair and very responsible for the neighborhood as it exists and the vision that they have for it in the future for very responsible development. She said that the idea was not limiting things; it was helping to develop the Nye Beach area in a very responsible and efficient way. That is what they were attempting to do. She hopes the Commission sees this favorably and decides to pass it on to the City Council. She said it's a good plan. There was a lot of compromise that went on. They worked very hard at this.

Terry Obteshka, co-owner of the Grand Victorian Bed and Breakfast in Nye Beach. Obteska said they've operated the bed and breakfast for over twelve years. He can tell from the testimony from guests that Nye Beach is a special place. They have had guests from all over the world. Many of their guests come from the Portland metro area, and rather than go much closer to home, they drive down to stay in Nye Beach. He said we have it all; ocean, shopping eating; all within walking distance. There's other amenities like fishing, crabbing, beachcombing, hiking, and bicycling. He said we need to keep the character of Nye Beach. If we lose it, these people may elect to go somewhere else. He could get guests to come in and testify why they come to Nye Beach. We're eclectic, it's friendly, you can walk at night; it's safe. He's casting a vote in support and hopes the Commissioners do the same.

Marletta Noe, 531 NW Hurbert St. Noe has lived in Nye Beach since 1966. She's seen Nye Beach become a much better place to live; much nicer place. You can walk in Nye Beach now without any problems. It took a lot of hard work from people to improve the area. She's grateful for the ad hoc committee for doing this. She does have some

disagreements with the overlay, but has since the beginning. They have worked very hard on this. She hopes the Planning Commission will approve it.

Tokos mentioned that an email was received from Cathey Briggs, which he had distributed to the Commission. It was an email in support. He read it into the record. She believes the revision provides more clarity and feels it's important to adopt the revised design guidelines to ensure that the area maintains its historic charm and pedestrian-friendly scale.

There were no other proponents present wishing to testify.

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

Patrick closed the hearing at 7:30 p.m. for Commission deliberation. East said after reviewing the guidelines and all the work the ad hoc committee has done, he really likes what the committee has done with this review. He likes the design they have come up with for this. It's easy to understand. He recommended going ahead and handing it over to the City Council. Croteau said it's a bit more restrictive, but he thought it's clearer and more detailed than what we had to work with previously. He thought it's a good move in the direction of responsible tourism, which he thought is what this community needs. This is what you want to do. Berman agreed. He said that in reading through this, if he were developing a piece of property, he would have a much better idea as to what was necessary to get his plans approved. He thought the ad hoc committee is to be congratulated. He knows it's not easy, and that's an awful lot of meetings for a group like that. He thanked them all for the work that they put in. He said it's a great product. Hardy thought that the clarifications that were sought were probably achieved. She still had one question. In the introduction to the guidelines, she asked if anyone can define what a "working class neighborhood" is supposed to look like. She said that's the premise you're starting with, but it's never really clearly defined. From the audience, Jody George, who was a member of the ad hoc work group, said that the phrase came from the original document. It's not something they tried to give definition to. It's actually lifted out of the original document. Also from the audience, Wendy Engler, who was the Council liaison for the ad hoc work group, thought it was from the Comp Plan that Don Davis did. It has been part of the design guidelines in the first rendition from 1997. It was just part of the introductory language; and it's never defined. She thought in the future you could define it, maybe as you develop the neighborhood. She thought that was a good point. Patrick said someone can take it to City Council and try to define it there if someone has a definition.

Berman said under "Design Review Required" (14.30.040) point "C," it talks about not more than ten feet in height for an accessory structure. What if it is more than ten feet in height; they don't have to go through design review? He didn't understand why that was there at all. Patrick said if he remembers correctly, if it's more than ten feet in height, it's not an accessory building anymore. He thought that in the definition of an accessory building, it has to be under ten feet in height. Berman said if that's the case, this phrase still isn't needed. Tokos said it is a small thing, but he can confirm that. He said the attempt here was to align with the building code trigger for when a building permit is needed for ease of administration and for ease of understanding by the public. It's awfully awkward if a building permit is not required for something that's a very small structure, but then you still have to go through design review. The general consensus on the ad hoc work group was to align it with the building code. He will take a look just to make sure that that language is accurate before presenting it to the City Council. He thanked Berman for bringing it up.

Berman asked the 50% is an increase from what; the 50% of fair market value. Tokos said that's 50% of current fair market value. Berman asked what that used to be; he thought Tokos had said that was an increase. Tokos said that's a change. Berman thought that seemed like an awful lot; 40% of a fair market value is still a major construction. Tokos wondered if what he's asking is about the change to substantial improvements triggering for basically a remodel to have to go through design review. Berman said if that's what the ad hoc group felt was appropriate; it just seemed high to him. Tokos said that is what the ad hoc work group felt. We discussed the definition changes, and they were comfortable with that. Berman said 50% of the fair market value can be an awful lot of money and involve an awful lot of changes. He wondered if any of the ad hoc group recalled why 50%. He said it says that "substantial improvement is a defined term that is 50% of the fair market value of a structure." Then it uses substantial improvement in several of the clauses on when a review is required. He's just curious why that 50% number is as high as it is. Croteau said maybe the idea is just to capture major remodel changes. It's going to be pretty substantial. Tokos said that is the intent, and it aligns with what is required in say a flood plain area. So if you have a home that's destroyed by flood in our flood zones, that's the trigger for having to elevate it so it doesn't get flooded again. It's something that's kind of a standardized threshold for when is it significant enough that you have to meet current rules.

That's a generally-accepted threshold in that regard. Berman said he's not advocating to change it. His comment is that it just seems awfully high. Patrick said thinking back, he believes you still get triggered by this if you're getting a building permit. If it's something that requires a building permit you get thrown into review. You can do substantial improvements, like you can re-side an entire building and not have to go through design review unless it gets over 50% of the value. What they didn't want people to do is to come to the Planning Commission for stuff that the Commission didn't need to do and stuff that isn't triggered by a building permit. Berman said it doesn't really say that here. Patrick said it's somewhere; it's not in this part here, it's somewhere else. Tokos said it's a substantial improvement. There's not a correlation. He doesn't have it in front of him, but the existing substantial improvement definition for Nye Beach is something like 35% of the value of the improvements for which a building permit is required. So, that's a little bit different. You could end up doing a whole lot of work to an existing structure that doesn't require a building permit and that doesn't count toward the thresholds. He wouldn't say the one that's proposed is more permissive than the current standard. It's probably a little bit easier to figure out. It's the threshold by which you figure that's when review is needed. So, if you're doing a remodel of an existing home, if the work that you're doing is significant enough to trigger 50% of the current fair market value, that's when it's going to trigger the need to meet the design standards. If the work's below that; you don't. Patrick said that's also the trigger for building codes for damage when you have to bring an entire building up to current code. If it's more than 50% of the value of the property, then you have to bring everything up to the existing code. He thought we tied to that one too.

Continuing deliberation, Patrick said that he also wanted to thank the ad hoc committee for all of their work. He said that we got a lot of good ideas out of there. He thought we ended up with an excellent document. It's a lot easier for a developer or anyone to figure out what you can or can't do. It wasn't really defined before. Also, the pictures and the guidelines got a lot better.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner Berman, to recommend to the City Council that the changes described in File No. 4-Z-13 are good and necessary and further the general welfare of the community. The motion carried unanimously in a voice vote.

**G. New Business.** There was no new business to discuss.

**H. Unfinished Business.**

**1. The Inn at Nye Beach.** Tokos noted that the Inn at Nye Beach is in the process of getting their building permits; and through that they have elected to make some changes. He brought Jim Patrick in as the Commission Chair to talk about them to make sure that the changes they were making were not material to the Planning Commission's decision and could thus just be signed off as opposed to bringing it back before the Commission. The changes they elected to make were to the elevation facing the ocean. So, you cannot see the changes from the street, the north, or the south elevations; just the west elevation, and they're actually concealed from view from the bluff. What they elected to do was their driveway that goes into the site, which is part of this project, would be underneath the addition. That driveway as approved was at a 7.5% grade. They elected to drop to a 15% grade, which they can do; it's not an emergency access. What that allowed them to do was put in a couple of additional units and some additional parking on the lowest elevation. That is the nature of the change. In the packet, he included the approved plans and the modified plans so the Commissioners can see the nature of the changes. Tokos and Patrick talked about it because Tokos wanted Patrick's take on whether he felt the change was something that materially impacted what was presented to the Planning Commission. He felt that that wasn't the case. They agreed to advise the owner of the Inn at Nye Beach to proceed with this with just a note in the file. But Tokos wanted to make sure to share this information with the balance of the Commission so that you had the benefit of that whole dialog. Croteau asked if it's appropriate for the Commission to just record their agreement with this; and Tokos said that would be fine.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner East, to agree with the Inn at Nye Beach's plan modification. Patrick said he thought it was kind of a give me and it wouldn't be hard to put it back. Croteau said he preferred to have it in the record that the Commission has heard it and agree to it. The motion carried unanimously in a voice vote.

**2. Community Vision.** Patrick said this committee is interesting. He said we seem to be headed down a path of greater community; so they want to do something like Yaquina River Watershed as part of the community visioning. He has some heartburn with that as a Planning Commission member because basically our jurisdiction ends at the end

of the Urban Growth Boundary. He kind of likes the idea of it, but just doesn't see how we enforce any of it; and he doesn't understand how we're supposed to do anything about Toledo, which is also inside that area. He said the committee's not doing the visioning; it's just trying to figure out how we want to do the visioning and what kind of parameters we want to set on it. Patrick said if the Commissioners had any input on that, he would be willing to take it back to the committee and pass it on.

Tokos shared that the group is fairly early. They've met twice. He explained that the group is basically trying to frame a recommendation to the City Council on how it would tackle visioning outreach effort for our community. So, kind of framing what that could look like and what the key elements should be. Some discussion has been had in terms of when you do a visioning effort who's your audience. Is it strictly the City as it's structured now, or should it include outlying areas that orient towards Newport? As Patrick noted, watershed was discussed. Pulling in some satellite areas was discussed. A recommendation will be made in that respect. That's one of many issues that have been discussed up to this point and are being hashed through. He does get the sense that there will be a recommendation to the Council to do some sort of visioning process; that the recommendation will not be that it's not timely. But what that looks like is still being worked through at this point.

Patrick said, having set through some of the South Beach stuff that we did, Coho/Brant and all of that stuff, there was a lot of good stuff out of that. He's looking forward to doing the same thing with community visioning. We also have the caveats that have been pointed out, you've had the Glick Study and several other studies. They gave them a whole book of the different studies to review.

Berman asked what the timeframe is for something to the Council. Tokos said there will probably be a couple more meetings. It's going to be relatively quick; within the next couple of months.

**3. New North Side and McLean Point Urban Renewal Areas.** Tokos explained that McLean Point is the one that involves the Port property. There are two plans. Berman asked if there are now two separate Urban Renewal Districts being contemplated. Tokos confirmed that. He said there's a small one, about 40 acres, that involves just the industrial property next to the Port Terminal that's being considered concurrently. It's a separate plan. Berman asked how it's going to raise any money if it's only 40 acres. Tokos said those properties currently aren't taxed because the Port leases one from a private entity. Then the other property, which is Port-owned, would be leased by Teevin Brothers for their log yard; which means if they create the Urban Renewal District and the Port lifts its lease off, that private property then becomes fully taxable and the entire taxable amount becomes part of the increment. Berman said, so the frozen base is zero. Tokos confirmed that and said that's a relatively valuable piece of property. They have looked at it. You're talking about \$2 million over a 20-year period; so it's not inconsequential even though it's only about 40 acres. Patrick said that was news to him as well. Croteau said it came in late. Tokos said yes, it was a proposal from the Port actually.

Croteau noted that the advisory committee has had several meetings. He thought things are moving along quite well. There's been a general consensus on the large plan. Some concept of cost and time. They've worked mainly on process; how do you get from the big things down to specific projects. Everyone is pretty much in agreement that something needs to be done up in the Agate Beach area and something needs to be done about the downtown area. The idea is how to get from the big picture down to specific projects. At this point, he thought everybody wants to talk about projects; but they're really not there. There are the big conceptual ideas, and you plan the process of how you get from those big ideas down to things that are really going to work or are practical and reasonable in cost. He thought the committee is moving in the right direction in looking at the big picture.

Tokos explained that Urban Renewal is a funding mechanism. It takes part of the existing taxes people pay to various taxing entities and redirects it or reserves it for re-investing in the community in some capacity. There was an initial public open house, which was well attended. A lot of that was Urban Renewal 101; covering what is Urban Renewal and what's being discussed at this point in time. The projects are very general in nature but are defined enough that they do get discussion going. Talking about transportation improvements for the city center area; a potential couplet being one of a series of different potential solutions, gets people either excited or upset. He explained that what we're trying to do is describe in enough detail so that we meet our statutory obligation for putting this type of program together, that the funding be over a 30-year period, and that early in the process we're going to engage in some detailed planning of the city center area and in Agate Beach to figure out specifically what the right solutions are and then fit those projects in under the larger umbrella, more general project categories we're creating right now. He said it's a

challenge explaining that conceptually; but we're working on that. We have a second public open house coming up on August 31<sup>st</sup>. It will be at the new health education center in conference rooms B and C he believes at 6:00 p.m. We'll be getting a notice out on that shortly. The Planning Commission would then hold a hearing in September, he believes on the 14<sup>th</sup>, with the City Council following suit on September 21<sup>st</sup>. We'll be getting notices for that out here shortly. Tokos is planning on scheduling a work session with the Planning Commission at your next meeting in August to go over these issues in a little bit more detail so that you have some more information before you hold public hearing.

Croteau mentioned that the Planning Commission will play a major role in advising on Urban Renewal. The group agreed that the Planning Commission should be part of the deal. The other thing is, following Urban Renewal 101, pretty much everyone in the room got it; the understanding of how it works, that it's not an increase in taxes, and it is a way to finance improvements for a large number of people and a large number of organizations. He thought our consultant did a very good job in the outreach part of it. He thought that the citizenry that attended came away with a pretty positive impression of where this would go.

4. **Local Improvement District (LID) Implementation.** Hardy noted that the committee has had one introductory meeting so far. That was kind of an introduction to the concept of using LIDs to improve community components pointing out that people who purchase property typically sign agreements to participate. You could say that they sign agreements to not object to participating in LIDs. There's been discussion back and forth in terms of how you sell the idea essentially if you're going to charge individuals in a particular limited community for improvements that are going to occur in and around their properties, not on their properties; what is the real benefit to the properties versus the benefit to the general population of the city? There was some disagreement in terms of what was really a valid way to look at that. It did involve some participation from the Assessor's office. She thinks it will take a look at relative impacts on values and perhaps projecting impacts on property tax rates. The comments were leaning towards let's convince property owners that they're going to benefit and nobody else is going to benefit if they get curbing and sidewalks and wider streets. The difference of opinion was that everybody benefits from that. She said it will be interesting to see what the consultant comes back with. He was looking for creative ways to package the deal. She prefers clarity to creativity sometimes. She said it will be an interesting discussion. She thinks it's a tool that could be positively used if it's wisely used. She noted that the committee's next meeting is in September. Tokos said these meetings are spaced out a little bit more than some of the other groups. Hardy said there are some small areas in town, small discrete neighborhoods, which were developed at a different time and place and didn't have to meet the standards that new developments have to meet today. Therein lies the problem; there's an inequity there. So, how do you make them equal?

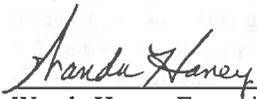
Tokos added that this is an effort that we have received some state grant funding for to not only address our need to come up with a local LID code that makes sense and is something that can be explained to the public and when there's interest actually implement it in an effective way; but also to provide the state with a model code that can be shared with other jurisdictions; particularly the smaller ones. It's one thing for Portland to implement some of this stuff; it's something entirely different for a smaller jurisdiction. Particularly on the funding side if the city's up-fronting funds to do a project and is getting paid back, and the management of that becomes challenging. So, we'll see where the consultant goes with that, and we can start to poke at it and meld it to meet our needs.

I. **Director Comments.** Tokos had nothing further to add at this point.

J. **Commissioner Comments.** Croteau mentioned that the Commission is pretty short on our citizen advisory committee. He thought in looking toward the future, if we can recruit people who will help us in the Urban Renewal context that might be productive. Tokos agreed that we need to get a recruitment out on that. Patrick agreed with that because he said that's been our "farm team" in the past.

K. **Adjournment.** Having no further business to discuss, the meeting adjourned at 8:00 p.m.

Respectfully submitted,

  
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Wanda Haney, Executive Assistant