

**MINUTES**  
**City of Newport Planning Commission**  
**Work Session**  
**Newport City Hall Conference Room A**  
**March 9, 2015**  
**6:00 p.m.**

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

**Planning Commissioners Absent:** Mike Franklin (*excused*).

**PC Citizens Advisory Committee Members Present:** Dustin Capri (*Suzanne Dalton, resigned*).

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

Tokos distributed an email from Advisory Committee member Suzanne Dalton giving her resignation from the committee. He also handed out a couple of documents for the discussion regarding Urban Renewal. Chair Patrick called the Planning Commission work session to order at 6:01 p.m. and turned the meeting over to CDD Tokos.

**A. New Business.**

**1. Habitat for Humanity proposal to build low-income, affordable housing on City-owned land.** Tokos noted that included in the packet was a letter from Sally Bovett, Executive Director for Habitat for Humanity of Lincoln County, in which she provided information about their organizational history. What they would like to do is enter into an arrangement with Newport where the City would provide the lots shown on the map that was attached and make them available to Habitat for construction of affordable housing. Habitat would also like to dip into the City's revolving loan fund to help finance the construction of those homes and would like a 5-year repayment period. Tokos had hoped that Bovett would be in attendance. He thought that she may have gotten mixed up on the time and will be at the regular meeting. He said this is an opportunity for the Planning Commission to provide questions that he can take back to Bovett.

Berman asked if this was unsolicited. Tokos noted that when Dick Beemer was on the City Council, he made a point that Habitat would be a partner outside the Land Trust to get units going. Beemer had talked to Bovett. Until recently, Bovett was also a member of the Land Trust Board. Habitat hasn't had an opportunity to build in Newport for years because the land prices are just too high; and this would be an excellent opportunity for them to actually do that.

Capri asked if there's an option to give them one instead of three. Tokos said it also could be set up so they don't get access to another one until one is done; they could be given sequentially. Capri was concerned that the City may have a need at some time for some of these lots with all the development happening around City Hall. Tokos said it's unlikely that the City will do anything with them. With 10<sup>th</sup> Street we would have to make sure that any development is set back a little bit because of the couplets. He doesn't see us doing anything with those lots. It's not supportable for parking for employees with 10<sup>th</sup> Street the way it is; it's too dangerous.

Berman asked if the City could give them the property but not the loan. He wondered if they would still consider proceeding. Tokos said Habitat may very well consider it without the loan. The loan doesn't do them any good without the property.

Croteau asked Tokos what the upside and the downside were. Tokos said the upside is that Habitat for Humanity is a known commodity. They have name recognition. They have a lot of support in the construction; they will get volunteers to do the build. For the City, the upside is we would have affordable housing. The downside is that there's no guarantee the property would stay affordable in perpetuity. At the time of build, it would go to a needy family. After fifteen years, they could turn around and sell it close to market. Patrick noted that according to the letter, the owner gets 10% equity after the sixth year; and then on the sixteenth year they receive 100% equity. Tokos said the downside right now is the way the City has its rules. It's set up right now that if the City donates the property for free, it has to be used for that purpose for twenty years; and their timeframe is too short. Hardy asked if they can modify their timeframe. Tokos said the City could probably modify it too. That's a policy question. When you give away land with the expectation that affordable housing will be provided, there's an expectation that it will last for a while; we'd certainly want more than two to five years.

Hardy wondered how they qualify an individual that might apply. She asked if Tokos had any sense of what their criteria are. It was noted that the letter states qualifying homeowners are within 30-60% of the average median income. Hardy wondered what the other qualifying factors are; credit worthiness, ongoing employment potential, and self-improvement isn't a bad thing. That's

why she wonders why it's a bad thing for them to gain from the sale down the road; as long as it's within a reasonable timeframe. Branigan said that Habitat does loan qualification. Hardy said but she would like to know how they make that decision.

Berman said there are several references in the letter to duplexes. He wondered if that implies that they intend to build duplexes. Tokos said they may. Berman asked how that would work in ownership. Patrick said they sell two units the same as you would townhouses or mini-condominiums. Tokos noted that Habitat is really not interested in the third piece further down Hatfield because there is so much slope with that one. They are more interested in the two lots up on 10<sup>th</sup> Street. The piece closer to the Rec. Center was picked up by Urban Renewal in the past for parking. The other along Hatfield was surplus when the property was acquired for the road. The market value for the four tax lots was \$181,000 in the County records two years ago. The County doesn't update their records very well because it's under City ownership, and we're not getting any tax revenue off them; so it's low priority for the Assessor's attention.

Berman asked if there is anyone capable of doing a projection of what the tax revenue might be over this 16-year period. Tokos said we could ask Habitat to do that as part of their proposal. He believes that as soon as we donate it to Habitat, they start paying taxes on it. He doesn't think they have an agreement right now with the Assessor for that holding period when they're holding it vacant while they get the unit ready. He said the Commission could ask Bovett about that. Patrick said that would be interesting. He thought that first lot is probably worth at least \$40 thousand. Capri said it's a strange concept to grasp to think that the City would essentially give \$180 thousand worth of land to an individual; that's what it becomes really. Patrick said we'd be giving it to four individuals if they built two sets of duplexes; but one of these properties might not even be buildable. Tokos thinks we have three lots. There are two on the north side; and there's a third full lot before you get into the sloped part. Croteau said it may be \$100 thousand worth of property, but that doesn't do anything unless someone's paying taxes on it.

Patrick said he also would say to give them one of those more buildable lots; and do it conditionally. Also, they have something in here about the right-of-way; and he's not sure that right-of-way is being used at all. Tokos said there is a public road there. There's an 80-foot right-of-way; but the roadway is much narrower than that. It serves homes back there.

Croteau asked what the Commission is expected to do here. Make a recommendation on this? Tokos said it would become a more formal proposal to the Commission to make a recommendation to the City Council. This is an opportunity to look for additional information in that proposal before you act on it. Croteau thought we need to get Bovett in here to answer some of these questions. He is kind of favorably disposed to the idea, but there have been some issues raised about qualification. Hardy said qualification in terms of how do you predict an individual's capacity to produce income. They do that in property management to a certain extent. She would be curious to see what Habitat's parameters are. Patrick said also what their track record is. He only knows of one owner. She was a renter, but now owns a house and runs a business. So, there's a path there.

Berman said if they do get into a foreclosure situation that sounds like an expensive operation. Tokos believes that they do carry it so it would end up going back to Habitat. Again that's something that Bovett could speak to. Even though she's not here, we're capturing everything that's being said and putting it down to make sure she gets that information and then she's in a position where she can come with an answer. Then we could start to work this closer to a point where a formal recommendation could be made.

Berman thought it was fair to say that there's enough agreement that this might be a good idea to go to the next step. Hardy said at least try it once. Patrick said he also would like to hear what they've done elsewhere. Have they gotten donated land before? Tokos said yes, Lincoln City donated to Habitat. He thinks it was four lots. Capri asked if they developed all of them. Tokos didn't know. He knew they had developed some. Capri asked if there can be something that says they have to develop. Patrick agreed that if we were going to do this, he thought there should be a rider saying that if we give it to them they have to develop them in a certain number of years. Tokos said that could be part of an agreement.

Berman asked how big the fund is that this \$100 thousand comes out of. Tokos said it probably has about \$160 thousand right now. Croteau said let's ask what their loan history is then. Tokos said that's fair. He thinks the Commission may want to probe a little more in the way of terms. What are the terms they're looking for? This is pretty light. They could probably map that out in greater detail for you.

East said this goes beyond affordable, workforce housing. This is really low-income and people who are in substandard housing. Tokos noted that he would say that we're on solid footing though that this would provide an opportunity for folks who work in this community to own a home. We have a lot of folks, especially those in the service industry, who would fall in this income range.

Patrick didn't really get how the \$100 thousand works. Hardy asked what they would use the money for; materials? She said because they say they have volunteers; what does that mean? East said he and Patrick did two in Toledo about ten years ago. Habitat has groups of people working. They organize people in the community to come in and do pretty much all of the labor. They will have work parties come in at certain stages of construction. They will even bring in Habitat affiliates from other cities.

Their client or whoever they're building for has to spend a certain amount of time as well; every build point they have to spend so much time. Hardy asked what about the \$100 thousand; what do they use that for? East said it's for materials, permits, things that are not donated. Not everything can be donated. Tokos said the City can't waive permit costs. You can pay them with other sources though. Building permitting is fee-supported by State Statute. Berman said, but as far as the SDCs there's an action item somewhere to take a look to see whether we can use that as a little grease on workforce housing. Tokos said, it's not eliminating them; you can defer them or pay them out of other resources. You may be able to trim them down a little bit. Patrick said that he just didn't like that whole \$100 thousand revolving fund being flushed out. He's more amenable to donating the land. He noted that we already have the Land Trust and asked how this differs from the Trust. And what do we get for \$100 thousand? Berman said we committed ourselves for \$90 thousand to the Land Trust; or is that out of a different pot? Tokos said that's general fund money, and there's no commitment to the Land Trust whatsoever for those lots at this point. Berman said this was also potential land for the Trust because these were mentioned during the discussion. Tokos said there's no proposal on the table from the Land Trust; and he doesn't know if one will be made by the Trust. Branigan asked if the City would be better served to try to sell the property. Tokos said that will certainly be raised at the Council level. But the flip side is we can sell a lot and there's no guarantee that whoever buys it is going to build on it anytime soon. We won't get a lot of tax revenue off of it vacant. Even if they build on it, you'll get tax revenue; but how much more will you get out of that. And now you're selling it at market rate. You've achieved no other policy objective whatsoever. Patrick said he also wouldn't mind if they went and got a couple of realtors to give us the market value on it so we actually know what the real market value is. Croteau agreed that's worth knowing.

Berman said it seemed to him to achieve the objective, that duplexes would be much better than single-family. He wondered if that's the kind of thing the City can throw into an agreement; maximize the number of units that are built. The biggest bang for our buck kind of thing. Hardy asked who gets to develop all of the joint maintenance agreements, and how do you operate the property. Croteau said that Habitat has to have a handle on that. Hardy said if you have party walls, you have joint maintenance issues.

Patrick said he likes the Land Trust, but this is a known thing. Tokos said Habitat has name recognition out there. He said it's a fair argument to say this is a lot of value for not a lot of people; but on the flip side, we have obligations on the books to do something to ensure that we have housing available to the full range of folks who live in our community. We're not doing anything materially for those who are working in this community and are living with limited means. We can start to get at it with varying strategies. Don't look at this as the end-all be-all; but one small step in conjunction with other steps that are being taken. Croteau said it's a good beginning. It's likely to be successful. Hardy said we can at least see how it works. Croteau thinks we're doing the right thing.

Capri wondered if Habitat does apartment buildings. Tokos said that's a good question but thinks it's unlikely that they do. Habitat is certainly not looking at doing something that the Housing Authority of Lincoln County would be doing. Tokos noted that the lots on 10<sup>th</sup> are zoned R-2; so you're not going to get apartments in there. You are looking at duplexes and single-family homes under the existing zoning. Patrick said he's not even sure there's enough square footage there for a duplex in the first place, unless we waive some of our requirements. Capri said you could definitely get one on the upper lot. Tokos thought so too because there are two full lots there. Also that local street there is an 80-foot wide dedicated right-of-way; and there's no way on earth that the City would ever need that kind of width on that street. Capri asked, so you would vacate a portion of that? Tokos said yes we could a little bit. It probably wouldn't be the worst thing. He thinks further down we have somebody's garage halfway into it. It's just one of those situations. A lot of those are older homes back in there.

Tokos said it's possible that Bovett will show up at the regular meeting; and if she does, hopefully the Commissioners will have an opportunity to ask her a few questions specifically. Otherwise, Tokos will plan on getting these notes distilled and to Bovett and ask that she refine her plan and come back before the Planning Commission for more questions and answers.

## **B. Unfinished Business.**

**1. Discussion regarding recommendations to the City Council on the North Side Urban Renewal District.** Tokos noted that included in the packet was a schedule for moving this forward. The City Council will consider a couple of resolutions on March 16<sup>th</sup> to get this thing rolling. This is an opportunity for the Commission to help frame what those resolutions say in draft form before they go in front of the City Council. This packet of information he provided includes the City's fiscal impacts. Tokos provided this same package to each of the taxing entities with their own specific scenario. He met with David Bigelow from the hospital last week; and he will be meeting with Wayne Belmont and Doug Hunt from the County later this week. They already met with each of the taxing entities once, but this set of information just gives them a better picture of the likely fiscal impacts. Once the City Council adopts the resolutions, we will go ahead and get a consulting firm. It could be ECONorthwest, or it could be somebody else; he will have to put out a request for quotes. An advisory committee will be formed to help put the plan together. The target is to have the plan in place by October of this year so that the first increment would come off FY 2016/17. That would all be a public process in putting the plan together.

Tokos wasn't going to go through the fiscal impacts. He assumed the Commissioners had all had a chance to look at them. He wanted to just go through the handout he just passed out that showed a bulleted list. He didn't have a chance to get the resolutions drafted; but he got the contents put together. That should be enough for this discussion, and he hopes that it will provide whether or not this looks like it's going in the right direction or whether the Commission thinks there are suggestions to be made. Essentially how he is framing the resolutions is first to provide context as in any resolution. First he notes that the Urban Renewal Agency was created in 1972. The first plan implemented was in 1973, and then the South Beach Plan in 1982. The first one, the Newport Urban Renewal Plan, shut down effectively in FY 2009/10 and technically closed in 2013. Next he noted that there was an Economic Opportunity Analysis conducted in 2012, which contained a recommendation that the City evaluate the feasibility of creating an urban renewal district focused on the US 101 and 20 corridors that could address underutilization of commercial/industrial properties and infrastructure deficiencies in those areas. He also could throw in the Housing Study also picked that up, but he doesn't know if it specifically referenced Agate Beach. With the exception of the City Center, the targeted areas have not benefitted from Urban Renewal in the past. Then he goes on to note that the feasibility study was performed in 2014, and the three options evaluated were all found to be potentially viable. Outreach has been conducted with the affected taxing entities and key stakeholders. The resolution would then go on to indicate that an advisory committee is being created to assist the City in developing the plan. The committee shall consist of, and at this point he has identified twelve individuals representing the following: Lincoln County, the Hospital District, LCSD, OCC, and the Port of Newport; which are all taxing entities, and he figured should all have a seat at the table. The County and the Hospital also have projects that could potentially be put in the plan as well. The only taxing entity that's not represented is Linn/Benton/Lincoln Educational District; but they don't really care. They're a small player. They indicated that they didn't want a presentation on this; it didn't impact them that much.

Berman asked if the Fire Department isn't a taxing entity. Tokos said no. Outside the City of Newport you have the Rural Fire Protection District; but that doesn't apply here because everything being organized here would be inside the city limits. Other members would be from the Chamber of Commerce, the Yaquina Bay Economic Foundation to get some of that business interest engaged here, Central Lincoln PUD because line undergrounding is one of the focus areas and we'd want them at the table (if not them, he's still thinking a utility representative would make sense), City Center Business Association since that's the one area we have where a formal business association falls within the boundary, somebody from the Agate Beach area (a neighborhood representative or someone who resides in that area), a Planning Commission member, and a City Council member. Tokos said that's what he thought would be a meaningful makeup. That's twelve individuals; it's not too large so that it will be unwieldy but large enough that it seems representative. The staff representatives would be from Public Works and Community Development, and Finance for that matter. Berman said that strikes him as a few too many people; but he can't think of anybody to take out. Patrick said if you have twelve members, you'll be lucky to see eight. Tokos said our Economic Opportunity Analysis committee was in the range of twelve or fourteen members; and at any given meeting you had about seven or eight. Capri said it helps if you don't take anyone out too because he knows people can challenge it later and say they weren't involved. Tokos said these are all major players in our community; and so if at the end of the day they're comfortable with how the plan is structured, he thinks that's going to go a long way in making our City Council comfortable that this is the right thing to do.

Croteau asked when Tokos would plan to bring in the consulting firm. Tokos said he would be putting that request for quotes out before the end of the month to get them under contract by the end of April. He said given the dollar amount, he has to get three quotes. Capri said since ECONorthwest has already done all of the work, it would be crazy to go with someone else. Tokos said they're probably going to provide the most favorable quote. Capri said wouldn't it derail it if you suddenly switched because of all the work done. Tokos said it probably wouldn't derail it, but he agreed that there's value in continuity.

Going on through the bullet list for the resolution, Tokos said the next one is that the advisory committee is to develop the project plan consistent with Statute. He may put a little bit more about what those elements are, but that's what they would be charged with doing. The list of projects included in the feasibility study shall be used as a starting point. Emphasis should be given to projects that stimulate economic activity, have been vetted with the public, and that are likely to draw match funds. Those would be the priority areas.

Next, he noted that the Council would desire that the advisory committee use the larger option. That's the feedback that he got from the joint work session that they wanted the Agate Beach in there. The committee would be given the flexibility to make minor modifications to the boundary as long as the overall acreage isn't significantly increased. They could move it around, add a property here, take one out there; but not change it in a fundamental way. That's going to be important too so that we can move the process along and not get off onto another discussion of different alternatives.

The committee should examine the cost to administer the plan in a manner that will allow the Agency to keep the project plan on schedule and how those costs will be paid for. That will likely mean recommendations for putting some costs in there to pay for staff, which is commonly done with urban renewal plans and is necessary if you're going to make sure your plan gets ramped up and shut down within the timeframe it's supposed to and not languish as the first one did from 1973 to 2013.

Going back a ways, Capri said when the committee is looking at the boundary lines, like at Hwy. 20 and Harney for example there is a canyon that's included but the Elks Lodge isn't; can they adjust it for that. Tokos said they could. He said he knows the school district wants to include the Prep Academy so that Eads could potentially be a project. There will be discussions like that. Little things like that are exactly what could be done.

The next point is that the Urban Renewal Agency has the authority to take less than the full increment that they otherwise would be entitled to collect in any given year. There may be a desire for policy reasons to do that. Particularly, when you look at some of these years like 2024 or 2025, you're looking at a pretty substantial hit to the City's general fund. They may not be able to absorb that. It may be do we take a partial increment in urban renewal or do we lay off a police officer, or a firefighter, or some other City staff. That's not a pleasant conversation for policymakers. Part of this is for the Agency to take a look at that; and then consider how the exercise of that authority might impact plan implementation and whether or not the plan should include some guidance for how that's to be done. How that authority is to be exercised and how it impacts the plan schedule. Patrick said if you take a partial increment, then you don't get it back, right? Tokos confirmed that; it's gone. Berman asked if you can pick and choose from which taxing authority you want a partial and from which you want a full. Tokos said no. Berman asked, you'd just say something like I only want 75% of what I would have otherwise. Tokos said that's correct; and then it's proportionately distributed to the various taxing entities. Patrick thought we need a plan for doing that. We may want to build in some room to do that; it'd be easier. Tokos said that was his thought. He said that none of the other taxing districts, outside of the Community College, have expressed a problem with this. The Community College is just razor thin on their budget so they have concerns with any impact. The biggest hit though is to the City Council. He doesn't know if they fully understand that or we've conveyed it in a manner where they can fully understand what that might be down the road. Recognizing that they have the capacity to do a partial increment, which wasn't something that was available in 1973 or 1982, might be the best way to address it. We're assuming growth is going to happen a certain way; but we don't have a perfect crystal ball for what 2024 is going to look like. It might be best just to build in that by the way the Agency has this authority, if you exercise it, these are considerations that need to be made so that everybody knows if this is done, this is what it's going to mean. Berman asked when Nebel puts together a budget for a given fiscal year, and it comes up short, he could suggest to the Council in their role as the Urban Renewal Agency that they may not want to take their full share so he can have some more money to run the city government. Capri said the budgets always tight. Tokos said even if the budget isn't tight, there's always going to be enough "asks" to make it tight.

Berman asked if there would be an opportunity for the County to make a request that the Urban Renewal Agency only take a portion because the County needs money also. Tokos said yes; that's why he put this bullet in here. He thinks there's a place for some guidance to be developed as to how that particular tool is handled so that there's some structure to it. Patrick thought if you're going to do it, you're going to have to build your list, you're going to have to prioritize it and say that the ones down at the bottom of the list are most likely to get axed off the list or we're going to drop something off the list in order to make this work. So anytime you want to take a partial increment, these are the things that get axed off the list, and they drop out. If you set it up that way, it will make it better because they will make a choice. Berman agreed they will see a correlation; the trade-off. Patrick said he was thinking that if we do build a list like that we should build in some room to do that so they do have that opportunity. You can put some stuff in there that might be a little marginal; especially on economic payback. Capri said also some projects cost more than what they anticipated; and that could kick some of the other things off. Patrick said that utilities have no economic payback at all; not in a dollar figure. You're not going to get tax money for them. Berman said on the other hand, the growth rate may come in higher in which case to still do all of the projects on the list, you maybe can get by a few years in a row taking only a partial and still have enough money to do all of your projects. Tokos said that's a fair point. That's where you start weighing do you take less in your increment or do you go ahead and take the full increment in the expectation that you can retire the district early. There's the flip side of it too; you may not have enough increment to do all of the projects anyway, which is not uncommon. You just don't get all the projects. Tokos said that he can add that the plan needs to speak to how projects are to be prioritized.

The next bullet was that in establishing a process for minor and major plan amendments, the advisory committee should identify how affected stakeholders can be effectively engaged as a part of the Agency's decision-making process. This gets the Planning Commission out of the box of how to make a recommendation on whether or not there should be a second advisory committee or the Planning Commission should be the second advisory committee. That seems like a reasonable thing to kick into this process. Let the advisory committee as part of the planning process sort that out. Patrick said that actually makes more sense than the Planning Commission because that would bring in more players. Tokos said the Statute requires that the plan has language that speaks to what is a minor amendment, what is a major amendment, and the process by which minor amendments would be accomplished. Major amendments too; but major has Statutory rules. Major amendments by Statute have to go to the Planning Commission. Patrick wondered if we had done any major amendments to the South Beach plan. Tokos said yes, number 5 that extended the district for ten years. That was the last major amendment that's been done. He thinks there's been two. At one point the maximum level of indebtedness was increased. If you extend a district, add more than a certain amount of acreage, or increase your maximum indebtedness; it's an automatic major amendment under State law. Patrick said, and minor amendments, we get a lot of those don't we. Tokos said that's common; that's appropriate. You don't want to define your project list so tight now because you don't know what some of these opportunities are going to be. Patrick said there were lots

of things in South Beach that were never on the list. All that stuff that went in for NOAA. Tokos said that's because they had some foresight at the time to just say "improvements to existing rights-of-way." That was a broad category that allows you to go back with a minor amendment and start to pin it down. The same with Coho/Brant; that also came out of the improvements to existing rights-of-way category where we then did a Coho/Brant Refinement Plan and came back in with minor amendments. Patrick said we'll have to be sure we put that same type of language in there.

The next thing to include is that the maximum indebtedness for projects is not to exceed \$42 million over the life of the plan. That would basically be covering the large option.

Finally, the objective is to complete the plan so the initial increment can be drawn in FY 2016/17. That way we're working off this fiscal year's tax roll and not have to deal with next year's. Patrick said that's the increment that gets drawn and the first projects kick in when. Tokos said probably two to three years later. Berman asked if most of those wouldn't be planning efforts; feasibility studies for various projects. Tokos said it's hard to say. He thinks it depends on how the phasing of the plan is put together. Certainly it's not going to be your biggest project. He knows that the Hospital is probably going to be going out with a bond measure in May. If that passes, maybe doing some water infrastructure work in that area becomes a priority. Patrick said also on the planning side talking about the Hospital, we probably need to nail down what we're thinking about doing with the couplet. Tokos said the Hospital is anticipating that street being that potential couplet. That's part of the conversation he had with Bigelow. While they have reservations with it, they have accounted for it more or less in their design and haven't loaded any facilities so close to 9<sup>th</sup> Street as part of their design that it would be an issue. Part of their primary concern is a very legitimate one; which is that they have facilities on both sides of that road, and how do people cross safely. Berman asked if a project could be an overhead crosswalk. Capri said there have been studies where they put those in and have actually tracked, and people still walk on the road because they don't like walking up the stairs. Tokos said it likely would be something similar to what we're doing on 101 now, which would be to do some bump-outs and narrow the distance that they have to cross, and they have pedestrian-activated signals or something of that nature so it's really clear someone is there. Patrick wondered if the study was the same for tunnels. Tokos said too, it's a matter of distance. The distance is not so great there that people will look at that and just want to cross it. Even if you add a small tunnel, people will still cross at grade. He said he could see a tunnel when you're talking about an interstate. Croteau said or you're moving patients back and forth. Patrick said, and they're not. Tokos said they're not designing their facility that way. Patrick said that's more support services on the other side; not patient care.

Tokos said that's his thought on the resolution. He asked if the Commissioners had any feedback. Does that seem reasonable in terms of how it's outlined? Everyone thought it definitely did. Tokos asked if everyone was generally in agreement with the content. The consensus was that it's fine.

**2. Review amendments to the off-street parking code (NMC 14.14) to eliminate the return of the "payment-in-lieu-of" system.** Berman asked if it's just one page that the Commission was reviewing. Tokos said he kept it simple. Berman had a question regarding the first paragraph under the staff comments on item C. It reads, "Uses within a special area are not required to provide the parking required in this section" and then the rest has been dropped. So he wondered if Tokos is saying any new uses don't have to provide any parking. Tokos said no, that sentence continues after the markup with "if a parking district. . ." That's meant to continue. It's not two paragraphs; it's one sentence. Capri had a question on the Bay Front special area. He wondered if this would help the property next to the coffee house that used to be a house, and it's on commercial land. He knows people have tried to go in there, but the biggest issue is they can't provide any parking; and to go buy a spot somewhere else makes it cost-prohibitive. Tokos said at the end of the day, that's what we're shooting for. Tokos explained that we have three parking districts, and those are actually economic improvement districts. The first of which is about to sunset; and that's Nye Beach, which sunsets on July 1, 2015. Right now the way the parking code's structured if that sunsets, payment-in-lieu-of providing off-street parking comes back into play; and nobody wants that. That is the primary purpose of this. The discussion that the Commission has had on this is that every business owner in these areas recognizes that there isn't enough land to provide for off-street parking on private property; and there hasn't been for a very long time. City assets are relied upon to provide that parking that otherwise would be provided by businesses like those along Hwy. 101 and 20, Fred Meyer, and Walmart; and businesses in these three areas can't provide. The problem is that there's no funding mechanism in place to pay for the maintenance of those public spaces. The cost estimate for the work to be done to resurface and redo the Nye Beach Turnaround was in sum about \$100 thousand; and there's no funding source for that. It's unreasonable to expect the business owners to pay 100% through business license surcharges. Tokos noted that economic improvement districts really weren't designed to be kept in place in perpetuity. This was actually a creative use of that. Ideally they're set up as we have "A," "B," and "C" capital projects we want to do in a business district, this is what they cost, this is the schedule for getting them done, so we're going to do a business license surcharge in "x" amount to pay for it, and then shut it down and it goes away.

Tokos said the discussion we had was what we really need to do is have a parking study. That study needs to assess the three areas that rely on City assets. It needs to look at how these parking areas are utilized in terms of turnover rates, frequency of use, and percentage of use both during peak and off-peak periods. We need to put together a capital projects list of what we expect needs to be done in these areas; either in terms of strictly maintenance or maintenance plus, say on the Bay Front, construction of a structure for parking. And then look at the various tools we can use. Do the turnover and utilization rates warrant metered

parking? Tokos is quite confident that the Bay Front and Nye Beach do; the City Center probably not. Some portion of room tax could be used for these purposes. There's probably still a place for a business license surcharge so that businesses are contributing in some capacity. For example maybe the Port is making contributions so the fishermen get a lot down on the Bay Front that is an orange-tagged lot that they have the right to park in. Tokos said he will make every effort to get that study funded this fiscal year so that the parking assessment can happen for on-season and off-season.

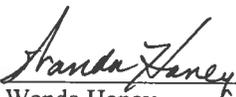
Capri noted the boundary and asked if it was moved there to include residential. Tokos said he wasn't actually depicting what's on the books already. The black line is what he put together as the parking district. The orange line is the special area that's in the zoning code. He expanded it over on the east side a little bit to go out to Moore Drive instead of Fogarty to pick up the Port property. The end game is if we can get that kind of financing in place, and the Council creates a district with maybe just one advisory committee and not three that has the management of this revenue stream to maintain these public parking assets; then we do away with off-street parking entirely in these areas. If we didn't have off-street parking requirements, that Bay Front property that Capri had mentioned and many others could be developed more robustly. He said but we have to have parking down there too. Croteau thought there really are two issues involved; maintenance is of high demand, and you've outlined three mechanisms to help fund that. As far as meters, Croteau would like to get a better idea about enforcement costs. Tokos said that would be part of the study. Croteau said the longer-term thing is that if you're going to address parking, we're going to need structures here and there. So a fund really needs to build; even if it's small. He thinks you have to take the long view for parking; especially on the Bay Front. The amount of ground is limited; even if spots turn over fast, for many months of the year it's tough. Capri said, and there's really only the one street on the Bay Front too. Tokos said there are pretty severe slopes on side streets on the Bay Front, and there's a lot of folks that just can't maneuver those areas comfortably. Croteau said he would opt to take the longer view.

Patrick said he would like to combine all three districts. He thinks that makes more sense. Nye Beach has the maintenance issue, but probably you're not going to build any structures there. For a structure to get built over here, you may end up using Nye Beach to help fund what goes on there. Another mechanism he thought of is, when we finally nail down our LIDs, we also have an option to triple fund this thing. You can't build it out of any one of them. Berman said if you have one definition of this is the parking district, and all three areas are in that, the businesses in Nye Beach that just need to pay for paving a lot will be unhappy about kicking in high dollars to pay for major construction on the Bay Front. Tokos said we can get there by ensuring that there is appropriate representation on an advisory committee. Also, we have a few issues. For one thing, he thinks that you get greater flexibility if you don't break it down by district to do what strategically makes sense in the community. Also as far as staff resources; three committees are harder to staff than one. Also, we have a hard time getting these committees to meet in the first place. Croteau said you don't have to have a universal surcharge either. You could adjust that by area. Tokos agreed that the price could be different by area. He said the beauty of the City Center, assuming an Urban Renewal Plan goes into effect, we're looking at a corridor study coming down the pipe. That sure would be handy data to have in terms of the parking need when you're looking at monkeying around with the streets. Berman said part of that whole Urban Renewal Plan with the couplet would have to involve the design of the road beds, and he assumes that includes the parking. Tokos said the study would give you some data to help inform how much parking we need to replace and how heavily this area is being utilized. Capri said there will be public input challenge too with meters on the Bay Front. He knows that there used to be meters on the Bay Front a long time ago. There's the story that a fisherman went down and ripped off every single one of them. He thinks metered parking is necessary; but central Oregon coast people just aren't used to it. Patrick noted as he has said before, you don't park at the beach on the east coast or in California without paying. It was noted that tourists will be fine with it; it's the locals that will have a problem. Croteau said take a city like Boston or New York and find somebody who rips out a meter, that's a good enforcement measure right there; it's some income for the City.

Tokos said if the language looks okay, he will get this going with DLCD so we can get this in place before July 1<sup>st</sup> and the Nye Beach district expires. Everyone was fine with that.

C. **Adjournment.** Having no further discussion, the work session meeting adjourned at 7:01 p.m.

Respectfully submitted,

  
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Wanda Haney  
Executive Assistant

