

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
August 24, 2015
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Mike Franklin, and Bob Berman.

Planning Commissioners Absent: Rod Croteau and Bill Branigan (*both excused*), and Gary East.

PC Citizens Advisory Committee Members Absent: Dustin Capri (*excused*).

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

Chair Patrick called the Planning Commission work session to order at 6:01 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. **Review Draft Newport Northside and McLean Point Urban Renewal Plans.** Tokos said that the Urban Renewal work is moving ahead. He noted that Rod Croteau is the Planning Commission liaison on that advisory committee and has been attending all of the meetings. Tokos said this work session is an opportunity to chat about the two plans as they're coming together. The advisory committee will look at these drafts on September 1st. On August 31st this will be part of a joint Town Hall meeting held at the new Samaritan Center for Health Education. Coming out of that, the Urban Renewal Agency will review these drafts on September 8th and will forward the plans for adoption. The Planning Commission hearing will be on September 14th. The Commission's primary role is to find if the plans are consistent with the Comprehensive Plan. If you find that they are, then it goes to the City Council on September 21st, and they will decide whether they want to adopt them or not. There will be a notice sent out with the utility bills, which is a method that is allowed by statute. Otherwise, we would have to notify every citizen by a separate notice. That notice will be going out with the billing at the end of the month. They should hit the mailboxes in early September. Tokos said we will double up on notices. We are already sending notices to everyone in the proposed boundaries. We'll be doing it with the utility billings citywide, so they will get two notices. Berman asked about the notice for the open house. Tokos said that notice was already mailed on the 17th. He expects a good turnout at the open house. At the prior open house, we had a few people show up. Most of the concern to date has been about the couplet concept and that it will go through their properties and be acquired by the City. Franklin asked if that route has been established. Tokos said it's a concept in the Comprehensive Plan that a couplet option on 7th Street or 9th Street be evaluated for viability. That was in the 2008 timeframe as part of the planning outreach process with ODOT and the community at that time. Hardy asked who put that out there. Tokos didn't know all of the particulars, but it was discussed at the outreach meetings back then. Tokos explained that if it's 7th Street, it's basically taking the southbound traffic and routing it onto 7th, and 101 would remain the northbound traffic. He doesn't know what it would look like, but there is right-of-way potential in place for that. The flip side would be the northbound traffic on 9th Street and the southbound on 101. It would branch off by the hospital where 9th Street currently branches off and go up to somewhere like Highway 20 and Benton. It would involve straightening curves and would have to take some properties out.

Tokos said Urban Renewal is a funding mechanism for doing a number of infrastructure improvements in the community over the next thirty years; not "x," "y," and "z" projects. Right now we don't know that. That's what he's trying to convey to folks. We know there are issues with the transportation network north of the bridge. The existing traffic flow in the core city center is not working now. Changes need to be made. It will take three to five years over the life of the plan to sort that out. We have \$100 thousand set aside for refinement plans. ODOT Region two has funds reserved for this work as well in FY 2016-17. It would be a partnership. He noted that the transportation system plan in South Beach took a few years to get sorted out. He expects the same for the Northside to figure it out. If it's a couplet, then where; or widening the existing right-of-way. What works the best for the community will be sorted out in that process. It isn't coming to bear until 2027-34. We're not identifying the solutions, but where we're targeting funds. That's what an Urban Renewal Plan is. We want to be clear enough to communicate how it would benefit the economic viability of the community, but not pin ourselves down. You should put funds in for planning purposes; and that's what we did. The refinement plans are focusing on the Northside Plan (shown in blue on the map); one for the Agate Beach Neighborhood and one for the commercial core area. Berman said that whatever planning is needed in Agate Beach probably won't be as expensive as for the central core; but the numbers are the same right now. Tokos said that \$100 thousand is our contribution; ODOT will be bringing another \$100 thousand as well. The total cost could increase; but he chose not to because with ODOT it's a guessing game. He will ask Terry with ODOT. Berman said maybe they shouldn't be the same amount just to show the difference in planning those two.

Berman asked what the reason was for making two districts. Tokos said timeframe is one reason, and they are different in terms of objectives. We would have had to make them contiguous to have one plan. Legally they don't have to be; but our consultant is of the opinion that we would have to have a very good reason not to have them contiguous. The fact that the one plan will ramp up and shut down in sixteen years is reason enough to have two. Also, the advisory committees will be different. It's the Port Commission on the McLean Point Plan. He said they are different enough to have two. Berman said that Agate Beach could have been separate, but the money doesn't work out if you don't tie it in.

Tokos said he will touch on the Plan and the rationale for how it's consistent with the Comp Plan. First he referred the Commission to page 26 of the Report for the Northside Urban Renewal Plan. Table 11 shows basically how phasing would work for the projects. It shows four phases across the life of the Plan. They are in four-year increments. Phase 0 is the first two years where you're just building increment and includes no borrowing. It's fairly substantial; about \$800 thousand. The estimate we're using, 4.5%, assumes some growth. If that doesn't occur, then it will be less than that. It's a significant amount though. Franklin asked if in Phase 0 there's no construction. Tokos said there are street improvements probably out of the Agate Beach Plan. Very similar to Coho/Brant, there's a 12-month period that gives us what areas need to be improved. We prioritize those. Then we come back and amend the plans for specific projects. Tokos said you have a number of different projects that are very similar to what you were already aware of. There are not a lot of changes there. He noted that there are some additional funds we were able to program in for storefront façades; so that's bumped up a little. That's because in part, the administrative costs were held at 4%. That's a flat 4% for administrative costs. Berman asked if that's more than a full-time person. Tokos said those costs are over a four-year period. Phase 4 for example is for four years and is \$412 thousand; that's about \$100 thousand a year, which is an FTE. By the time we get to Phases 2-4 we're funding an FTE. We will need it for program administration. Where that position is housed would be determined; if in our department, or a combination of that and engineering.

Tokos said basically we're anticipating the fairgrounds building in Phase 1, 2019-22. This is our best guess for when these pieces land. The thought process is that in Phases 1 and 2, most of Agate Beach would be finished by Phase 2. Then work would be in the commercial core area. That's where the bigger expenses would occur, with ODOT taking three to five years to sort out their right-of-way acquisitions. For the state with funding issues, they will need until 2027-34 for them to be a meaningful funding partner.

Hardy asked if some projects need to go hand in hand to eliminate duplication of work; for instance street improvements and undergrounding utilities. Tokos said we have the flexibility to pool those if both types of improvements are in a project. If drainage is needed to make it happen when doing undergrounding, we can use both. If we're doing line undergrounding and can do some other enhancement such as widening sidewalks, we can pool both sets of funds. We'd be harder pressed to do that when doing utility undergrounding if there are no improvements to the right-of-way; like where there's a roadside ditch or something to bury utilities and there's no other improvement to the right-of-way. Hardy said she was meaning that if there's right-of-way improvements and undergrounding and maybe something else; it makes sense to do the undergrounding and then improve the right-of-way. Tokos said exactly, and we would have the ability to pool those funds. It's a minor amendment typically. We could be doing line undergrounding for 101. We would tell the City Council here's the preliminary cost, these are the pools of categories we're drawing from; and the Council would look and say if it's a priority, or not to that level. Franklin wondered if it would affect the way projects go out to bid; a combination if you're doing waterline and undergrounding. Tokos said we try to parse it out as logically as we can. We try to group things if they're in the same area and have it go out at once. It's more competitive that way.

Berman asked what waterline capacity upgrades for \$600 thousand in Phase 1 means. Patrick said north of town there is a substandard line that can't supply enough water for any increase up that way. Tokos confirmed that we have a main line that needs to be upsized on 101 in the vicinity of the golf course. He said he has been talking to City Engineer Tim Gross, and this may be changed to "water/sewer capacity upgrades and/or relocation." They think it may make more sense to pay for waterline upgrade through some bonding through the utility rates. Then use these funds instead to relocate the lift station that is right out on the edge of the bluff in Agate Beach. Hardy asked if you can't coordinate Urban Renewal with another funding source coming from somewhere else. Tokos said we can use both. But this is waterline upgrades; and if it says water, it can't be used for sewer. Berman said that's a case where specific naming could get you in trouble down the road.

Berman asked if the Planning Commission is the advisory committee for the Northside; and does it say that in the Plan. Tokos said the Planning Commission does serve in that capacity. Tokos noted that on page 20 of the Northside Plan under Future Amendments, there are three kinds of amendments. There is the statutory substantial amendments, which are listed there. Those are when you're adding more than 1% of the existing area of the Urban Renewal Area or if you increase the maximum amount of indebtedness. The process is essentially as the Planning Commission is involved in now. The next category is major amendments; and the Planning Commission along with an ad hoc committee would be reviewing and addressing those. Those include an increase in the duration of the life of the plan. We're setting a 25-year limit. If we get to year 22 and still have projects that we haven't dealt with and there's a hefty increment and we feel that we could accomplish some of those in a few more years; we could do a major amendment, and the Planning Commission would be involved. He noted that we did that in South Beach. He wouldn't be shocked if we end up being short on this one because we can have under-leavies. If the City Council or the County

says they can't handle a loss in any given year, we can do an under-levy. There will have to be a conversation about what projects get scrapped or delayed. Towards the end we could still have a number of projects we want to do. This will document that; we'll have a paper trail. He noted that under-levies weren't around statutorily when the South Beach Plan was put together. The ability to under-levy was added in 2009. Berman asked if it's correct that a taxing entity can't demand that; they would just request. Tokos confirmed they can't demand it; and there's a formal process in this document for how that would work. He continued that the other major amendments are if there's deletion of more than 1% of the existing area, and if there's the addition of a project with a cost over \$500 thousand. He said that everything else is a minor amendment, where the Planning Commission isn't formally involved; but he has tried to keep the Commission apprised on the minor amendment front. He noted that any zoning or Comp Plan changes that are done are incorporated automatically to this document without any separate action. But we would have to be cognizant that if we make changes of that nature, they could affect our ability to do some of these projects.

Tokos noted that the Plan contains the goals and objectives and a summary of major project categories we're going through. Then it gets into the future amendments, duration of the plan, and fiscal stewardship. He noted that on page 27 is the relationship to local objectives where it discusses about the consistencies with the Comp Plan. These include energy conservation, housing goals, economy, infrastructure and public facilities. The Peninsula Urban Design Plan and the Newport Economic Opportunity Analysis are also pulled in here. The applicable policies under the Economy goal are encouraging growth of tourism-related employment and better use of underutilized and/or blighted commercial sites. The infrastructure goal is making investments in infrastructure to support targeted industries. Hardy asked what a blighted area is. Tokos said it's an area that lacks adequate infrastructure, lacks paved streets, sidewalk, lighting, or access. Franklin said you are describing Newport as a blighted area. Tokos said that is a statutory requirement. It's a statewide definition. He said it was discussed in print somewhat when we did the Economic Opportunity Analysis. We have poorly-operating commercial sites on 101. Hardy asked if that can't have anything to do with location. Tokos said poor access can be because of existing conditions of infrastructure. He said that the intersection at 6th Street and 101 with that dog-leg is a good example. You can have stuff that is aged commercial of limited value with high vacancy rates as opposed to newer redevelopment that is favorable commercially. Hardy said that in '95 she took a tour and counted about 25% vacancies in commercial locations. Since then she doesn't think it has improved much. Shortly after that a lot of commercial construction began, and there's still a fairly high vacancy rate compared to less than 1% residential vacancies. Tokos said if you look at the downtown between Highway 20 and the bridge, there are poor buildings, bad access, and poor conditions. Hardy thought that the commercial demand is lower than you think. Tokos said in the Economic Opportunity Analysis discussed in this report, it has to do with the improvement to land value ratio. When the land is worth more than the improvements, it's ripe for redevelopment. Hardy said you can quantify actual demand for commercial space; what people are looking for what. She's found in the last years, it has been fairly low. If you encourage redevelopment with the thought that it might encourage more commercial inflow. Tokos said that may be something that needs to be looked at as part of a refinement plan. It's justified by the Economic Analysis to create the Plan. There are issues with the age of buildings, access, and poor circulation. There are also issues with the viability of the lot. We also have excessive parcelization. We don't have larger parcels. Whether we can create those through this, he's not sure. Large companies that have contacted us can't find sites.

Franklin thought there should be a lot of thought given to this. A lot of the commercial is run down. There's these storefront façade loans of \$1.5 million from Urban Renewal. He wondered if we're just putting lipstick on a pig. A lot of those buildings need to be torn down. He wondered if there's going to be abuse of this program. Tokos said we have to have a program in place before we give money out. There's already been the discussion in the advisory committee that other things need to happen before this program needs to be funded. We need to find out what will stay. We don't want to give a storefront grant and then have to turn around and buy the building because it needs to be removed. He said that is an important piece of it. But something like that could be very useful for some businesses. Franklin wondered if it's not enough that we're just offering them a better streetscape. That's already an improvement; it's more desirable. Hardy said you need to have a conversation with leasing agents that handle that kind of business. Tokos said this is a funding framework over 25 years. These are the project categories. How that plays out within 25 years, we can't say right now. It's very reasonable to come to a discussion about whether that type of project can address in a supportive way what we have on the ground. He said this is a living document. We have to mesh it out as best we can and put in projects that reasonably address the conditions we have talked about. He doesn't anticipate seeing that fund at all until after the refinement plans. Franklin thought maybe there should be a discussion about having a delay on that because he worries about people taking that for older buildings where it's not needed and then the money's all gone. Tokos said it's hitting in 2023. Well after Phase 2 those funds will be made available. Patrick said that ties into why we want ODOT to pin down the location of a new bridge. Tokos said there will be that discussion as part of the revitalization program; ODOT bringing that to the table. There's no funding for a future bridge at this point. As far as it would go is doing something to extend the life of this bridge and increase capacity by adding two lanes to the bridge without detracting from the historic character. They would have to flesh that out conceptually as part of this transportation work. Tokos envisions two lanes added to the outside and pinned to the existing structure. There would also have to be a bike and pedestrian lane. Hardy said there was talk in the 90s about moving the bridge. Patrick said adding right-of-way would cost almost as much as what's there now. He doesn't see that happening. Berman wondered where else you would put a bridge. Patrick said up the bay. It wouldn't have to be as high because you'd have only fishing; not commercial ships. Hardy wondered if they can't afford to replace the bridge now, how they can if there's an earthquake.

Tokos said essentially the reason he put this packet together for this work session is that the Commission will have a hearing on September 14th where you will see these documents cleaned up. The Commission will be asked to find that the plan is consistent with the Comprehensive Plan. He said the key thing in this document on the Agate Beach side is that there are at least two undeveloped properties upwards of 35-40 acres a piece that with modest infrastructure investment would be viable for development; and that falls under increasing the supply of housing in the Comp Plan. As would enhancing the viability of housing, improving storm water and accesses to existing residences; and some projects would fit on the commercial side, such as cleaning up some of that access where Szabo's is. As far as US 20 and 101 and the fairgrounds, it's not a reach to say these types of infrastructure for the vitality of the fairgrounds and the adjoining commercial and provide better access, if it's done right, can further our supply of commercial and industrial. That is as far as we are going right now. We have Comprehensive Plan policies, and the question is if these are in line with those objectives. On the transportation projects that are called out for discussion, they are in the Transportation System Plan. They're identified as needing to happen; such things as improving signaling, which would help improve traffic flow. Projects shut down in 2034. You can only imagine what the traffic will be like then. The question is how this syncs up with the Comprehensive Plan. Does it fit, or is there some glaring piece that doesn't. Tokos doesn't see that there is. That is what he is looking for from the Commission so he can tweak it in advance of the hearing. He said if any of the Commissioners see anything that looks amiss, to drop him a note off line; don't copy everybody. He will share that with the advisory committee at their last meeting.

Looking at the McLean Point Plan, Tokos noted that this is a small plan with \$2 million maximum indebtedness. He began with a discussion of the Report to the Plan. Berman asked why the LNG plant wasn't included in the Urban Renewal Area so we could capture some of that money. Tokos didn't believe it's taxed; it's a utility. Franklin asked about the main road coming down by Yaquina View School to Bay Blvd. and why that isn't included. Tokos said the intersection of John Moore Road and Highway 20 is in the district; but the road past the intersection is not. And the City is already funding a project at the bottom of Moore Drive and Bay Blvd. We're fixing storm drainage on Moore and will fix the intersection at the bottom of the hill.

Tokos pointed out that on page 12 of the Report are the projects for the district. They are limited. The biggest is the sewer pump station. There's storm drainage and some other utilities; water, power, and fiber. There will be modest street improvements. The biggest Urban Renewal contribution is sewer. All of the property up on the slope east of Running Springs between Highway 20 and the bay that is inside the city and the Urban Growth Boundary would be able to develop. When we do that project, it will bring other funding sources to bear.

Tokos noted that on page 14, you will see that it's done at one time. We'll be able to do it in 2018-19. This district will shut down in sixteen years. The difference between this area and the other one is we assume 4.5% on the other one. In the green area (McLean Point), we only have a couple of key properties. It made sense to figure out exactly what and when to program in the likely tax increment generated. We figured when they will go on the tax rolls; they're not on the tax roll now. After the Plan is in place, all taxes become increment at that time. It goes from zero. In the blue area (the Northside), there's much more increment; 3% plus the growth that occurs. Sixteen acres from the Hall family is going in in FY 17-18; the first phase. The next phases would come in over a series of years after that. They would bring in 16 acres, then 12, and a final 12. That's how it goes on the tax rolls. The Port is looking for Teevin's lease in January 2017 for their log yard. Similarly with respect to the Hall family; they broke that down in terms of construction value of improvements by phase. Franklin asked if the Hall family will be building on their property. Tokos said they want an industrial building up and running. In the first phase, they want light industrial for fishermen to lease and marine research to lease (wave energy and that kind of thing). Berman wondered why nothing is on the tax rolls. Tokos explained that the Port leases from the Hall family; and because they're a governmental entity, there's no taxes. The Halls will release the Port from their lease in phases, and as each release occurs, that amount of acreage goes on the tax roll. If the Urban Renewal Plan is in place, all of it goes to that Urban Renewal Plan. The Port's lease goes out several years. Patrick said the Port used that property for storage for a while; and then they kept the lease but quit using it. Tokos said on the flip side, we need industrial development down there for it to be fully viable.

Tokos noted Table 7 on page 20 shows when the land would come back on the tax rolls. For tax lot 100 that is when the Port would exercise Teevin's lease option for the log yard. That would hit the tax roll in 2018. In Phases 1 and 2, would be the sixteen acres of the Hall family that hits in 2020. In Phases 3 and 4, the last twelve acres of the Hall property would be in 2023. Table 8 shows the development projections. Phase 1 will be in FY 2019, Phase 2 in 2021, Phase 3 is split with 3a in 2022 and 3b in 2023. Phase 4 shows "n/a", and Tokos will check on that. Phase 5 will be in 2029. Teevin Brothers is the last one listed; and there's not a building there to speak of. Patrick noted that tax lot 102 is Port property so that's why it's "n/a" for coming on the tax rolls. Tokos said, but if the property is leased by private entities, then those become taxable. He said he would take a look at that.

Tokos noted that under Table 9, you have the projected assessed values. He said the point being that on this area, they had to take a hard look at what was likely to happen. That's their best sense of it. If it doesn't happen, we don't get that increment and nothing happens. If so, in 2019-20 we'll leverage that \$2 million and other funds. We'd probably borrow from utilities borrowing and get a pump station at that time; not until Teevin and the first phase of the Hall property. Until then, it probably would get connected to Running Springs. Once Running Springs is at capacity, we would have to do something more for the other phasing.

Berman asked what if improvements don't happen on that schedule. Tokos said it's just delayed. Patrick thought waiting for funds on hand plus borrowing works. Tokos said the sewer pump station isn't needed for the first two phases. If it were to happen after that, then there's enough increment to move forward. Berman asked if extending utilities into the area would have to rely on land acquisition. Tokos said there would have to be easements provided. We'd have to extend waterlines and do a loop. That has to be public. We'd probably connect up to the existing system for the LNG tank. They've already had a discussion. This is the third location for the log yard at this point. He said there could be some land acquisition, but it would be minimal.

Berman asked about a waterline under the bay. Tokos said there's a real need. Whether it will happen in the future, he doesn't know. It would be a second line. Right now there's only one line to South Beach; and when it was damaged in a winter storm, they were in a world of hurt. That's on a list of things to do as funding becomes available. Occasionally the Federal government makes emergency funds available. But it's not part of the Urban Renewal Plan. Tokos said sewer is the problem right now. We have a tiny pump station designed for that residential development. Franklin asked if that will be taken over by the City; and Tokos said he thought that goes away.

Franklin asked about in Agate Beach to the south of the Agate Beach Motel where the stormwater is eroding the gully. Tokos said that is part of the Agate Beach Wayside project. That project is almost ready to go to bid. It's over budget; so they're trying to figure out how to fix it. That's one piece of the whole thing. It's now five years after the grant was submitted. It's hard to guess what all will be involved when you're five years down the road. Tokos noted that all of the South Beach projects came in under budget. Franklin said with the pool they didn't understand that the geo tech needed to be there. Tokos said that drove the costs up. They're reconfiguring everything to make it work. Also, the recovering economy made the bids come in higher.

Going back to McLean Point Plan, Tokos noted that we have the Comprehensive Plan purpose supporting it. He said it's very straightforward. The Economic section of the Comp Plan has policies that promote this. It was noted that on page 8, there's a misspelling on one of the bullet points where it says "strom" drainage instead of "storm." Tokos noted that the page numbering got mixed up as well; there are two page 8s.

Tokos said this is a 16-year plan. It's structured very similar to the other one. The Port Commission is the advisory body here; which is different than the other plan. The "Relationship to Local Objectives" is more about the Comprehensive Plan. That's on page 26 of the Plan. Policies under the Economic goal include facilitating growth in marine and ocean observing, coordinating with the Port on development objectives, encouraging growth of fishing and value-added seafood, and encouraging better use of blighted sites. Tokos said again he will talk to the consultant about having the definition of blight in here.

Berman asked Tokos to explain the 10% and 12.5% thing. Tokos noted that Page 22 of the Report talks about revenue sharing. He explained that by statute the threshold is a little over the eleventh year or the first year after the maximum indebtedness exceeds 10% of the maximum indebtedness if the plan. The 10% is met before the eleventh year, so it's not implemented; but the 12.5% is met before the eleventh year, so it is implemented. Berman asked if it caps the maximum you can take. Tokos said that's the threshold when revenue sharing is taken. Some portion has to be handed back to the taxing entities. The Plan is \$2 million, so it doesn't take very long; especially when you're going from zero to increment to hit revenue sharing. What you end up with is shown in Table 10b on Page 24. Berman said, so \$260 thousand is the limit, and everything else gets returned to all the taxing entities. Tokos said this district is a win/win because the taxing entities don't get hurt. Berman asked if Tokos had met with all of the taxing entities. Tokos confirmed that and noted that also every one of the taxing entities is represented on the advisory committee.

Tokos said that the Economic policies of the Comprehensive Plan and the Economic Opportunity Analysis line up very cleanly. This is the bread and butter of Urban Renewal work.

Berman asked what kind of objection Tokos anticipates; and Tokos said none. He said that some people see McLean Point as a wildlife area; so he addressed that in some of the Plan. He has explained that the Port had an estuary plan in the 80s, and the City had a piece of that. They identified areas in the bay that should be for natural and for conservation. Conservation for those that they are trying to return to a healthy state; and if it's natural and in good shape, leave it alone. Tokos said this is a development area. The whole area in front of the Terminal and McLean Point is development. Industrial uses are encouraged here. For those who argue that it's an ideal place for a natural area; it isn't. There are lots of other areas set aside for that purpose; McLean Point's purpose is for development. It is adjacent to the Terminal and is meant to provide industrial. Otherwise, we don't have the area needed to support the Terminal. And right now it's underutilized. The log yard and shipping take space. Tokos said there was some confusion about McLean Point, and people asked why you don't put "Port" there. He said no because then the public thinks it's the Port's plan. This will be the Urban Renewal Agency.

Berman asked how much of that area is currently classified as wetland. Tokos said we have them identified; but offhand he didn't know the area. Most of the undeveloped McLean Point site has scattered wetlands. He didn't know the acreage. The proposal is that they have to mitigate them. They were formed in and around fill. They're not high quality. The Port, Teevin,

and the Hall family are aware of that. They are working on a plan and will have to work with DSL. That is part of the development scheme.

Tokos was asked about a larger map; and he said that he could email that. Tokos asked everyone if this all makes sense; and the general feeling was that it does.

Tokos noted that in the blue area (the Northside) up in Agate Beach, they added the Ernest Bloch House. Some people wanted that, and the advisory committee asked that that be added. Hopefully down the road, that's a project that would help that historic structure be a tourist-related venue. There's no specific project. We could accommodate getting that area into the boundary; so that's why it was done.

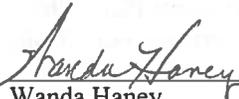
Tokos noted that the Planning Commission public hearing will be on September 14th.

2. **Nye Beach Design Review.** Franklin asked about the status of the Nye Beach Design Review, and Tokos said there will be a City Council hearing on September 8th.

3. **Regulation of Recreational Marijuana.** Tokos noted that the City Council has kicked recreational marijuana back to the Planning Commission. The City can impose land use regulations; basically time, place, and manner kinds of things. The Planning Commission will spend time on regulations. Generally agriculture is outside urban areas. It is wholesaling. We will look at the districts that could allow that use; C-3, I-1, and maybe C-1. Residential; no. There are some potential things to do land-use-wise, and the City Council is asking the Planning Commission to look if we need to do any of this in advance of OLCC's rules for the permanent stuff. Tokos said it will be the same exercise the Commission did with medical marijuana. We have to sort out the range of what is permissible. We may not have to do a whole lot. Our rules might be fine as they are. Our code covers setting up a greenhouse for wholesaling; basically in C-3, I-1, and C-1.

B. **Adjournment.** Having no further discussion, the meeting adjourned at 7:36 p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant