



# Meeting Notice

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Please note that there will not be a Newport Planning Commission work session meeting held at 6:00 p.m. on **Monday, November 10, 2014**. **The regular session will begin at 6:00 p.m.**

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## AGENDA & NOTICE OF PLANNING COMMISSION MEETING

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The Planning Commission of the City of Newport will hold a meeting at 6:00 p.m. (*note earlier starting time*) **Monday, November 10, 2014**, at the Newport City Hall, Council Chambers, 169 SW Coast Hwy., Newport, OR 97365. A copy of the meeting agenda follows.

The meeting location is accessible to persons with disabilities. A request for an interpreter for the hearing impaired, or for other accommodations for persons with disabilities, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder, 541-574-0613.

The City of Newport Planning Commission reserves the right to add or delete items as needed, change the order of the agenda, and discuss any other business deemed necessary at the time of the meeting.

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### NEWPORT PLANNING COMMISSION Monday, November 10, 2014, 6:00 p.m. AGENDA

**A. Roll Call.**

**B. Approval of Minutes.**

1. Approval of the Planning Commission regular meeting minutes of October 13, 2014.

**C. Citizens/Public Comment.**

1. A Public Comment Roster is available immediately inside the Council Chambers. Anyone who would like to address the Planning Commission on any matter not on the agenda will be given the opportunity after signing the Roster. Each speaker should limit comments to three minutes. The normal disposition of these items will be at the next scheduled Planning Commission meeting.

**D. Consent Calendar.**

1. Final Order for File No. 5-CUP-14. Approval of a final order for a conditional use permit as submitted by Wyles Sanders (Rebecca Lytwyn, Oregon Coast Bank, authorized representative) (Oregon Coast Bank, property owner) for a daycare facility located at 125 NE Lincoln St. Unit B to continue operation in an R-3 zoning district. The Planning Commission held a public hearing on this matter on October 13, 2014.

**E. Action Items.**

**F. Public Hearings.**

1. File No. 3-Z-14. Consideration of legislative text amendments to Title X (Signs) of the Newport Municipal Code (NMC) to create standards for the placement of electronic message signs on public properties. Existing provisions for signs have been clarified and consolidated, and a new subsection created that is specific to public-zoned lands. This is a general hearing with no adoption. The Commission will forward a recommendation to the City Council on this matter.

**G. New Business.**

1. Update on progress of Housing Study.

**H. Unfinished Business.**

1. Review changes to the Floodplain maps.
2. Status of Nye Beach Design Review revisions.

**I. Director Comments.**

**J. Adjournment.**

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

**Draft Minutes**  
**City of Newport Planning Commission**  
**Regular Session**  
**Newport City Hall Council Chambers**  
**Monday, October 13, 2014**

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

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

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

**B. Approval of Minutes.**

1. Approval of the Planning Commission regular meeting minutes of September 22, 2014.

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

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

**D. Consent Calendar.**

1. **Final Order for File No. 4-CUP-14.** Approval of a final order for a conditional use permit as submitted by Great American Yogurt & Food Co, dba Mt. Angel Sausage Co (Jim Hoke) (Chris Minor, authorized representative) (Jack's Seafood, Inc., property owner) for restaurant/retail use at 460 SW Bay Blvd. The Planning Commission held a public hearing on this matter on September 22, 2014.

**MOTION** was made by Commissioner Berman, seconded by Commissioner Croteau, to approve the final order for File No. 4-CUP-14 as presented. The motion carried unanimously in a voice vote.

**E. Action Items.** No items requiring action.

**F. Public Hearings.**

Patrick opened the public hearing portion of the meeting at 7:03 p.m. by reading the statement of rights and relevance applying to the hearing on tonight's agenda. He asked the Commissioners for declarations of ex parte contact, bias, conflicts of interest, or site visits. Franklin declared that he had driven by the site today; and Croteau, Patrick, and East had each made a site visit. Patrick called for objections to any of the Commissioners or the Commission as a whole hearing this matter; and none were heard.

1. **File No. 5-CUP-14.** Consideration of a request submitted by Wyles Sanders (Rebecca Lytwyn, Oregon Coast Bank, authorized representative) (Oregon Coast Bank, property owner) per Chapter 14.03.050(E)(7) "Residential Uses" of the Newport Municipal Code (NMC) for a conditional use permit in order to operate a daycare facility in an R-3 zoning district on property located at 125 NE Lincoln St. Unit B (Assessor's Map 11-11-09-BA; Tax Lot 502). Should the Commission decide to approve the request, a Final Order and Findings was available for adoption this evening as well.

Patrick opened the hearing for File No. 5-CUP-14 at 7:04 p.m. by reading the summary from the agenda. He called for the staff report. Tokos noted that the Commissioners had received the staff report and submissions that contain the criteria and the applicant's submittal material. He also had the entire record in front of him, should it be needed. Tokos said, as has been noted, this is a conditional use permit application for a daycare at 125 NE Lincoln Street, which has been operating for a few years now. They didn't get a conditional use permit. He doesn't believe it was intentional, but just an oversight on their part; and they have come back to correct that through this application. Tokos noted that the criteria for approving a conditional use permit can be found in NMC Section 14.34.050; and he read through those. He said that the staff analysis goes through each of these standards and discusses them in detail. There are a few conditions of approval that he would recommend be attached; and he thinks this application satisfies these

standards with these conditions. He noted that the first condition is one we would require of all conditional use permits; and that is that what the Commission is approving is what is presented and nothing more. It's limited to the documentation provided.

The second condition he thinks gets at sorting through whether there is an occupancy change when you convert a single-family residence to a daycare. An occupancy change would go to this unit having fire sprinklers, and there are strict firewall requirements as well. There were some changes to the law that allow "family child care homes" to stay under R-3 occupancy. Tokos thinks that's appropriate and should be left in place. Since the departure of our Building Official, Tokos has been working on this question with Al Eames of the County who has been filling in and also with the State Building Official to receive further interpretation. As long as it is under the "family child care home" definition, Tokos thinks it's okay under R-3 occupancy. He noted that the certification documents didn't say that specifically. He talked to the lady who certified this facility; and she gave this a classification of a "family child care home" within the meaning of the statute. So it could stay in R-3 occupancy, which means it would not have to change to the stricter building code standards. He had the Building Official walk through this to see if the condition proposed is appropriate. Tokos thinks we should have the documentation from the State Child Care as part of the record; but he thinks that issue has been addressed. A member of the audience had brought that State certification and provided it to Tokos.

The next condition has to do with written confirmation from Lincoln County Public Works that Lincoln Street is adequate from their perspective. Lincoln Street is under the County's jurisdiction. There has been talk about potentially getting that transferred to the City; but that hasn't fully progressed yet. Tokos noted that in the packet was an email from the County Engineer regarding this; so he thinks this condition could go away because it has been addressed.

The next condition is that the property owner should designate a public access and utility easement covering the portion of Lincoln Street that is not within public right-of-way. This development was pursued by a private developer; and then the bank took it over. The original developer did a partition and zoned to establish condominiums. He ended up widening the road but extending it onto the property where the condo is that is now the bank's property. It's only twenty feet wide; but part of the right-of-way is on bank's property. There are utility lines in that area also. For the public facilities to be adequate, the provider needs to maintain them; and to do that, they need this access. What this condition requires is that the bank put in place a public access and utility easement over the balance of the right-of-way and utility lines so the County can maintain the full street section and the City can maintain the water and sewer lines; and the electric company the same. If at some point, the City gets jurisdiction of the road, we would have that easement for street maintenance. There is no need to make it to a specific jurisdiction.

Tokos noted that the last condition deals with the off-street parking requirement that the City has and applies to all forms of development. It is fine for a duplex; but when you add daycare with a maximum of sixteen children, it brings a greater demand for off-street parking. The City has ratios that it uses. For child care, it is one space for every four children served; so the code requires that they have four off-street spaces. They don't have that now. The bank controls most of the balance of property as well; so there is room to construct additional off-street spaces. Tokos said that the Commission is well within a safe area to find that they can provide those spaces and need to come up with a plan. We can then address it at staff level. Tokos felt that with those conditions, the Commission can certainly find that this application can satisfy these standards and, thus, approve it.

Berman noted that Tokos said the utilities and part of the street are not within the public right-of-way. You would have an easement for utility access; but he asked if that also included maintenance of the curbs and pavement. Is that all wrapped up into one? Tokos said the Commission could draft it as "public access/utility" to cover both sides. Berman asked if Tokos had a timeframe for developing four parking spaces. Tokos said he would suggest six months. There is room for the Commission to come up with whatever they feel is appropriate. Typically we have a certificate of occupancy as leverage before everything is final. In this case, they are coming back after the fact; so he felt it prudent to have follow-up steps to take to set a timeline. He said six months if the Commission feels that is reasonable. Patrick asked about a setback from the easement. Tokos said with easements as opposed to rights-of-way, we don't put measuring against an easement. It could be an issue if it were dedicated as a right-of-way; but he thinks an easement is sufficient in this case.

**Proponents:** Jill Meengs, Oregon Coast Bank, came forward. Meengs said that she works with Wyles Sanders who provides child care basically to the bank employees. Meengs did provide the letter from the State certifying them as a "family child care home." The facility has to meet State qualifications as a residence. She noted that they did make a few small changes when they got the original qualification; things such as the fenced yard and a second fire exit from the second story. She said someone could live there today and not know it was a daycare. She noted that the bank does own the duplex. The majority of the rest of the property they don't own any more; they sold it. She said

but they can take a look at the off-street parking and make it work as best they can. She asked what if there is no suitable area for that, if they can get maybe two spaces, is there something they can do as far as talking about that. Tokos said that there's not a whole lot of flexibility in that. He said it's his understanding that the bank owns the property just to the north between the duplex and Yaquina Heights Road. Meengs said that she wasn't involved in the sale of the property, but she will be checking on that to see what the options are. She said they do want to rectify the situation and make sure the daycare can continue to operate. There are a number of children and families that depend on it. It also employs four to five people. She said it's an important part of the community.

Patrick asked if the other half of the duplex is rented. Meengs said it was rented to a local fisherman and his wife and family. Branigan said the action was well noticed, and there were no letters of opposition from them. They had an opportunity. Meengs said that their kids come and play with the daycare children.

Branigan noted that in the documents, it says that the capacity is capped at 16 children. He asked if there are any plans to expand that; or is that part of the license, based on square footage? Meengs said they can't go larger in this facility. The 16 works for what they need. Croteau asked if they are at capacity. Meengs said they are not at capacity now. It was only recently that they increased to 16; it was 12 for a long time. They have had between 10-12 children consistently with a couple of part-time or drop-in. She said they plan to stay 16 or less. Patrick said he sees their only problem being finding parking spaces. Tokos said the bank has been talking to Rich Belloni, who purchased the property for development; and there are some ways to make that work. There will be some area not suitable for subdivision area. Tokos said there will be a way to get there. Berman asked if six months is long enough to get it resolved. Tokos said there are no further actions to get parking; six months would be reasonable.

Eric Greenwold, 860 SW Pine Ave, Depoe Bay 97341-9654, also testified as a proponent. Greenwold said that both he and his wife work for the bank and have two kids that go to the daycare; his daughter since day one of the facility, and his son as soon as he was eligible. He said the daycare is very important to his family. It is important to those who work at the bank and to others. Greenwold added that the daycare staff is wonderful.

There were no other proponents present wishing to testify.

**Opponents or Interested Parties:** There were no opponents or interested parties present wishing to testify; so rebuttal was waived.

Patrick closed the hearing at 7:21 p.m. for Commission deliberation. Branigan said with what he sees in the file and with the caveats that Tokos mentioned (the easement; the parking; and the six months) it's more than adequate. He said the daycare is very good for the community; especially for bank employees. He would recommend that the Commission go ahead and approve the request. East and Franklin both agreed. Croteau thought the criteria are met; and he was willing to approve with the conditions. Berman agreed and complimented the bank for undertaking this. Hardy thought if the conditions are met, it's a good idea. Patrick agreed that it should meet the conditions; but striking condition number 3 because it has been addressed.

**MOTION** was made by Commissioner Croteau, seconded by Commissioner East, to approve File No. 5-CUP-14 with the modified conditions. The motion carried unanimously in a voice vote.

**G. New Business.** No new business.

**H. Unfinished Business.** No unfinished business.

**I. Director's Comments.**

1. Tokos informed the Commissioners that the Planning Commission meeting on October 27<sup>th</sup> will be cancelled; but Tokos will be holding an informational meeting at City Hall regarding the property purchase in South Beach and the Plan amendment needed there. It's about a 2.3 acre piece at the intersection of 35<sup>th</sup> and 101 (the Schones' piece; the old Flashbacks area) that is an Urban Renewal acquisition. Tokos will be doing outreach that evening. He noted that the Commissioners are welcomed to attend.

2. Tokos noted that there will be a public hearing on November 10<sup>th</sup> regarding the sign code for electronic message signs to be permitted in public zones. As discussed, he basically drafted the code for public zones as it's currently allowed in commercial zones. He said that the Commission has a lot of leeway as long as they stay out of content. Tokos has received a few emails opposed; but there are also proponents. So the Commission is liable to hear from both sides. Berman asked if all it would say is it's extended to public properties; no other restrictions. Tokos said it's

the same approach; there are the same allowances. There's a little more to it than that though; there are some more changes in the code. But at the end of the day, that is what it does.

3. Tokos said that work is continuing with the County and the City on the Natural Hazards Mitigation Plan for disaster relief funds. There is a meeting with the County on October 24<sup>th</sup> to continue work on that. It will have to come before the Planning Commission for adoption; probably in December.

4. On November 5<sup>th</sup>, Tokos will be holding a public workshop on the Agate Beach Wayside improvements. That project has been moving forward. Those are the plans for the bathrooms, shower, and trail. He explained that the concept for the trail is a boardwalk. It has been a long time since we have been out in the community with that. The best he will have for that meeting is a concept, a survey, and a geo-tech report; but it will give folks a chance to share their thoughts on the various components. He said the boardwalk is not going away. Federal funding comes with catches. The boardwalk is part of the solution; what it looks like is another matter. The geo-tech report will form that somewhat. The boardwalk is a piece; just as are the restrooms and shower, clearing out to the highway, and extending Gilbert. The motel access will tie into the Gilbert extension. The question is whether to make that a full two-way or restrict it on traffic with no outlet on 101 so they have to go up to the signal. Those are some things to discuss later. In mid-December, we may be able to have a couple of designs. November 5<sup>th</sup> will be an evening meeting to accommodate the public.

5. Tokos noted that Hardy will participate on the student housing oversight group that has been fired up. There will be three meetings; the first on October 29<sup>th</sup>, and two in November. OSU has a couple of people staffed. This is part of the targeted study of issues for when they go before the Legislature. The City will need to adopt and make changes to the code; and this will give a sense of what we need to do. That will follow. It will just be an initial report they can use. Berman asked what kind of code changes. Tokos said policies or options to provide direction on what the City's role is in facilitating that kind of construction. After those meetings, it will make more sense. There's no guarantee of changes, but there's a good chance there will be some. There could be a policy option for whether the City should engage or not. There are ways we can help; for instance by forming economic improvement districts.

6. Tokos noted that Patrick had helped with the Building Official recruitment. Tokos will be offering the position to Joe Lease, Chief Building Official in San Luis Obispo, who has the full range of certifications. We could reduce, if not eliminate, contract work. Tokos will be talking to Lease tomorrow. They have been exchanging voice messages. Tokos said the interview panel did a great job. They interviewed nine people over a day and a morning. It was a lot. Tokos did final interviews with three of the four finalists. There were two he felt comfortable with; and there was a clear A and B. Hopefully, we'll get the A candidate.

7. Croteau asked Tokos if he had any comment about the bicycle pump track addition to Coast Park. Tokos said he didn't have any comment on that. He hasn't been close to that; it has been the Public Works and the Parks Departments.

**J. Adjournment.** Having no further business to discuss, the meeting adjourned at 7:33 p.m.

Respectfully submitted,

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Wanda Haney  
Executive Assistant

**BEFORE THE PLANNING COMMISSION  
OF THE CITY OF NEWPORT,  
COUNTY OF LINCOLN, STATE OF OREGON**

**IN THE MATTER OF PLANNING COMMISSION )  
FILE NO. 5-CUP-14, APPLICATION FOR A )  
CONDITIONAL USE PERMIT AS SUBMITTED BY ) **FINAL**  
WYLES SANDERS (REBECCA LYTWYN, OREGON ) **ORDER**  
COAST BANK, AUTHORIZED REPRESENTATIVE) )  
(OREGON COAST BANK, PROPERTY OWNER) )**

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**ORDER APPROVING A CONDITIONAL USE PERMIT** per Section 14.03.050(E)(7)/  
“Residential Uses” of the Newport Municipal Code (NMC), in order to operate a daycare facility  
in an R-3 zoning district at 125 NE Lincoln St.

**WHEREAS:**

- 1) The Planning Commission has duly accepted the application filed consistent with the Newport Zoning Ordinance (No. 1308, as amended); and
- 2) The Planning Commission has duly held a public hearing on the request, with a public hearing a matter of record of the Planning Commission on October 13, 2014.
- 3) At the public hearing on said application, the Planning Commission received testimony and evidence; and
- 4) At the conclusion of said public hearing, after consideration and discussion, upon a motion duly seconded, the Planning Commission **APPROVED** the request.

**THEREFORE, LET IT BE RESOLVED** by the City of Newport Planning Commission that the attached findings of fact and conclusions (Exhibit “A”) support the approval of the requested conditional use permit with the following condition(s):

- 1) Approval of this land use permit is based on the submitted written narrative, and plans listed as attachments to this report. No work shall occur under this permit other than that which is specified within these documents. It shall be the responsibility of the property owner to comply with these documents and the limitations of approval described herein.
- 2) The property owner shall obtain an occupancy permit, if needed, and make changes to the structure as required to comply with the 2010 Oregon Structural Specialty Code. If the

applicant must modify the size or height of the building in a material way in order to comply with the structural specialty code standards, than a conditional use permit shall be submitted to establish that the changes are consistent with the overall development character of the neighborhood.

- 3) The property owner shall dedicate a public access and utility easement at a width acceptable to the City Engineer, covering that portion of NE Lincoln Street that is not within the public right-of-way.
- 4) The property owner shall provide at least four off-street parking spaces to serve the daycare use. One of the parking stalls must be an ADA van accessible space, and all of the spaces are to meet specifications for the construction of off-street parking and associated drive isles outlined in the Newport Municipal Code.
- 5) All conditions of approval shall be satisfied within six months of the effective date of the final order approving the daycare facility.

**BASED UPON THE ABOVE**, The Planning Commission determines that the request for a Conditional Use Permit for the daycare facility is in conformance with the provisions of the Comprehensive Plan and the Zoning Ordinance of the City of Newport, and the request is therefore granted.

Accepted and approved this 10<sup>th</sup> day of November, 2014.

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James Patrick, Chair  
Newport Planning Commission

Attest:

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Derrick I. Tokos, AICP  
Community Development Director

## EXHIBIT "A"

Case File No. 5-CUP-14

### FINDINGS OF FACT

1. Wyles Sanders (Rebecca Lytwyn, Oregon Coast Bank, authorized representative) (Oregon Coast Bank, property owner) submitted an application on September 11, 2014, for approval of a Conditional Use Permit, per Chapter 14.03.050(E)(7)/"Residential Uses" of the Newport Municipal Code, in order to operate a daycare facility in an R-3 zoning district where the subject property is located.
2. The subject property is located at 125 NE Lincoln St. Unit B (Lincoln County Assessor's Map 11-11-09-BA, Tax Lot 502). The parcel is approximately 0.27 acres in size per Lincoln County Tax Assessor records.
3. Staff reports the following facts in connection with the application:
  - a. Plan Designation: High Density Residential.
  - b. Zone Designation: R-3/"Medium Density Multi-Family Residential."
  - c. Surrounding Land Uses: Uses include other single-family residential uses, vacant (partially developed) residential property, and the Eureka Cemeteries.
  - d. Topography and Vegetation: The site is landscaped and slopes to the west. The back yard is fully fenced.
  - e. Existing Structures: A duplex built in 2007.
  - f. Utilities: All are available to the site.
  - g. Development Constraints: None known.
  - h. Past Land Use Actions:
    - 1-PAR-07 – partitioned Tax Lot 500 into two parcels; approved by final order 2/20/07 (Partition Plat 2007-09).
    - 1-PLA-11 – adjusted common boundary line between Tax Lots 500 and 502 around existing building and fence on Tax Lot 502 in order to meet rear yard setback standards; approved by final order 7/25/11.
    - 1-PLA-12 – relocated common boundary line between Tax Lots 500 and 502 around the existing building on Tax Lot 502 in order to meet setbacks and provide for development on the undeveloped tract; approved by final order 5/7/12.
4. Upon acceptance of the application, the Community Development (Planning) Department mailed notice of the proposed action on September 17, 2014, to affected property owners required to receive such notice by the Newport Zoning Ordinance, and to various city departments, agencies, and public utilities. The notice referenced the criteria by which the application was to be assessed. The notice required that written comments on the application be submitted by 5:00 p.m., October 13, 2014, or be submitted in person at the hearing. The notice was also published in the Newport News-Times on October 3, 2014. No comments were received in response to these notices.

5. A public hearing was held on October 13, 2014. At the hearing, the Planning Commission received the staff report and heard testimony from the applicant's agent. The minutes of the October 13, 2014, hearing are hereby incorporated by reference. The Planning Staff Report with Attachments is hereby incorporated by reference into the findings. The Planning Staff Report Attachments included the following:

- Attachment "A" – Oregon Coast Bank letter dated September 11, 2014, regarding the application
- Attachment "A-1" – State of Oregon Certificate of Approval for operation of the daycare
- Attachment "A-2" – Sample day's schedule for the daycare
- Attachment "A-3" – Letter to the Editor, June 17, 2011, regarding the daycare
- Attachment "A-4" – remodel work done prior to opening the daycare
- Attachment "A-5" – Photographs of the facility
- Attachment "B" – Public Hearing Notice
- Attachment "C" – Aerial Photo
- Attachment "D" – Assessment Map of the Property
- Attachment "E" – Zoning Map of the Area
- Attachment "F" – Survey for "The Heights Condominiums" prepared by Russell Johnson, recorded 10/16/07 (Sheet 1 of 2)
- Attachment "G" – Portion of site plan prepared by William Barlow, P.E. dated 9/19/11

6. Pursuant to Chapter 14.03.050(E)(7)/"Residential Uses" of the Newport Municipal Code (NMC), a daycare facility requires a conditional use permit to be located in a R-3/"Medium Density Multi-Family Residential" zoning district.

7. The applicant explains that when Oregon Coast Child Care opened its door in April of 2011, there was a miscommunication and it was thought that a conditional use permit was not needed. Now that this has been brought to their attention, the applicant is trying to rectify this situation as quickly as possible to be in compliance with the City of Newport codes. Oregon Coast Childcare is currently operated by Wyles Sanders but subsidized by Oregon Coast Bank, and the employees of the daycare are paid employees of the Bank. Daycare service is provided to Oregon Coast Bank's employees as well as other community members.

8. NMC Section 14.34.030 stipulates that an application for approval of a conditional use shall be processed and authorized using a Type II decision- making procedure where specifically identified as eligible for Type II review elsewhere in this Code or when characterized by the following:

- a. The proposed use generates less than 50 additional trips per day as determined in the document entitled Trip Generation, an informational report prepared by the Institute of Traffic Engineers; and
- b. Involves a piece(s) of property that is less than one (1) acre in size. For an application involving a condominium unit, the determination of the size of the property is based on the condominium common property and not the individual unit.

All other applications for Conditional Uses shall be processed and authorized as a Type III decision-making procedure.

9. The applicable criteria for the conditional use request are found in NMC Section 14.34.050:

- a. The public facilities can adequately accommodate the proposed use.
- b. The request complies with the requirements of the underlying zone or overlay zone.
- c. The proposed use does not have an adverse impact greater than existing uses on nearby properties; or impacts can be ameliorated through imposition of conditions of approval.
- d. A proposed building or building modification is consistent with the overall development character of the neighborhood with regard to building size and height, considering both existing buildings and potential buildings allowable as uses permitted outright.

## CONCLUSIONS

Regarding the applicable criteria for the conditional use request, the following conclusions can be made:

A. NMC Section 14.34.030 indicates that a Type III decision-making procedure, with review and approval by the Planning Commission, is required for any use that generates more than 50 additional vehicle trips per day, as determined in the document entitled "Trip Generation," an informational report prepared by the Institute of Traffic Engineers (ITE). For day care facilities, (ITE Code 565), a business serving 16 children generate up to 72 daily trips. The existing duplex (ITE Code 230) generates 6 daily trips, meaning that the number of new daily trips exceeds 50; therefore, this application must be approved by the Planning Commission. A copy of the notice for this hearing was included with the Planning Staff Report. It established that notice was provided to property owners within 200-feet of the property and that the notice was published in a newspaper of general circulation at least five (5) and not more than fourteen (14) days prior to the hearing, as required (NMC 14.52.060).

B. Criterion #1. *The public facilities can adequately accommodate the proposed use.*

1. Public facilities are defined in the Zoning Ordinance as sanitary sewer, water, streets and electricity. All public facilities are available and serve the site and existing residence.
2. Photographs provided by the applicant and an aerial image of the property illustrate that the daycare obtains access off of NE Lincoln Street. That street is located outside the city limits and is under the jurisdiction of Lincoln County. It is paved to a width of 24-feet with curb and gutter. Steve Hodge, Lincoln County Assistant Public Works Director, confirmed in writing that it is adequate as constructed.
3. A survey prepared by Russ Johnson in 2007, shows that the street is not entirely within a public road right-of-way. A portion of NE Lincoln Street, between NE Yaquina Heights

Drive and the south line of the duplex parcel is on property that is owned by the bank. This appears to have occurred when the street was widened as part of the prior owner's effort to establish a condominium development. Having the street entirely within a right-of-way ensures that the public entity responsible for that street has the authority to maintain it on an ongoing basis at a level necessary to support the proposed use. Therefore, it is reasonable that the owner be required to grant a public access and utility easement over the portion of the road that is outside of the right-of-way. Water, sewer, and electricity are available and currently serve the subject structure; however, the Planning Staff Report demonstrated that some portion of those lines are likely to be located on the applicant's property, outside of the right-of-way. Dedication by the owner of a public access and utility easement, as discussed above, will ensure that the service providers can maintain the utilities so that they are adequate to support the use moving forward.

4. Given the above, it is reasonable for the Planning Commission to conclude that the public facilities can adequately accommodate the use of the residence as a daycare facility provided the owner dedicates a public access and utility easement over the portion of NE Lincoln Street that is not within the right-of-way adjacent to this parcel.

C. *Criterion #2. The request complies with the requirements of the underlying zone or overlay zone.*

1. This criterion addresses special requirements of the underlying or overlay zone beyond the standard zoning ordinance requirements. The subject property is located in an R-3 zoning district and plans on record with the City of Newport show that the existing duplex conforms to the dimensional requirements of the zone.
2. Chapter 14.14 of the Newport Municipal Code (NMC) lists the City's parking, loading and access requirements. NMC Section 14.14.030(37) notes that off-street parking for daycare uses must be provided at a ratio of 1 space for every 4 persons of license occupancy. The certificate of approval from the State of Oregon authorizes the facility for up to 16 children; therefore, four off-street parking spaces are required. One of the off-street parking spaces must be an ADA van accessible space (NMC 14.14.050). Since the property owner controls the large parcel surrounding the duplex, the Commission finds that it is feasible for the property owner to install the 2 additional off-street spaces in conformance with the City's off-street parking requirements. There appear to be no other relevant requirements of the underlying zone or overlay zone.
3. Given the above, it is reasonable for the Planning Commission to find that this criterion has been satisfied provided the property owner provides a total of four (4) off-street parking spaces to serve the daycare use, as outlined.

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

1. This criterion relates to the issue of whether or not the proposed use has potential "adverse impacts" greater than existing uses and whether conditions may be attached to ameliorate those "adverse impacts." Impacts are defined in the Zoning Ordinance as the effect of

nuisances such as dust, smoke, noise, glare, vibration, safety, and odors on a neighborhood.

2. The applicant explains that the daycare facility has been operating in the residence since 2011. The facility provides four jobs and service to eight families fulltime and four on a drop-in basis. Sixteen working families are connected to and rely heavily on this facility. Currently, Oregon Coast Bank owns the building that the daycare is housed in as well as the adjacent land except for one lot that was recently purchased, and a single-family residence is being constructed on that lot. There are only two other homeowners and the Eureka Cemeteries within the notification area. There are two parking spaces in the driveway and parking space available on the street. There is a fully fenced yard with play structures. The center currently operates 7:30 a.m. - 5:30 p.m., Monday through Thursday; and 7:30 a.m. - 6:00 p.m. on Friday. They offer childcare as well as a preschool-based program for children ages 8 weeks through school age.
3. Given the above, the Planning Commission finds that this criterion has been satisfied.

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

1. The applicant notes that the site has been remodeled to meet the required guidelines of the State of Oregon with regards to exits and safety features. The applicant provided a list of the remodel work performed prior to opening the daycare facility. The facility is currently licensed with the State of Oregon Child Care Division, and features the upstairs as an infant area, and the downstairs catering to the 2-year-olds and up. The applicant provided photographs of the building. The appearance is that of a conventional residence. With this application, the applicant indicated no plans for any further remodeling at this time.
2. With respect to the building code, it is unclear whether or not the daycare can continue under the same R-3 residential occupancy as the duplex. This hinges in part on whether or not the facility qualifies as a “family child care home” as defined in the 2010 Oregon Structural Specialty Code. That definition may require that there be someone living on the premises, even if they are not the primary care giver. No one is presently living at this residence. If an R-3 occupancy is not an option, then the space would be classified as an E (Educational) or I-4 (Institutional) occupancy. This hinges upon whether or not the facility provides care to more than 5 children under 2 ½ years of age. The application is unclear on this point. In either case, with an E or I-4 occupancy the existing structure would need to be assessed for building code compliance as there are different construction standards that apply under these occupancy classifications than those that applied when the duplex was constructed. This would include a review of the adequacy of the firewall between the duplex units and of the fire suppression sprinkler system.
3. Modifications can be made to a structure to bring it into conformance with building codes, so the Commission finds that it is reasonable to defer compliance to a condition of approval. While it is unlikely that any required modifications would alter the size or height of the building, it is prudent to stipulate that a subsequent conditional use application would need to

be submitted if such is the case, since the Commission cannot find “as yet to be determined” changes to be in compliance with this criterion.

4. Lastly, considering that the daycare is currently operating it is appropriate to establish a deadline by which all of the conditions are to be met. The Planning Commission concludes that six months is a reasonable timeframe.
5. Given the above, the Planning Commission finds that the use of the dwelling as a daycare facility is consistent with the overall development character of the neighborhood with the conditions noted.

### **OVERALL CONCLUSION**

Based on the application material, the Planning Staff Report, and other evidence and testimony in the record, the Planning Commission concludes that the above findings of fact and conclusions demonstrate compliance with the criteria for a conditional use permit found in Section 14.34.050 of the Newport Municipal Code (NMC); and, therefore, the requested conditional use permit for the daycare use can satisfy the approval criteria for a conditional use and is hereby approved with the imposition of the following conditions of approval:

- 1) Approval of this land use permit is based on the submitted written narrative, and plans listed as attachments to this report. No work shall occur under this permit other than that which is specified within these documents. It shall be the responsibility of the property owner to comply with these documents and the limitations of approval described herein.
- 2) The property owner shall obtain an occupancy permit, if needed, and make changes to the structure as required to comply with the 2010 Oregon Structural Specialty Code. If the applicant must modify the size or height of the building in a material way in order to comply with the structural specialty code standards, than a conditional use permit shall be submitted to establish that the changes are consistent with the overall development character of the neighborhood.
- 3) The property owner shall dedicate a public access and utility easement at a width acceptable to the City Engineer, covering that portion of NE Lincoln Street that is not within the public right-of-way.
- 4) The property owner shall provide at least four off-street parking spaces to serve the daycare use. One of the parking stalls must be an ADA van accessible space, and all of the spaces are to meet specifications for the construction of off-street parking and associated drive isles outlined in the Newport Municipal Code.
- 5) All conditions of approval shall be satisfied within six months of the effective date of the final order approving the daycare facility.

**PLANNING STAFF MEMORANDUM**  
**FILE No. 3-Z-14**

- I. **Applicant:** City of Newport (initiated by Newport City Council on September 2, 2014).
- II. **Request:** The request before the Planning Commission is to review and to provide a recommendation to the City Council on proposed legislative text amendments to the Newport Municipal Code (NMC) Chapter 10.10 (Title X) to allow electronic message signs in public zoning districts. The current ordinance for electronic message signs limits them to commercial and industrial areas excluding marine districts and Nye Beach (Ord. #2037, 6/4/12). Agate Beach has a separate sign code that does not permit electronic message signs. No changes are proposed to the Agate Beach code.
- III. **Findings Required:** For this legislative action the Commission must find that the changes further a public necessity and are in keeping with the general welfare of the community.
- IV. **Planning Staff Memorandum Attachments:**
- Attachment "A" – Mark-up Copy of Title X, Newport Municipal Code Showing Proposed Revisions
  - Attachment "B" – Notice of Public Hearing
  - Attachment "C" – Planning Commission work session minutes for 9/8/14
  - Attachment "D" – Zoning Maps for the City of Newport
- V. **Notification:** The Department of Land Conservation & Development was provided notice of the proposed legislative amendment in accordance with the DLCDD requirements on October 3, 2014. Notice of the Planning Commission hearing was published in the Newport News-Times on October 31, 2014 and provided to Cindy and Mark McConnell, Ryc Cyr, and Deane Bristow, all of whom had requested notice. See Planning Staff Memorandum Attachment "B" (Notice of Public Hearing).
- VI. **Comments:** As of November 5, 2014, no comments have been received from any of the affected parties.
- VII. **Discussion of Request:** The Oregon Coast Council for the Arts (OCCA) is interested in installing electronic message signs at the Performing Arts Center. The signs would replace existing display panels at the corner of Olive and Coast Street that house painted signs, which are swapped out manually. The Performing Arts Center property is under a P-1/"Public Structures" zoning designation. Title X of the Newport Municipal Code, which contains the City's sign regulations, does not allow electronic message signs on public zoned property.

The City amended its sign code in 2012, at the request of ThomasFox Properties, LLC, to allow electronic message signs in certain commercial and industrial zones (Ordinance #2037). This allowed an electronic message sign to be installed at the new Walgreens store at the intersection of US 101 and US 20. Electronic message signs have since been installed at other commercial locations along US 101. Ordinance No. 2037 does not allow such signs within marine zones (e.g. the bay front) or inside the Nye Beach Design Review District. This limitation was imposed by the City Council following public testimony in opposition to such signage. The Performing Arts Center is within the Nye Beach Design Review District.

On August 18, 2014 the City Council considered OCCA's request that staff provide a report with recommendations outlining the steps it must follow to allow electronic message signs at the Performing Arts Center. After considering the question and testimony, including background information on the non-conforming electronic message sign at the high school, the Council determined that it was in the public interest to initiate the necessary amendments to the Newport Municipal Code and referred the matter to the Planning Commission for a recommendation.

The Planning Commission held a work session on September 8, 2014 (See Planning Staff Memorandum Attachment "C"). The Commission reviewed the materials that were before the City Council and determined that it would like a draft set of amendments brought forward that would allow electronic message signs on publicly zoned property in the same manner as they are allowed on commercial or industrial properties. Further, the Commission expressed an interest in seeing the changes in draft form at a public hearing where it could take public testimony.

A mark-up copy of Title X to the Newport Municipal Code is enclosed for the Commission's consideration (See Planning Staff Memorandum Attachment "A"). It has been restructured to include a subsection that is specific to public zoned properties. Similar subsections already exist for commercial/industrial/marine districts, and residential districts. Existing sign code provisions for public zones are scattered throughout Title X. These same provisions arguably apply to all signs outside of public rights-of-way, irrespective of where they are located, creating conflicts between competing provisions. Those conflicts have been eliminated. The proposed standards for electronic message signs on public zoned properties are the same as those currently in existence for commercial and industrial areas with the exception that they are not prohibited within the Historic Nye Beach Design Review District. Minor housekeeping amendments are also proposed. An explanation for each change is included in the draft.

At its September 8<sup>th</sup> work session, the Commission raised questions about how electronic message signs within road rights-of-way would be handled. The sign at the Performing Arts Center is substantially outside of the right-of-way; however, City of Newport entry signs on US 101 and US 20 are within state highway right-of-way. The current sign code prohibits electronic message signs within rights-of-way unless they are installed by the government entity with responsibility for the right-of-way (ref: NMC 10.10.040(C)(1)). In such cases, the sign being installed is exempt from the Newport sign code (NMC 10.10.055(A)). Since the City does not have jurisdiction over US 101 and US 20, it cannot install electronic message signs within those rights-of-way. Staff is coordinating with ODOT to identify what options, if any, exist to allow for such signage in the event the Commission wants to take that approach.

VIII. **Conclusion and Recommendation:** The Planning Commission should take public testimony on the proposed amendments and determine if the changes further a public necessity and are in keeping with the general welfare of the community. If, after taking testimony, the Commission determines that to be the case then it can direct staff to bring forward an ordinance encapsulating the changes as an action item for consideration at the Commission's November 24, 2014 meeting.



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

November 6, 2014

**CHAPTER 10.10 SIGNS**

**10.10.005 Short Title**

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

**10.10.010 Purpose**

The purposes of the Newport Sign Code are:

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

**10.10.015 Scope**

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

#### 10.10.020 Prohibited Signs

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

#### 10.10.025 Conflicting Provisions

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

#### 10.10.030 Definitions

The definitions in this section apply in this chapter.

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

October 3, 2014 MARKUP COPY OF DRAFT AMENDMENTS TO TITLE X OF THE NEWPORT MUNICIPAL CODE RELATING TO SIGN STANDARDS FOR PUBLICLY OWNED PROPERTY

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

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

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

**10.10.035 Application, Permits, and Compliance**

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

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

**10.10.040 Signs in Public Rights-of-Way**

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

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

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

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

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

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

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

#### **10.10.045 Prohibited Signs**

No sign shall be constructed, erected, or maintained:

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

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

~~10.10.050~~ **Height and Dimensional Requirements**

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

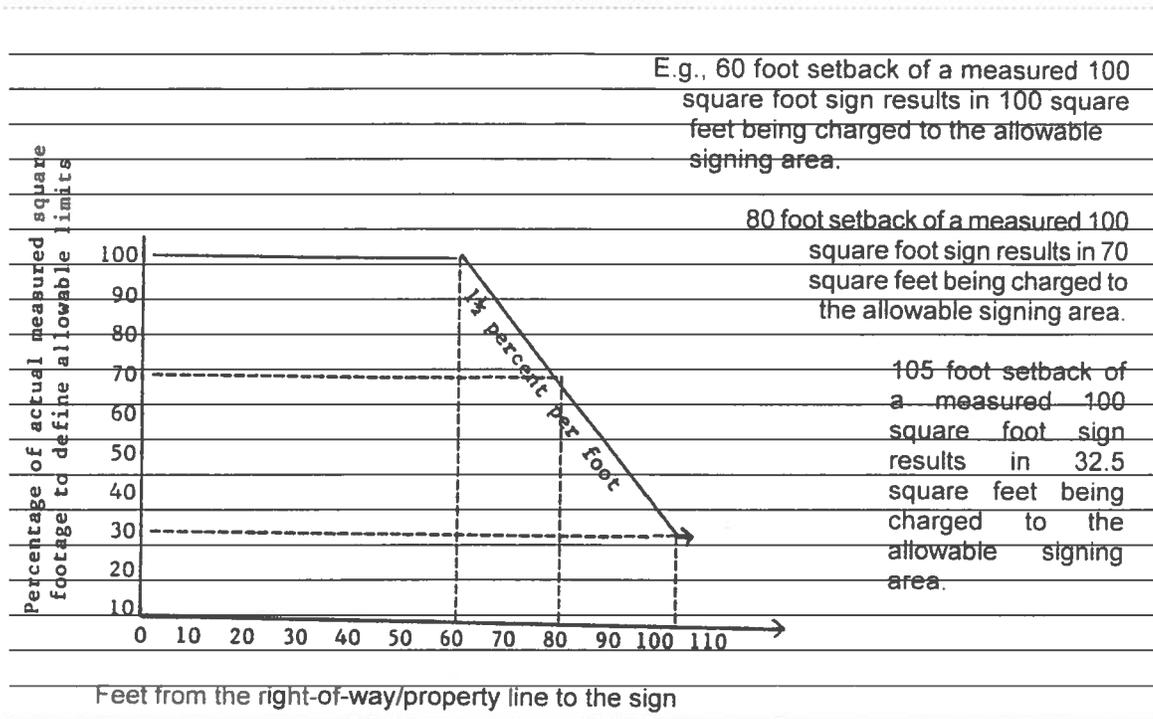
*Staff: For ease of administration, these provisions have been incorporated into the standards that apply to commercial, industrial, and marine districts*

~~10.10.055~~050 **Projection and Clearance**

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

~~10.10.060~~ **Number and Area of Signs**

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



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

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

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

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

**10.10.065055**

**Exempt Signs**

The following signs are exempt from regulation under this chapter:

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

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

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

**10.10.070060 Partially Exempt Signs**

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

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

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

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

#### ~~10.10.075~~ ~~Roof Signs~~

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

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

**10.10.080065**                      **Signs at Subdivision Entrances**

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

**10.10.085070**                      **Vehicle Signs**

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

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

**10.10.090075**                      **R-1, R-2, and R-3 Residential Districts**

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

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

**10.10.095080**                      **R-4 Residential District**

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

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

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

**10.10.10085 Commercial, Industrial, and Marine Districts**

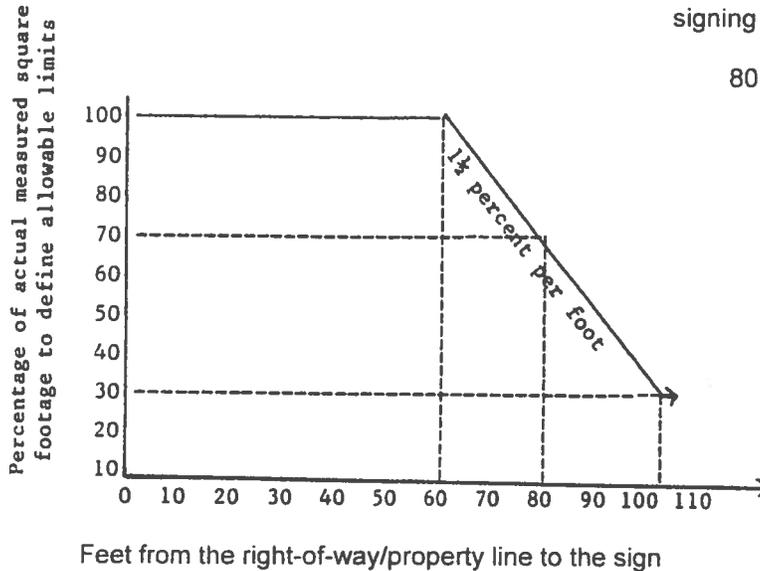
In commercial, industrial, and marine zoning districts, the following signs are allowed:

- A. The maximum total area for roof and wall signs shall not exceed is two square feet of display area for each lineal foot of street frontage ~~of the street~~.
- B. The maximum total area for projecting and freestanding signs shall not exceed is one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size. One projecting or freestanding sign is allowed for each 100 feet of street frontage, unless the property contains an electronic message sign, in which case only one freestanding sign is permitted.
- C. Each street frontage of a business shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than ~~400~~ 200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.
- D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total display area.

- E. Except within marine zoning districts or the Historic Nye Beach Design Review District, electronic message signs on properties with no more than one freestanding sign of up to 20 feet in height, provided the electronic message sign:
1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
  2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
  3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
  4. Is not illuminated during hours the business is closed.
  5. Does not contain or display animated, moving video, flashing, or scrolling messages.
  6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.
  7. Automatically adjusts the intensity of its display according to natural ambient light conditions.
- F. Mural signs.
- G. Each street frontage of a business shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.
- H. Notwithstanding any limitation on total sign area, each separate business is allowed at least 50 square feet of display area.
- I. The maximum display area allowed shall be adjusted based on distance from the nearest property line, using the graph below:

October 3, 2014 MARKUP COPY OF DRAFT AMENDMENTS TO TITLE X OF THE NEWPORT MUNICIPAL CODE RELATING TO SIGN STANDARDS FOR PUBLICLY OWNED PROPERTY

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



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

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

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

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

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

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

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

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

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

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

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

### **10.10.10590 Signs in Shopping Centers**

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

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

calculated separately for each frontage.

~~E. The permit, size, area, and number restrictions do not apply to any signs in shopping centers and multiple business properties that are not visible from the public right of way or adjacent property.~~

E. The provisions of NMC 10.10.085 for signs in commercial, industrial, or marine districts apply to shopping centers and multiple business properties except as modified by this subsection.

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

#### 10.10.095

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

In public zoning districts, the following signs are allowed:

A. The maximum total area for roof and wall signs is two square feet of display area for each lineal foot of street frontage.

B. The maximum total area for projecting and freestanding signs is one square foot of display area for each lineal foot of street frontage. Projecting and freestanding signs having two sides facing in opposite directions shall be counted as having only one face, which shall be the larger of the two faces if not of equal size. Only the larger face of back-to-back signs within two feet of each other and signs on opposite parallel ends of awnings shall be counted towards total maximum size.

C. Each street frontage of a property shall be limited to not more than 2 signs, only one of which may be other than a wall sign unless there is more than 200 lineal feet of street frontage, in which case one additional sign is permitted. Where a property contains an electronic message sign, only one freestanding sign is permitted.

D. Window signs shall not exceed 16 square feet in area. Window signs are not included in the calculation of total display area.

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

1. Is less than or equal to thirty-five percent (35%) of the total allowable sign area per sign face.
2. Displays text, symbolic imagery, or a combination thereof for a period of time in excess of (5) minutes before a change occurs. This provision does not apply to the display of time, date and temperature information.
3. Changes the entire display text, symbolic imagery, or combination thereof within two (2) seconds.
4. Is not illuminated during hours the business is closed.
5. Does not contain or display animated, moving video, flashing, or scrolling messages.
6. Contains a default mechanism that freezes the sign in one position if a malfunction occurs.
7. Automatically adjusts the intensity of its display according to natural ambient light conditions.

F. Mural signs.

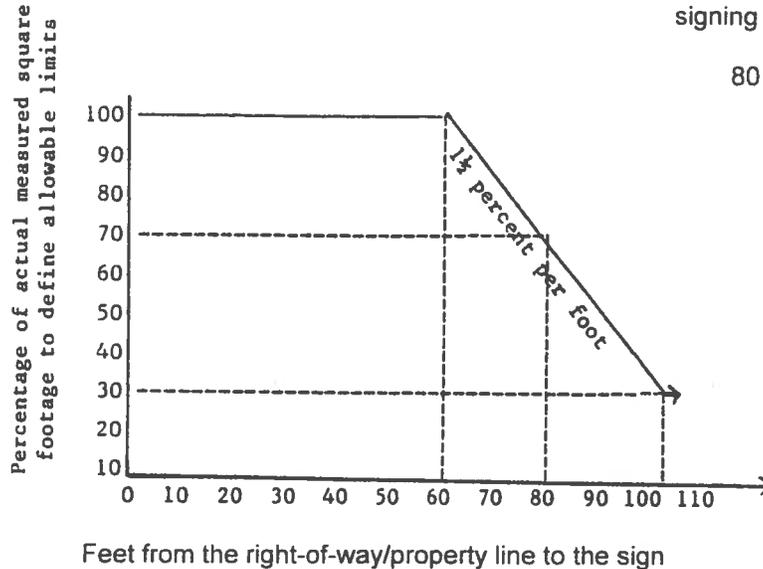
G. Each street frontage of a property shall be limited to no more than 200 square feet of display area for all non-exempt signs other than mural signs.

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

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

October 3, 2014 MARKUP COPY OF DRAFT AMENDMENTS TO TITLE X OF THE NEWPORT MUNICIPAL CODE RELATING TO SIGN STANDARDS FOR PUBLICLY OWNED PROPERTY

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



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

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

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

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

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

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

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

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

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

**10.10.110100 Construction and Safety Requirements**

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

**10.10.115105 Dangerous and Abandoned Signs**

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

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

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

**10.10.120110**                      **Removal of Signs in Rights-of-Way**

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

**10.10.125115**                      **Remedies**

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

**10.10.130120**                      **Nonconforming Signs**

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

or replacement.

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

#### **10.10.135~~125~~125**                      **Content and Interpretation**

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

#### **10.10.140~~130~~130**                      **Variance Requirements**

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

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

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

#### **10.10.145135**                      **Violations**

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

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

### **CHAPTER 10.15    AGATE BEACH SIGN REGULATIONS**

#### **10.15.005**                      **Purpose and Applicability**

- A. This chapter has the same purposes as Chapter 10.10 as well as the following:
1. To maintain and enhance the aesthetic environment and the neighborhood's ability to attract sources of economic development and growth;
  2. To minimize the possible adverse effect of signs on nearby public and private property; and
  3. To enable the fair and consistent enforcement of these sign restrictions.
- B. This chapter applies within the Agate Beach Neighborhood as defined in the Agate Beach Neighborhood Plan adopted on July 6, 1998, by Ordinance No. 1792 to include that area within the area bounded by the Pacific Ocean on the west, the Urban Growth Boundary (UGB) on the north and east and the Agate Beach Golf Course and N.W. 43<sup>rd</sup> Street on the south.

#### **10.15.010**                      **Definitions**

The definitions in this section apply to this chapter. Any term not defined in this chapter but defined in Chapter 10.10 shall

have the meaning defined in Chapter 10.10.

- A. **Business frontage**. The lineal footage of a building or portion thereof devoted to a specific business.
- B. **Frontage, primary**. The side(s) of the building facing a street.
- C. **Frontage, secondary**. Any side of a building not facing a street.
- D. **Indirect illumination**. A source of illumination directed toward a sign so that the beam of light falls upon the exterior surface of the sign.
- E. **Shopping center or business complex**. A group of five or more commercial establishments having common parking facilities.
- F. **Sign, abandoned**. Any sign which is located on property that becomes vacant and unoccupied for a period of 90 days or more, or, a sign that pertains to a time, event, or purpose which no longer applies.
- G. **Sign, alteration**. Any change in the size, shape, method of illumination, position, location, material, construction, or supporting structure of a sign.
- H. **Sign, flashing**. A sign incorporating intermittent electrical impulses to a source of illumination or revolving in a manner which creates the illusion of flashing, or which changes colors or intensity of illumination.
- I. **Sign, freestanding**. A sign erected on a frame, mast, pole, or other structure and not attached to any building. See Figure 1.
- J. **Sign, height**. The distance measured from the average elevation of the ground adjacent to the structure that the sign is mounted on or nearest public sidewalk or street curb, when such are adjoining the site, to the maximum height of the face of the sign.
- K. **Sign, nonconforming**. A sign that was lawfully erected but that could no longer be legally erected because of a change in regulations.

- L. **Sign, portable.** Any sign not permanently attached to the ground, a structure, or a building.
- M. **Sign, projecting.** A sign that is wholly or partly dependent upon a building for support and which projects more than 18 inches from such building. See Figure 1.
- N. **Sign, roof.** A sign that is mounted on the roof of a building or which is wholly dependent upon a building for support and which projects above the point of a building with a flat roof, the eave line of a building with a gambrel, gable, or hip roof, or the deck line of a building with a mansard roof. See Figure 1.
- O. **Sign, structure.** The supports, uprights, braces, framework, and other structural components of the sign which does not contain any part of the sign message.
- P. **Sign, temporary.** A sign constructed of cloth, canvas, fabric, plywood, or other light material and designed or intended to be displayed on a temporary basis. See Figure 1.
- Q. **Sign, wall.** A sign fastened to or painted on the wall of a building or structure in such a manner that the wall becomes the supporting structure for, or forms the background surface of, the sign and which does not project more than 18 inches from the building or structure. See Figure 1.
- R. **Sign, window.** A sign that is applied or attached to the exterior or interior of an exterior window or located in such a manner within a building. See Figure 1.

#### **10.15.015 Permit Required**

Except as otherwise provided in this chapter, it shall be unlawful for any person to erect, alter, or relocate a sign without first obtaining a permit for each separate sign from the planning department as required by this chapter.

#### **10.15.020 Exempt Signs**

The following signs and devices shall not be subject to the provisions of this chapter.

- A. Signs erected or maintained by the City of Newport in any

location or by the State of Oregon or the United States of America in the public right-of-way.

- B. Flags.
- C. In a residential zone, a permanent non-illuminated sign not exceeding two square feet.
- D. Temporary signs not exceeding four square feet of display area per side per sign provided the signs are erected no more than 90 days prior to the date of an election and are removed within 10 days after the election.
- E. Temporary signs not exceeding six square feet in residential zones and 32 square feet in area in commercial and industrial zones.
- F. Non-illuminated window signs.
- G. Non-illuminated signs on private property directed to interior driveways and parking areas. Such signs shall be limited to four square feet.
- H. Any sign which is not visible from a public right-of-way or from any property other than the property on which the sign is located.

#### **10.15.025                      General Sign Regulations**

The following general provisions shall govern all signs in addition to all other applicable provisions of this chapter.

- A. **Obstruction by Signs.** No sign or portion thereof shall be placed so that it obstructs any fire escape, stairway, or standpipe; interferes with human exit through any window of any room located above the first floor of any building; obstructs any door or required exit from the first floor of any building; or obstructs any required light or ventilation.
- B. **Vision Clearance Areas.** No signs in excess of two and one-half feet in height shall be placed in the vision clearance areas required by any applicable ordinance, plan or regulation.
- C. **Bulletin or Reader Boards.** Twenty percent of permitted sign area may be allowed as a bulletin board or reader board.

**10.15.030 Signs in Residential Zones**

Signs in residential zones shall conform to the following regulations:

- A. R-1, R-2, and R-3 zoning districts.
  - 1. No portion of a sign may extend beyond any property line of the premises on which the sign is located.
  - 2. Internally illuminated signs are prohibited.
  - 3. One freestanding or wall sign not exceeding 32 square feet and not exceeding five feet in height is allowed for an apartment complex of more than four units, a religious institution, or a school. Any illumination of the sign shall not project onto adjacent properties.

B. R-4 zoning districts.

- 1. The same provisions as the R-1, R-2, and R-3 zone contained in Subsection A apply.
- 2. One freestanding sign and one wall sign per frontage are permitted for conditional uses as part of the conditional use approval. The freestanding sign shall not exceed a height of five feet and one square foot of area per foot of frontage not to exceed 50 square feet. The wall sign shall not exceed one square foot of sign area per foot of frontage not to exceed 50 square feet. For properties with frontage on Highway 101, the height of a freestanding sign may increase one foot for every foot from the center line of the highway to a maximum height of 20 feet, and the area may increase by one square foot for every foot from the center line of Highway 101 to a maximum size of 100 square feet.

**10.15.035 Signs in Commercial and Industrial Zones**

This section applies to signs in commercial and industrial zones.

- A. The number, type, and size of signs allowed on the basis of business frontage shall be placed only on that business frontage, and no building shall be credited with more than

two business frontages.

- B. Two signs per primary frontage are permitted.
- C. Except for mural signs, the total display area of all signs on a single street frontage shall not exceed one square foot for each lineal foot of street frontage, not to exceed 60 square feet. For property that has frontage on Highway 101, the total square footage may increase one square foot for every foot from the center line of the highway, with a maximum total area of 100 square feet.
- D. Portable signs are prohibited.
- E. Illuminated signs shall be shielded so as not to significantly shine onto residential properties.
- F. The following types of signs are permitted:
  - 1. Wall Signs
    - a. Number. Two signs per building primary or secondary frontage shall be permitted for each business, or one sign per frontage per business for a shopping center or business complex.
    - b. Area. Total sign area shall not be more than one square foot of sign area for each lineal foot of primary frontage. In no case shall a wall sign exceed 60 square feet.
    - c. Projection. Except for marquee or awning signs, a projecting sign may project a maximum of eighteen inches from the face of the building to which they are attached, provided the lowest portion of the sign is at least eight feet above grade.
    - d. Extension above roof line. Signs may not project above the roof or eave line of a building.
  - 2. Freestanding Signs.
    - a. Number. One sign shall be permitted per property.
    - b. Area. Signs shall not exceed an area of one square foot for each two lineal feet of street frontage, with a maximum area of 60 square feet per sign. For

property that has frontage on Highway 101, the total square footage may increase one square foot for every foot from the center line of said highway, the total area not to exceed 100 square feet.

c. Placement. Signs shall be placed so that no sign or portion thereof shall extend beyond any property line of the premises on which the sign is located.

d. Height. No freestanding sign shall exceed five feet above grade. For property that fronts Highway 101, the height of the sign may increase by one foot for every foot from the center line of said highway, but in no case shall the height exceed 20 feet.

3. Awning Signs.

a. Number. Two signs shall be permitted for each business frontage in addition to the allowed wall signs. Such signs may be attached to, painted on or suspended from the awning.

b. Area. Awning signs shall be counted toward the permitted aggregate sign area for wall signs. Signs on the ends of awnings shall be counted as one sign as long as the faces are parallel and opposed to each other.

c. Projection. Signs may not project beyond the face of the awning.

d. Clearance above grade. The lowest portion of a sign attached to an awning shall not be less than seven feet, six inches above grade.

4. Illuminated window signs, such as neon signs, are limited to two per primary building frontage. The sign must be placed inside the building and shall not be directed to residentially zoned property. The total area of such signs is limited to ten square feet per primary business frontage.

5. Mural signs.

10.15.040 Nuisance Signs

The following signs are public nuisances:

- A. Flashing signs visible from a public street or highway right-of-way.
- B. Illegal signs.
- C. Temporary signs that have remained in place beyond a temporary basis.
- D. Signs in a dangerous state of repair.
- E. Abandoned signs.

#### **10.15.045 Nonconforming Signs**

The alteration of the size, shape, or location of any existing nonconforming sign is prohibited unless the alteration brings the sign into conformance with this chapter. Damage to or replacement of nonconforming signs may be repaired or replaced if the cost of the repair or replacement is less than 50% of the value of the cost of replacing the sign with a conforming sign.

*(Chapter 10.10 and 10.15 adopted January 7, 2008, by Ordinance No. 1943; effective February 7, 2008)*



**CITY OF NEWPORT  
NOTICE OF A PUBLIC HEARING**

The Newport Planning Commission will hold a public hearing on Monday, November 10, 2014, at 6:00 p.m. in the City Hall Council Chambers to consider text amendments to Title X (Signs) of the Newport Municipal Code that create standards for the placement of electronic message signs on public properties. Existing provisions for signs have been clarified and consolidated, and a new subsection created that is specific to public-zoned lands. Pursuant to Newport Municipal Code (NMC) Section 14.36.010, the Commission must find that the change is required by public necessity and the general welfare of the community in order for it to make a recommendation to the City Council that the amendments be adopted. Testimony and evidence must be directed toward the request above or other criteria, including criteria within the Comprehensive Plan and its implementing ordinances, which the person believes to apply to the decision. Failure to raise an issue with sufficient specificity to afford the city and the parties an opportunity to respond to that issue precludes an appeal, including to the Land Use Board of Appeals, based on that issue. Testimony may be submitted in written or oral form. Oral testimony and written testimony will be taken during the course of the public hearing. The hearing may include a report by staff, testimony from the applicant and proponents, testimony from opponents, rebuttal by the applicant, and questions and deliberation by the Planning Commission. Written testimony sent to the Community Development (Planning) Department, City Hall, 169 SW Coast Hwy, Newport, OR 97365, must be received by 5:00 p.m. the day of the hearing to be included as part of the hearing or must be personally presented during testimony at the public hearing. The proposed code amendments, additional material for the amendments, and any other material in the file may be reviewed or a copy purchased at the Newport Community Development Department (address above). Contact Derrick Tokos, Community Development Director (541) 574-0626 (address above).

***(FOR PUBLICATION ONCE ON FRIDAY, OCTOBER 31, 2014)***

**Wanda Haney**

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**From:** Wanda Haney  
**Sent:** Thursday, October 30, 2014 12:16 PM  
**To:** Cindy&Mark McConnell; 'home9front@charter.net'; 'ryc.cyr@gmail.com'  
**Subject:** Planning Commission public hearing on sign code amendment for electronic signs.

FYI. The public hearing before the Planning Commission regarding the sign code has been moved up to 6:00 p.m. (instead of 7:00) on Monday, November 10<sup>th</sup>.

Thanks,

*Wanda Haney*

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City of Newport

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MINUTES  
City of Newport Planning Commission  
Work Session  
Newport City Hall Conference Room A  
September 8, 2014

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

**Citizens Advisory Committee Members Absent:** Suzanne Dalton and Dustin Capri (*both excused*).

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

**Guest:** Wendy Engler (Nye Beach Design Review Ad Hoc Work Group member).

Chair Patrick called the Planning Commission work session to order at 6:02 p.m. and turned the meeting over to CDD Tokos.

**A. Unfinished Business.**

1. Update on progress of the Nye Beach Design Review Ad Hoc Work Group. Tokos noted that included in the packet was some information about where the ad hoc committee is at. He noted that the two Commissioners who sit on that committee are present; and Wendy Engler, a member of the Ad Hoc Work Group, was also present. Tokos said the group is progressing. There are different points of view and perspectives; as we knew when the group was put together. Tokos said the boundary piece has been more or less addressed; and they have discussed height, mass, and architectural guidelines. SERA Architects were brought in to help the group understand how architectural guidelines can be used to influence the design in Nye Beach. SERA gave a presentation and heard from the group. SERA put their recommendation in a memo, which the group will dig into at their meeting on September 18<sup>th</sup>. Tokos believes that then there will be two to three meetings to formulate the group's recommendation to the Planning Commission. He hopes to mock up something by putting into baskets what can be done near term and what issues come out that we can't handle now but warrant further discussion. Tokos said the work that SERA did has been helpful. It gave the members an understanding of design standards. Tokos said that one thing he can do is bring back a more coherent set of standards so people understand what is being asked of them; not the wholesale changes some people want to see, which will end up in a basket for later on. Tokos said there was discussion to further restrict the size of buildings to force a more cottage-style development as opposed to buildings with larger mass with architectural treatments used historically. Historically you see big and small buildings. What's there today is not what was there in 1920. Part of this is getting our heads around what we see as the character of Nye Beach; it's not what it was in the 20s. It's the aspects of the architecture that are there; including more modern developments such as Archway Place. Croteau asked if SERA will stay with the process. Tokos said this was all they were to do. It was a really targeted piece. If there's another round with another basket, there may be the discussion at the Planning Commission level whether far more detailed analysis is necessary. Then there can be the discussion with the City Council of how to fund it. Franklin noted that historically there have been very large structures in Nye Beach like the Sylvia Beach Hotel and the Nicolai if we do go forward in keeping with the character. He thought that the point system SERA brought up is brilliant if we can capture that where a development has to meet a certain point scale.

Hardy asked if anyone has thought of taking a survey of all property owners. Franklin felt that the side that is for the current guidelines hasn't had a voice yet. That's not the voice we are hearing. Tokos said folks on the other side are the ones that showed up at the public hearing and told the City Council some work needs to be done. Hardy asked if that really represents the people down there and wondered if there had been thought of an outreach. Tokos said that's a good point. It's not been done yet. There's not a current set of questions to be posed. Hardy said with HOAs they try to get everybody to express an opinion even if it's confidential. Franklin said maybe a letter being sent out asking for input from every property owner is a good idea. Tokos said we would have to give some thought of how to do it. Typically you get more feedback when there's structure to what you are asking rather than having it open-ended. He said maybe at a point of time moving forward with the actual changes we can say: "Here is what we did. Here are the near-term recommendations and some long-term needs that we haven't made changes for. What do you think of the near-term recommendations and out of the long-term, what is the most important to you?" Patrick agreed that we have to give them something to look at in order to get their opinions. He said Nye Beach has two separate things running at the same time; commercial and residential needs. Engler thought that because it's mixed-use, some will overlap. Patrick said there are some weird rules that were made, which drives some things in commercial. It is Nye Beach trying for whatever it's trying for. Those that live in the neighborhoods around the commercial are totally on a different page than everyone else. He said that is why he's having a hard time picking out what we can do there. Croteau felt that we need to keep the urban design people involved all the way through. It's an outside opinion, and both sides will respect what they have to say about options. He thought these people did a good job. He suggested maybe keeping them involved.

Franklin also liked SERA's recommendation about a step down with commercial, light commercial, and residential; which is kind of how it's set up but set some boundary that guides that environment in the future. It's not historical Nye Beach where as far as size and mass, they were all over the place. Engler said the most traditional dwelling may have been a tent. Hardy said that she remembers the pup tents and the little Blue Bonnet Cottages. She said it has come a long way so be careful of what you refer to as the character of Nye Beach. It has changed dramatically and has had a wide swing. Branigan asked what percentage of houses there are owner-occupied. Patrick said it's a big district. Branigan said it might not be a vacation rental but just rental units. If you are dealing with commercial versus homeowners, people who own and occupy their homes will have a totally different opinion of what to do. Croteau said we have to listen to them and try for a consensus. Branigan said if it's not owner-occupied, they will just want to maintain what it is. Berman said that in order to get any kind of consensus, you need to have something to start with to discuss. You could talk about the general look and feel, but you have to have something on paper. Hardy added, objective criteria. Berman said have alternatives and have it written down. Croteau agreed, something to respond to; not an open-ended survey. Engler said that one thing that Mike Shoberg did originally was have a visual preference survey. It's a good way to get people thinking about design and do you want this or this. She said that maybe Eric Ridenour could do that. Tokos thought that visuals are critical for design issues. He noted that the work group has been working off visuals all the way.

Tokos said as far as next steps, the work group is meeting again on September 18<sup>th</sup> to go through SERA's memo. At that meeting, the exercise will be to decide what they think we can deal with near-term versus what goes into the longer-term basket. The work group will put together some recommendation in the next couple of meetings to deal with the near-term issues and try to prioritize the long-term into relative priorities; or maybe they will just tell the Commission that the group couldn't come to a consensus on some issues. Tokos will bring that recommendation back to the Planning Commission in a work session. Maybe we can pick up the conversation about at what point a survey would be appropriate, if it's even necessary for the near-term, or maybe just for the long-term as we prepare for the next round. Berman asked what the end product is. Tokos said it will be some changes to our guidelines and code in Nye Beach and the boundary of the district. There will be a zoning map amendment and a package of changes to the Nye Beach design review code. Patrick said the purpose is to get a better set of standards that the Commission can make decisions on. It's a little vague right now. He noted that the Moon Shadow development failed on its own merits. For Archway Place the Commission did a variance for filling in a stairway, but everything else met our standards. With better standards, the developer can make a decision with pretty good certainty of making the project fly. Tokos said some of this is not controversial; it's just cleaning up the code so it's easier to apply. Developers and property owners will know what standards apply and what they need to do for their development. It will put some guidance so when the Planning Commission is faced with something controversial, you'll know how you should be going about deciding it. It will put some meat behind it and be less fuzzy. Tokos said there are bigger issues too. The building mass piece is one of the biggest ones; and he doesn't know if there is a consensus. Franklin said that he agrees that the building owner should be the ones that have a voice in that. Tokos said if we make changes that further restrict the use of their property, we have a legal obligation to notify them. Engler noted that they were contacted for the December hearing. Tokos said if we push forward with changes further restricting the uses or the building size, we will send out notices saying "here is what we are proposing."

Patrick said that he feels the Nye Beach guidelines have made the area viable. Prior to that, in order to build you had to combine lots. If a structure burned down, it was gone. As a side benefit, it made Newport meet the density standards for the state. We are still meeting that because of what they are doing in Wilder. He doesn't want to lose our ability to do that. He thought the guidelines did a good thing down there.

Tokos said the process is going slower than we thought it would. The work group is being deliberate, and everything is being sorted through. Berman asked if in the whole effort is there any relationship between the level of effort and what goes into the "can do right now" list. Is the part we can't get to right now because of content? Tokos said it's both. He said there is some general consensus. There's a level of effort beyond what we can do right now. Others might be more content; and there's just not a consensus. Tokos said it will be how he packages it to the work group so they can deal with it in an organized way and provide feedback up to the Planning Commission. Engler thought that after the meeting on the 18<sup>th</sup>, the group will probably know a lot more and should be able to have a few more ideas of where they want to go from there. Tokos said he is hoping for three meetings for the group to wrap it up and move it on to the Planning Commission.

## **B. New Business.**

1. Grant request for funds to develop strategies for promoting the construction of student housing. Tokos said he is getting requests for quotes out, which are being reviewed by Lincoln County and OSU. This effort is moving forward. It will be targeted. He noted that many of the Commissioners had been involved in the housing work the City did in 2011. He said that 500 students at OSU wasn't on our radar at that time, and it isn't clear what that would mean to our rather limited housing supply (at least rentals). Tokos said that one reason this is being pushed really hard from the County is that they want to get in front of this as OSU faces the Legislature for funding. As they approach the Legislature and are asked how they are dealing with housing, what they would like to be able to say is "here is how." "Here are the targeted areas." In more technical means, we would be developing some map amendments to build inventory and new policies in our Comprehensive Plan. At some point we would

take it through the legislative process. It's not going to happen by November. We are starting from scratch. We can get to the point where we have a draft that could be circulated with the Legislature and formed into a plan later in January.

Patrick asked if this is a research grant to develop strategies. Tokos said the City will hire a consultant like ECO to research what strategies have been used, partnerships being done, and incentives implemented to drive private investment in multiple-family development. He gave an example of Eugene, which waived property taxes for six years for multi-family development. These are things being done to create this kind of housing. Patrick said this is supposed to be student-driven; but the vacancy rate in Newport is zip. Franklin asked if this housing would be dedicated just to students. Tokos thought both student and incentivized multi-family in general. Hardy asked if Tokos knew of any colleges that contracted to pay rents where they guarantee rents and will collect it from the students so you don't have the risk factor perception. Engler asked if these students are going to be graduate students. Croteau said that we need to get the demographics. What's it going to be; mixed, single, married, small families? He suggested talking to the planning department in Pullman. They experienced student increase of 1,000 a year. They did develop pretty good student housing at the edge of the campus. It was private developers in conjunction with the university; there was a partnership. Tokos said that is what this study will explore; a dynamic. Croteau said the planning was good. They had a consolidated parking area, a community center, public transportation, bike racks. They took a holistic look. Somebody looked at it. Some was on university land. Tokos said that can be seen at most of the larger universities. Croteau said they have looked at some mechanism to do this. Patrick said that OSU wants to get what student housing they have now out of the tsunami zone. If it's just for daytime use is not as big a deal.

Franklin wondered where there is any land in Newport for this. Berman said that the City has a buildable lands inventory and asked if the County does. Tokos said probably not as up-to-date as ours. He said but realistically the housing is going to be in the city. Franklin said it makes sense to have it on the South Beach side. East said the Wilder piece is one area. Tokos said that he is pretty sure they will identify that as one of the sites. East asked what ever happened to that 200-unit apartment complex that Slaydon was going to do on NE 35<sup>th</sup> Street. Tokos said that he hasn't heard from them in a while, but that is another area. Branigan said that he assumes OSU isn't building a dormitory. He thought a lot of the students would be undergraduates. Croteau didn't think it was a big enough program to support undergraduates. Branigan said that his niece is among fifty of them that are coming to study at Hatfield. Tokos said that's another question, how long will they be here; a semester at a time or two years. Croteau said you won't get freshmen. Engler said they can't all be in one place. Tokos said, assuming it's university-controlled housing; a dormitory. Hardy said, or they contract with the private sector for income guarantee. Franklin said the Embarcadero would be a good place to house them. Patrick said there would probably be 150-200 professors as well, and those people don't move around. Branigan said some would commute from Corvallis. Tokos said it will take time for them all to get here. Croteau said the more it's centralized, the more there is a need for services in that location. East said that Wilder is the closest thing to that. Landwaves wanted to do apartments, but it just wasn't cost-effective. But, if they were getting some additional student funding, it would make it more so. They are building those micro-small houses at 800-900 square feet a pop. The question was asked about Wilder's commercial area. Tokos said Landwaves is trying to get a coffee shop in where the dog park is at. Engler said if you are thinking outside the box, there could be some really cool development in the city center. It would be like with old warehouses in Seattle. She noted that from the top of the Mazatlan building there are terrific views.

Tokos said there will be an advisory committee pulled together. It would be good to have Planning Commission representation on there. He would like to get at least one. Patrick said that he wouldn't mind being on it. Croteau said that he wouldn't mind as soon as he is finished with the Business License committee. Franklin expressed interest. Tokos put Franklin and Croteau on this committee and hoped that Hardy would consider it from the rental property side.

2. Amendments to Title X of the Newport Municipal Code to allow electronic message signs on Public-zoned property. Tokos noted that this had been kicked down to the Planning Commission from the City Council. Patrick said it started from the downtown wanting to put a message board at the corner there at the intersection by the light, and it was decided that would be a bad place to have a sign with those optics. Now the PAC would like to have something. If so, we would have to make it so these signs can be on Public-zoned property. If the Chamber of Commerce wanted to, they are in a Public zone. Tokos said that is why the Chamber doesn't have one. They updated their sign, but electronic message signs weren't permissible there. Croteau asked what was behind this. Tokos said he didn't think there was a driving desire for it. This context didn't come from the public; it came from Walgreens just asking for it in Heavy Commercial. The Planning Commission said if we tackle this issue, we will open it up to a range of properties, but not others; and specifically not in Nye Beach or the Bay Front, which that part came from the City Council. The general consensus was that it may be a good thing, but the philosophical piece was how to allow these signs. Tokos had taken videos from different jurisdictions showing what it looks like at night so the Planning Commission had a chance to see; especially when considering the timing. The Commission put in 5-minute change time, no flashing or blinking, and off when the business is closed. There were a number of different standards. These signs were also used as an incentive to reduce the height of monument signs, and only one free-standing sign is allowed. So there were some tradeoffs.

Croteau said that he's not thrilled about commercial signs, but he sees public good from informational signs at the PAC and the Chamber. They can't change plywood signs all the time. Advertising what they are offering at the Pac and a summary of the

Chamber events is in the public interest to the citizens and the tourists coming through. He sees it useful to the public for that. Tokos said the City Council did too; and that is why they directed this down. They also recognized that you can use tradeoffs. Tokos said we had 40 different temporary signs for the quilt show. Which raises the question, can we also reduce sign clutter by doing this. With temporary signs, staff needs to be making sure they are not being placed where they obstruct pedestrian traffic or are causing problems for vehicles; which with 40 is a pretty stiff burden.

Franklin asked if the sign at the PAC would be where it is existing. Tokos said probably within the same sign area. He said just visualize a similar border with an electronic board. Franklin wasn't sure he liked it in Nye Beach with the bright light. He said that if you are replacing the sign, make it something more inviting. He suggested something on the front of the PAC like at movie theaters; boxes where they have a poster inside and a reader board below giving the time and dates, and it's out of the elements. He said there's still the question of who is going to maintain it. Tokos said that would have to be sorted out; but he's unsure that has to be resolved for the sign code. This is more time, place, and manner. That is what we are charged with.

Berman said with a sign like Walgreens' in front of the PAC, how do you pare that back and make it Nye Beach specific. What about height and length on other public property like the high school. Can you make those kinds of distinctions? Tokos said that is time, place, and manner. As long as we stay out of content because that would be a violation of free speech. Tokos said it is tricky. You would have to tie it to something you are trying to accomplish in the Nye Beach design review. East said that Walgreens' sign outside of the framework is not really that big. Maybe use a different color for down in Nye Beach. He thinks it's a benefit too.

Engler asked if anyone has seen an alternative to the standard electronic-looking signs; something that you get the changing events but doesn't look so much like a regular electronic sign. Branigan said there are those electronic billboards that use LED lights. Tokos said there is not a whole lot from the industry that shows variation in these electronic message signs. Patrick said a lot of them are like Walgreens' or the LED billboards. There are some other ones that are really old-school black and white signs with chunky-style graphics still floating around. He said that his problem is how much Nye Beach is going to buy into having a lighted sign at the end of Nye Beach without asking first. He can see the Port and the Chamber having them as long as they are not high. The PAC is the one that asked about it; but he wants to ask the residents first. Franklin thought if the sign were against the building, people would pull into the parking lot to investigate and look. Croteau said the corner location is good because of the cross streets. If it were on the building, it would have to be large enough to see.

Tokos said if the Commission is comfortable with the standards put in place for commercial zones already adopted with the specific parameters, it's relatively straightforward to work into an allowance on Public-zoned land and set a hearing and send notices out to Nye Beach specifically. He said specifically for the PAC, you would set parameters for it. Invite the community to come in and testify. Make it clear that no decisions will be made at that meeting. Patrick said that would at least give a starting point. He thought we also need to cover the other bases; one is the PAC, but also the Chamber and the Bay Front. He thought the Port could use a sign listing who's selling what down there as opposed to sandwich boards. They could rent space out on it. Patrick said the other location is the entry signs that Newport has. Croteau said it sounds like we have to revisit it in a broader context. Tokos said a recommendation the Commission may want to send up to the Council that they may want to address contractually rather than in the code is if you have an electronic sign on 101 or 20 frontage, you have to agree to no temporary signs for this event. He would suggest doing it that way as opposed to putting something in the code to control electronic signs for public outreach. It gets convoluted putting it in the code. That is, if this is an option the Commission wants to do. Patrick said maybe with one caveat in the situation of directional signs directing people to where the quilt show is; where the recreational center is. Tokos said it seems like most acting troops put up temporary signs on the highway to advertise their plays. Those would go away. Tokos said there has been some discussion about having an electronic message sign at City Hall. That would be more appropriate than city center. Patrick asked if we also want to make it a conditional use and have a hearing on it before they can put the public ones in. Tokos said it's harder to do a conditional use permit for a sign; you have to have standards. It can't be a discretionary decision. Patrick tried to list the entities he could think of on Public-zoned land and talked about the locations. Tokos said that the school district has to do work on their sign at the high school, so it will be good to have something set up in the code. Croteau thought the Commission should bite the bullet and take a look at all Public-zoned properties. He said we should do it now, or we will be revisiting this time and time again.

Tokos said he can take the existing standards and just expand what has already been allowed in order to extend them to Public zones. Have a public hearing. It will be a change to the Municipal Code, which specifies rules for management of public signs. For the PAC there is a public process on what the design is as opposed to Walgreens. It's not that the City is free to do what it wants to, there is public engagement. That will be for the PAC renovations as well, not only the sign. Patrick asked what would the Port do, and what about the Fairgrounds. Tokos said he would think if it's the Fairgrounds, they would try to have US 20 frontage through a partnership.

Croteau said there also needs to be something about how the entry signs are dealt with. Patrick thought that the one on Highway 20 might be in the highway right-of-way. He talked about the locations of the others. Tokos said that he can take a look at that

and bring that back as part of the package so the Commission has the context. It doesn't affect the rule so much; unless there is a prohibition in the highway right-of-way, in which case we would have to write it in.

Tokos said we will go ahead and bring this forward with a notice of hearing for public outreach and noting that there will be no decision that evening but asking the public to please come and share their thoughts.

**C. Director Comments.** Because there was no regular session, Tokos had some updates he wanted to share during work session. He noted that the City Council approved the street vacation in South Beach. We are going forward with the plat for Sunset Dunes that was raised up at the Commission's last meeting. Negotiations are complete; and the final plat is being prepared for recording. It is moving right along.

Tokos had sent out the notice of a Planning Commission training on September 25<sup>th</sup> in Eugene. He hadn't heard from anyone, so he assumed there was no interest. There were no takers.

Franklin asked if Tokos had heard anything about the FEMA 100-year floodplain from our feedback on the LIDAR. Tokos said he's had no formal feedback. They are working on Nye Beach, they will make some changes on 35<sup>th</sup> Street by Neolha Point, and the state is working on stuff in the Big Creek area. It probably will not come back before they release the plans for public comment. What the Commissioners saw before was for feedback from entities. The preliminary draft for public comment is where the Commissioners comments will be captured.

Regarding a new Urban Renewal District, Tokos said the City just wrapped up conversations with the hospital, the County, and the Port; and will have a conversation with the school district in a couple of weeks. Tokos expects to bring back in October what those conversations were. He said it's been very positive at this point.

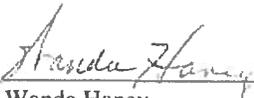
Tokos said that we received a TGM grant we submitted for integrating a local improvement districts code with the land use code, making LIDs more meaningful as a way to fund transportation improvements. The City has collected remonstrance agreements where people agreed to participate if ever a district is formed. The City hasn't formed a district of any size for many years. It's pretty much been a lack of knowledge of how they function; the responsibilities and the tracking. TGM agreed to assist the City in updating the codes and providing informational materials for public outreach. They will be taking a couple of areas for case studies for LIDs and work through it so the City could take it and move along. Tokos said it's encouraging. We had \$15 thousand budgeted, and \$65 thousand is provided from the State. He will be meeting with TGM at the start of the next calendar year and will work on specifics.

Tokos said that the beachfront protective structures will probably come back to the Commission in October.

Tokos noted that the Commission does have a public hearing on a conditional use permit scheduled for the second September meeting. There will probably be some work session items as well.

**D. Adjournment.** Having no further discussion, the work session meeting adjourned at 7:05 p.m.

Respectfully submitted,



Wanda Haney  
Executive Assistant





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Community Development Department**  
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## Zone District Map - South Newport

Aerial Image Taken 2009

Date: November 4, 2014

This map is for informational use only and has not been prepared for, nor is it suitable for, legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its completion or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.



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### Legend

City Limits

Urban Growth Boundary

### Newport Zoning

#### Zone

C-1 Retail and Service

C-2 Tourist

C-3 Heavy

I-1 Light

I-2 Medium

I-3 Heavy

P-1 Public Structures

P-2 Public Parks

P-3 Public Open Space

R-1 Low Density Single-Family

R-2 Medium Density Single-Family

R-3 Medium Density Multi-Family

R-4 High Density Multi-Family

W-1 Water Dependent

W-2 Water Related



# Memorandum

To: Newport Planning Commission  
From: Derrick Tokos, Community Development Director   
Date: November 5, 2014  
Re: Newport Student Housing Ad-Hoc Work Group

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The City of Newport, Lincoln County, and Oregon State University are working with the consulting firm ECONorthwest to identify properties suitable for the construction of student housing and strategies that can be pursued to finance construction of the units. We are also evaluating opportunities to promote the construction of multi-family units generally. This is in support of the University's effort to increase enrollment at the Hatfield Marine Science Center from 50 to 500 students over the next 10 years. The product of this planning effort will be used by the University to address questions that will arise as it seeks funding from the Oregon Legislature for about half of the \$50 million it needs to build a new 100,000 square foot classroom/research building, which is the first phase of the expansion effort.

Attached are the minutes from the first stakeholder meeting in late October along with a memo from ECONorthwest that will be reviewed at the group's second meeting on November 5<sup>th</sup>. A third and final meeting will be held on November 19<sup>th</sup> at 3:30pm in City Hall Conference Room A (by the Council Chambers). The meetings have been open to the public.

While she could not attend the first meeting, Bonnie Serkin with Wilder has been participating as a member of the stakeholder group. Other stakeholders are listed in the meeting minutes that I have enclosed.

This planning project will likely lead to recommended changes to the Housing Element of the Newport Comprehensive Plan, which will need to be implemented in the early part of 2015.

### Attachments

Minutes from the 10/29/14 Stakeholder Meeting  
ECONorthwest Memo, dated 11/3/14

**MINUTES**  
**Housing Study Committee Meeting**  
**Conference Room "A"**  
**Wednesday, October 29, 2014**

**Ad Hoc Members Present:** Dave Craig of Housing and Dining Services in Corvallis with Oregon State University; Richard Townsend, Planning Director with Lincoln City; Larry Lewis, City Planner for Depoe Bay, Waldport, and Yachats; Lee Hardy, owner of Yaquina Bay Property Management; Bob Cowen, Director of Hatfield Marine Science Center; Maryann Bozza, HMSC; Jim Lewis, Facilities Manager at HMSC; Dan Cutter, Waldport City Councilman and IT Manager for HMSC; Birgitte Ryslinge with Oregon Coast Community College; Lincoln County Planning Director Onno Husing

**Present by Conference Call:** Patrick Wingard of DLCD.

**City Staff Present:** Community Development Director (CDD) Derrick Tokos, City Recorder Peggy Hawker, and Newport City Manager Spencer Nebel

**Consultant Present:** Beth Goodman with ECONorthwest

The meeting came to order at 3:30 p.m. Introductions were made. Tokos noted that there were some materials distributed by Beth Goodman with ECONorthwest, the consultant on the project, which Tokos had sent out by email yesterday. Since that was the primary focus of discussion, Tokos turned the meeting over to Goodman. Goodman said what she hoped to do with her presentation is walk through what's on the agenda: introduction to the project; talk about potential impacts of the HMSC growth on Newport's housing market; give a little update of Newport's buildable lands inventory; discuss potential sites for student housing in Newport based on the criteria she laid out in the memo she sent. She said as the group goes through this and has questions, she would like to stop and discuss it. She noted that she would like to leave at least a half hour to talk about potential sites and those criteria to make sure we are talking about the right thing and to get a sense of what lands in Newport would be appropriate for student housing.

**Introduction to the Project:** Goodman said the purpose of the project is in large part to understand the implication of the HMSC expansion and of student growth as well as faculty and staff growth on Newport's housing market. That's what today's meeting is focused on; and what we really want to get out of this is discussion at next week's meeting about potential strategies to ensure production of student housing. She said that added on to that, we are looking a little more broadly at workforce housing; housing for people who work in Newport. She said she would talk in a few moments about the ranges of incomes that would include. In the end, we want information that the City can take to stakeholders (local and state decision-makers) to either start implementing some policies or to be able to provide the policies that the City is either implementing or could consider implementing.

At this point, Ryslinge joined the meeting.

Tokos felt that what Goodman had put together was a good introduction and covers what the group needed at this first meeting. He said additional details will be fleshed out as we move through the process.

**Definition of Student Housing:** Goodman wanted to start out with a definition of what student housing is. She had some pictures from Craig's website at OSU. One thing student housing can be is university-owned or managed housing. She had pictures of residents' halls; some internal and some external. You go from what she thinks of as typical dorm rooms where you have two persons per room; and then you have what she would consider an apartment where you have four students, and they have private bedrooms and shared bathrooms and other shared facilities. She showed a lot of them that are five-stories tall; but in some cases, these residents' halls can be smaller. Goodman said they can also be private housing. This could be housing that is privately-owned and managed, or it can be privately-owned and possibly managed by OSU. She showed some examples of what they have in Corvallis where you see a couple of examples of new townhouses. These are typically five-bedroom, three-bathroom, and double-car garage sort of things. She was talking to some people in Corvallis the other day about housing and what's happened with the tremendous growth in students at OSU the last few years and how that's affected their housing market. She thought that was an interesting thing to discuss a little bit as we go through this. In effect a lot of these townhouses replaced existing more modest single-family housing. They got fairly big units on fairly small lots; and you no longer have that more modest single-family housing either for students or for people who live in Corvallis. That's a big problem in Corvallis. Craig added that the Union, which was the top right photo, and then 7<sup>th</sup> Street Station, which was the bottom right photo, were both built by merchant developers; they developed them and lease them out. He noted that the Union is currently on the market. 7<sup>th</sup> Street Station was acquired by AmeriCampus Communities about eight or nine months ago; it's not branded as ACC yet, but they are heading that way.

For the record, Tokos noted that Husing and Nebel had joined the meeting.

Goodman continued by noting that she had shown some pictures of modest single-family housing in Eugene that she got from the web somewhere. She noted that students obviously also live in single-family housing as well as multi-family housing that's not necessarily designed specifically for students. She said when you are designing or building privately-owned housing, you typically talk about it as being student housing; but there's nothing to keep other people from living in it. People who are not students could technically live there if they chose to; they would just have to want to live with a bunch of students. She said to keep that distinction in mind.

**HMSC Expansion:** Goodman said from what she understands, we're looking at a 10-year plan or expansion over some part of a 10-year period. We're looking at about 400 juniors and seniors of whom 80% or about 300 would be in Newport for one or two terms; and about 20% would be in Newport for the entire school year. Goodman asked Cowen if that is 400 students including the 50 that are here already. Cowen said he thought the target overall is about 500. Goodman asked if he anticipates students who are here for the entire school year being here for the entire calendar year. Cowen said on the one hand, the number they would like to see is termed full-time-equivalent students; so that would be three terms not counting actually the summer. He said they could reduce the load by counting what they have in the summer. By spreading that over, that would actually reduce the number they had here at one time. Cowen was asked if any would actually be commuting from Corvallis given the curriculum. Cowen said there will be a little bit of everything. He said to say that they have at any one time 500 students, probably not a single set of 500; we will probably be looking at 800 students who will be coming over for anywhere from two weeks to three months to six months. It will vary. He said they don't yet have a good handle on that. His goal is if we can build out this bottom line well enough that we would actually have a little more stability for the students that are here because they have the full-time faculty here and all the courses are here on a regular basis; and they can plan for that. If we have more faculty coming out from Corvallis just to teach a course and go back, then you might expect to see a little more turnover for students. Goodman said and then there are grad students and 60 to 75 new faculty and staff that are theoretically here year round. Cowen said a faculty member will typically have one or two staff and maybe two grad students; so we're looking at 20 to 25 faculty. He said that would be on the high end; 60 might be a better number. Goodman said then she would use 60, but that doesn't really change the end result a lot.

Goodman said when you look at the housing needs for these different groups, the part-year students that are going to be here for one or two terms, they are going to be looking for different housing than the full-year students; especially if they are graduate students and undergraduate students that would be staying through the summer. When asked, Goodman explained that there are three quarters to a year so a term is three months and the summer would be a fourth. The question was raised if these students are going to give up their housing in Corvallis and try to re-rent here. Goodman said the issue with the part-year students is if they are in Corvallis for part of the year, they would probably be doing housing through OSU housing. From what she understands, OSU Housing would help coordinate that. Craig explained that currently if students live on campus, they can end their housing contract with OSU without penalty if they are going to Hatfield for the term or two. Currently it's a very easy transition for students to break their relationship with OSU Housing. But, if they live off campus, it's his understanding that sometimes they're locked in a lease; so they're bailing on their roommates or they're paying their rent so they have a bed to go back to when they're done at Hatfield. But that's not just a Hatfield-specific phenomenon; it's very much a Corvallis phenomenon. He said they have students with them that find a place in March for the following fall because that's when the place is available; so they go into a 12-month lease that they will renew. Eventually they are going to graduate and will not need it anymore and have to find someone to replace them in the apartment or break the lease. Hardy said you can't enforce a lease in Oregon anyway; you can walk away from it. It was noted that one of the key issues they have right now in getting students out here is the potential that they would have to maintain their lease there and pick up a short-term here. So this planning perhaps will make it clear that in the year that they may be coming out here, if they were to link up with university housing that it seems they can vacate it and come over here, have their spot, and then go back where they were; and it will be up to university housing to be filling those gaps. That's actually something that would be really important and beneficial. It was noted that OSU is exploring a pretty significant increase in their suite-style housing in Corvallis; housing that's more amenable to upper class students. They already have a fair number of suite-style housing on campus; but hopefully will build more of that apartment-style housing like the photo Goodman presented showing the students in the room. Not to replace their existing stock; just in addition to. Hopefully that will create more capacity for students that are amenable to that kind of housing, which will help that seamless transition back and forth.

Goodman said that, as we have talked about, the housing needs of the part-year students are potentially different than the full-year students. So the full-year students might have more opportunity to live outside of student housing if they chose to. In her opinion that would be the group that would be most likely to compete with existing renters in Newport. We also have quite a number of students that are here in the summer. From what she understands, they will continue to be housed in the existing facilities.

**Potential Impacts on Newport's Housing Market:** Goodman said what they are working from is a combination of information from Newport's housing analysis from 2011, a document done to help the City update its Comprehensive Plan; so some of the data is from there and some they are appropriating and updating. One of the key findings from the housing analysis is that

Newport has a limited supply of multi-family housing. In fact there are about 1700 units of multi-family housing. Between 2000 and 2010, about 560 units were permitted; and about 32% of them were multi-family. An awful lot of those were vacation rentals. Tokos said most of that was vacation rental condo development. Hardy noted that they weren't really developed per se as vacation rentals; if they got used that way that was an evolution. Tokos said that's fair. They were more second homes. Goodman said that between 2011 and 2014, there were about 58 units permitted; and almost all of them were single-family. There were just a few duplexes and a townhouse. One of the other things they have heard in discussing the availability of rental properties in Newport is that the quality and condition of some of the rental stock is an issue for some. So anecdotally we've heard that some of the people who work in Newport choose to live in other communities because they can't find rental housing that is affordable to them that's in a condition that they are happy with. In this example she was giving, this person was a nurse who was unable to find a dwelling that suited her needs. Goodman said that one of the other conclusions is that affordable rental housing in Newport is scarce. So, more than a third of households couldn't afford a two-bedroom apartment. In 2008, HUD's fair market value for rent was \$759. We identified a deficit of units that are affordable to households earning less than \$25 thousand. Also about 51% of Newport renters are cost-burdened; that means they pay 30% or more for their housing. Technically they are living in housing that is unaffordable for them. Sadly, within the context of Oregon that's not an unusually high number; that's about the average for Oregon. Hardy said 30% of your gross for rent is standard and has been for a long time. Goodman said, but above 30%, which is technically unaffordable. She said another one of the other conclusions is that you have a lot of folks commuting from other communities. At least a few years ago, rental costs in nearby communities were lower than in Newport. It seems to have evened out a little bit; so rental costs in some nearby communities are similar to Newport.

**Other Definitions: Housing Affordability:** Goodman said the way HUD looks at affordable housing is as a percent of median family income. In Lincoln County that was \$55,700 this year. So if you're at 30% of median family income, and what you can afford to pay is 30% of your gross income, that's \$420. If you're at 50%, that's \$700; 80% is \$1100; and 120% is \$1600. She said you can see how for people around 30% of MFI that's housing that's usually provided through subsidized affordable housing; not market rate housing generally. There was a question about the figures shown in the middle column. Goodman said she would check those figures because she did this table this morning very quickly; but said you can get the idea that people who are considered low-income are below 50% of median family income. So, less than \$27 thousand a year. It was noted that if you do the quick math, 30% would be roughly \$17 thousand a year; so that's a take-home of \$1300 a month. Goodman said you have to do it before take-home. It was noted that you can see how \$420 would be a significant portion of their take-home. It was noted that the right column is correct; it's the middle column that's off.

**Workforce Housing:** Goodman said when you talk about workforce housing, it's generally housing that's affordable to people between 50-80% of median family income. Sometimes it's 60-80% of median family income. But when you expand that out and talk about workforce housing that's affordable for home ownership, then you're often looking at 120% of median family income. If you're making 120% of median family income and come here to Newport, you could technically afford a dwelling that costs \$200 thousand, which is around the average sales price for housing right now.

You kind of get a sense of what we're talking about. Workforce rental housing ends up being in the \$700 range up to \$1000. If you are looking at 80%, you are looking more toward housing that would be affordable for ownership for workforce. Here we're focusing more on rental housing for students as well as workforce rental housing.

**Questions: What impact will students have on the rental market and rents in Newport? Will student demand be sufficient to generate private sector interest in building student housing in Newport?** Goodman said using the numbers she had before of 500 students and 60-75 faculty and staff, we are looking for demand of somewhere between 200 and 325. It may be closer to 200 to 250 once we look at the numbers again a little bit. But these are new dwellings in Newport; and those will be mostly multi-family. So, those are housing for students. Goodman was asked if the student number was mixing in the undergraduate and graduate students. She said the 200 to 250 is mixing in the undergraduates and graduates. It was mentioned that something important to consider is that graduate students in general are going in with a group of them and renting homes. They're not in general living in multi-family; they are living in single-family housing. That was speaking to their current graduate student population; which you would think would correspond to an increase in that population. Goodman said, depending on how many of them there are to a house, that's somewhere between 25 and 50 dwelling units. From what they have seen, graduate students try to target around \$500 a month apiece with four of them in a unit and combining the utilities. A \$1500 house rent fee. Typically three-bedroom; and then they will turn one into a den. Often there is a couple involved, and they will share a bedroom. Tokos told Goodman that on the new dwelling side he thought we need to see the dynamics with respect to those that are faculty with the ability to actually acquire homes; is that going to be in Newport or elsewhere in the County. There's a certain percentage that will not end up in Newport for their own personal reasons; they may have a spouse that works in Corvallis, kids in school, or they may find more favorable housing prices in other communities in the County. He was wondering with the dynamic of undergrads and a larger number of those, if they have the option for university-managed housing, if that wouldn't be more attractive to them than finding an available unit in Newport. Then there's the mobility question; those graduate students tend to be a little more mobile. They have their own vehicle. They are in a different place in their lives. Husing asked if OSU is prepared to make certain dorm-type buildings; and was told not now. He said then this study is all about those other companies that do that kind of student housing. He said there is so much room up in Wilder by the College. There were some very ambitious

apartment ideas that were put in place by Bonnie Serkin and Will Emery. He said this could maybe be a trigger where they say they'll start to make that happen if we really think there is going to be that kind of persistent demand. Serkin and Emery or somebody else might want to do something out there. OSU said that is already some conversation they have had; and that will probably come up later in this discussion. There are the options of totally private-built housing with the university taking the lead all the way to the university building and leasing back to someone else. A lot of this discussion is formulated around showing what kind of demand there is likely to be; so we can give developers, partners, and the City a good idea of the impact and what it's going to look like. People can start to make informed decisions on further development, what the impact might be, and what problems that kind of impetus might create. Everyone is ahead of the game in terms of development for forming partnerships for housing, dining, etc. That's what a lot of this discussion is centered around. Nebel said that the other player is the community college; particularly whether there would be a population they would have that would have interest in a student-type housing option. Ryslinge said there certainly could be potential. The college currently pulls people from within the county. But nationally more community colleges are starting to have residences because they are able to pull from different areas. The current curriculum, with maybe the exception of nursing and aquarium science, doesn't pull from outside the county. Nursing is a big draw from outside. Overall the college needs to grow to a greater number of regular students. She was asked if she had a sense of the number of their students that are occupying low-income housing. She said they have not looked at that. There was curiosity if there were low-income student-based housing near the school if that would be something of interest. Ryslinge said that they do know transportation is a barrier for their students.

Looking at the economics of this, Goodman said from what she understands, students at OSU typically pay between \$650 and \$800 per student per month; and that's both with university housing and off-campus. It's actually about the same amount that you see in Eugene and at PSU. Students are paying quite a lot. The Newport median gross rent is about \$800 a month per unit according to the census; and that is about what Hardy was telling Goodman her rentals rent out for, between \$750 and \$775. Goodman said that is for apartments. If we're talking about houses, Hardy said depending on how small they are, they probably start at least at \$750 up to in a rare case \$1400 or \$1500. Hardy discussed the difficulty with pets and multiple adult households. Goodman said you can see there is potentially quite a differential if you are looking at even two students living in a multi-family unit, you're looking at between \$1300 and \$1600 a month.

Goodman asked, what's going to keep students from occupying rentals in Newport. She said, as Hardy was alluding to, landlords are probably unable to unwilling to rent to students who will be in Newport for less than a calendar year; whether that's a school year as well. Hardy said that's really common. Where they steer away from leases for the most part, most landlords want that assumption that they will stay for at least a year. Basically they look at intent when they do their screening; but on month-to-month you can't guarantee that and can't enforce it. Goodman asked if people are here for nine months, is that long enough. Hardy said it wouldn't bother them that much; and landlords do what their told.

Goodman said there is another barrier, which is convenience of living in housing that is managed by OSU; both for the ease of paying for housing and also the ease of moving between Newport and Corvallis. That's another thing that would keep students from occupying market rentals in Newport. Insufficient affordable housing located near HMSC and the south side of Yaquina Bay; especially if student parking is not generally available at HMSC, which from her discussion with Cowen, they don't want to build a whole lot of parking. Cowen said they will have to follow whatever the requirements are from the Planning Department, but ideally they would not have more than necessary. He said if you have 500 students, and you're building parking for each one of them to drive a car, that's a lot of asphalt. Goodman said then you have amenities offered by OSU Housing if it is OSU-managed housing, such as meals and other reasons that makes it good to live in OSU-managed housing. Also, there are amenities that might be offered at privately-managed student housing; such as recreation or fitness facilities. She said it's very interesting to look at some of these student housing developments, especially some of the larger ones, and the things they are luring students with.

Goodman noted that if there is no new housing built in Newport for students, students in Newport for less than a full year or less than a school year have trouble finding housing. They end up commuting from Corvallis or nearby communities, which is not ideal in any way. Then full-time students would increase pressure on Newport's housing market. Nebel discussed the vacation rental housing in Newport and how it's full in the summer and vacant in the winter except for spring break. So the question would be whether that housing could play into this; particularly for that part of the year that would potentially be out of the private window. Goodman asked Hardy if there was any interest from people to rent their vacation rentals to students. Hardy thought that once we get past the infatuation of making lots of money on vacation rentals, you are going to see a lot of those go back to long-term rentals with the disenchantment because we only have a fixed number of tourists out there. She sees that fluctuate and thinks the evolution will be that we see some of those come back on the rental market. Nebel asked Hardy when she sees the biggest use of single-family houses as vacation rentals. Hardy said for the Seafood and Wine Festival. Husing asked if they aren't very different, where you have the high-end oceanview houses. Hardy said she is surprised at what buyers buy thinking they can turn into vacation rentals. Tokos said Newport has a pretty good inventory of vacation rentals. We have a much better handle on them than we used to. He said part of our whole drive was to make sure they are safe. He said we have about 170 now; a lot of which have had to make upgrades to meet code, similar to a hotel for safety. Husing said the County is getting close to the licensing of vacation rentals. Tokos said when we were going through the housing study, he recalls some

discussion about the fairly significant number of houses going into the month-to-month rental category because the owner just couldn't sell the properties. He wondered if that is starting to course correct. At the time we were talking why haven't we seen any apartment construction; we haven't seen that in a long time for rental purposes. One of the thoughts was with the recession we had a larger than typical number of homes that are becoming available for rent because they can't be sold. He said our numbers on new home construction have gone up considerably. We have already doubled what we were all of last year. Hardy said our inventory is starting to thin out. But feedback she has gotten from those folks that have built in the past is that they are reluctant to build now because of the cost of construction and the SDCs do not allow them to make the greater return of profit back that they expect to make. She said you have people that have built significantly in the past, and they are getting older and are retiring. Maybe they don't want to spend the energy or money on it, or maybe it's really a cost-prohibitive factor. Husing said all the realtors say that now you're paying a much more realistic number. It's when is it cheaper to build as opposed to buying something that is already built. Newport's systems development charges are another hill to climb; but then at least then you're in Newport, which is an advantage. He said there were too many contractors that piled into the market in Newport. There were a lot of lousy builders; but there were a lot of really good ones too that are still hanging on. That demographic that might have rotated into the building industry didn't really happen. He said let's face it the profit margin in building nicer homes is so much bigger than building modest homes. All those things play into why we are not seeing more of the working force homes.

Goodman said with all of that said and with some tweaks to this, we are still looking at potentially tightening availability of housing in Newport's market with growth in students. Also it's important to keep in mind the location of where students will be living.

As far as demand, Goodman said we are probably looking at somewhere between 150 and 200 new units. Even at 150 new units with rents between \$650 and \$800, her discussion with Serkin about that (and she needs to talk to some other developers) is that sounds pretty attractive. It's not enormous very large-scale student housing development; but it's pretty large-scale for Newport frankly. Again, the average length of stay for students would be pretty unattractive to private developers who weren't student housing developers. One of the difficulties is making sure you synchronize development of student housing with growth of the Marine Science Center. If you're not doing some sort of partnership, that's going to be a challenge because you don't want to have the Marine Science Center grow and not have student housing and have lag time of two or three years there. That wouldn't be good for Newport's housing market.

Goodman said what ECONorthwest would recommend is to coordinate plans for growth of the Marine Science Center with development of student housing. So, we're all here talking about that. OSU could build housing or partner with a private developer. It sounds like right now we are looking at partnerships with private developers. She doesn't know who else we would consider building housing in the length of this project. She thinks OSU is doing a lot of planning for the broader Marine initiative. So the plans aren't going to be ready until spring. She thinks it's pretty clear that OSU would need to have a role in management of housing for part-year students and possibly for full-year students if that were available. It's probably appropriate to be developing housing in phases. She's talking student housing developers working along with OSU. It would be like townhouse-style, maybe two-story. She has more developers she will be talking to about student housing. Craig thought it might be worthwhile to poll the current graduate student population about potential rent levels. Tokos asked if the number Goodman got from OSU Housing is inclusive of utilities. Goodman said it's gross, but with meals. Tokos said that when you rent a house, you think of rent, but you're not thinking of what you pay for your water bill, electricity, garbage, and everything else. Goodman noted that new housing, for it to be financially feasible to build it, it's going to cost more than existing housing.

**Buildable Lands Inventory:** Goodman said we have quite a bit of buildable land theoretically; about 1700 acres of buildable residential land. About 990 of that is in low-density designations, and about 182 is in high-density designations, and the other 575 is in a resort designation. ECO didn't do a full-scale update of the buildable lands inventory; they simply looked at where there was new development. Since 2011 you see development of about 10 acres of land; about 4 in HDR and about 5 ½ in LDR. She said we don't lack land for new housing; that's not the issue. The bigger issue is where to put this.

**Location and Criteria:** Goodman said they have been having some discussions with the Wilder folks; but looking at this more broadly with no specific site in mind to start off. If you are building all of the housing in one area, you need probably 10-20 or maybe more gross acres depending on if you wanted to have any recreational facilities or any open space associated with it. That could be smaller chunks if you were building smaller-scale housing. In terms of proximity, she thinks within a couple of miles of the Marine Science Center; one to two miles, looking at maybe a 30-minute walk, a 15 to 20-minute bike ride, those sorts of times. She thinks closer perhaps would be preferable. So, accessible by cars, bikes, and pedestrians. Her discussions so far has really been for students getting there by bicycle, which is south of the bridge because of the challenges of riding over the bridge on a bicycle. Transportation access; access to Highway 101 and local roads. She's not suggesting it has to be right off 101, but access to Highway 101 in part she thinks because transit eventually will be a pretty important piece; maybe it's shuttle buses, maybe regularly-scheduled fixed-route buses, but you would want to be able to get pretty easily from where the housing is. Urban services; you want land that preferably has existing services. Certainly you want serviceable land. She suspects that the City has really strong preference for land that has services. So, those areas that are south of the bridge and north of 50<sup>th</sup> Street have services for the most part. Outside of the tsunami inundation zone. A willing landowner; preferably willing and eager.

Another thing they have talked about is proximity and access to amenities; coffee houses, grocery stores, restaurant. Maybe students would want a bar; maybe not.

Goodman said that one of the challenges in South Beach in an area that's developing, getting a grocery store for student housing alone isn't going to do it. You need 4,000-5,000 dwelling units usually to attract a grocery store. She said that the advantage to South Beach is you have plans for developing; it is developing. So the amenities that are there now are probably going to be different than those that will be there in ten years. Where often times you have to have the housing and the other development go along to get the retail commercial that you want. It's the chicken/egg thing. So, make the retail commercial folks be the egg and go in there first. Cowen's thought was that, if you think about the bridge and trying to keep people from driving or traveling over it, that's a real challenge from the student housing perspective. A student could wake up in the morning and decide to go to Starbucks. So that's over the bridge and back, and maybe they go to Hatfield. Then at lunch maybe they go to Rogue, or maybe they brought from home, or maybe they go to the Aquarium. But in all likelihood, it's another trip over the bridge and back. Then dinnertime rolls around, and if they forgot an ingredient, and they don't have it at the grocery store that's there; that's another trip over the bridge and back. Whereas if you build your student housing on the north side in the core of Newport, they take one trip over the bridge to work and school or back; and that's it. So without a grocery store being there, you may just do a traditional residents' hall where there's a traditional dining program so people aren't going to need to grocery shop. Then you're not putting kitchens into units and doing that investment. That has 30-40 year implications. Even if the grocery store comes along ten years later, you're still going to have the infrastructure there for the dining plan. Or you're going to have to do an interim transportation system that gets people that are walking or biking safely up to that Fred Meyers, Walmart, or Safeway; or at least into the Thriftway area of Newport and back. Not when it's convenient for the transportation; but when they want to go. So, that's early in the morning into late at night, seven days a week. Goodman said one of her other questions is if there are possibilities of partnerships that would phase some of this development in with student housing development. In other words, Serkin with Wilder was talking about some sort of small-scale coffee shop. It was noted that has been in their plans for some time now; so fall of 2015. Tokos added that the city is working with them on plans for the coffee house right now. It was noted that there is a small coffee house from the Wilder area on their way to HMSC that they will pass by. Husing said if the student has access to an automobile, then they can go do their shopping at Safeway or wherever and make that work. Walking or biking across that bridge, especially when the weather is bad, can be an issue. He said this is really the echo of this 10-year old discussion about where the college should be located; the pros and cons. Ryslinge said she was glad the college was put where it is. Husing agreed that where it is and the facility shows it was the right call. Craig said that in driving around, he thinks that putting it within a mile or two (preferably a mile) on the south side of the bridge is the place to put student housing. But that lack of a grocery store on the south side of the bridge is a significant detriment. Cowen said it's not insurmountable.

Goodman thought the question comes down to if there are any characteristics we are missing here. Cowen suggested not putting as much emphasis on bike and pedestrian because if we build it for the students, they are going to find a way to drive. He felt that most student population will come with cars. He said it's been his experience that students he has seen that don't have cars are riding with their friends. Any student that's been out here for any portion of the winter doesn't bike very much. Goodman asked what that does for students getting to school if they're driving rather than bicycling or walking. Cowen sees a problem could be having enough parking; but he would envision that they would carpool. Certainly, he sees the need for increasing the frequency of a shuttle; up and down the hill, but also maybe into town. Tokos thought that multiple modes is important to keep out there because part of this is if you don't have bike or pedestrian options, you're obviously not going to use them; you're going to have to drive. There are locations such as Wilder where you could have all three. You can drive; it's convenient. You don't have to go on 101; you can get from Wilder to Hatfield without doing that, which in itself is very nice at certain times of the day. But you also have the bike and pedestrian opportunity should you be inclined to go that route that's convenient. He said the challenge on the north side is you're not going to have that option that's convenient; it's not going to be there. It was mentioned that the piece if you don't have good access to bike and pedestrian options; you have to build almost two parking spaces for every car for the students that lives in housing because they have to be able to park at housing, and they also have to be able to park when they get down to Hatfield. Hopefully maybe it's closer to 1 ½ because they do carpool or they do walk or bike. The walking and biking numbers probably go way down in January and February. Cowen said that OSU's solution to keeping the number of student cars down is making it relatively expensive. There's no disincentive for students not to drive at Hatfield; therefore, you have students parking up on the berms as close as they can get. There's literally hundreds of parking spaces within 5 minutes rather than parking on the berm. Goodman asked if they start creating parking problems in other parts of South Beach or are there opportunities at the Aquarium. Cowen said you can see overflow at the Aquarium, you can even see overflow from Rogue potentially even, you can see more likely is the public parking at the visitor center. Husing agreed that it's just not supportable in this day and age not to have multiple set of options. Yes, they will be taking cars when the weather is bad if they have them. In college, he had a car but biked because parking was such a problem. It was felt that to get that, you are going to have to make the biking and walking environment much safer. Tokos said we are in pretty good shape there. We have a project going on line next year that's Urban Renewal funded and is part of a partnership we have with ODOT where we're going to be widening Ferry Slip and putting a multi-use path there from Marine Science Drive all the way south and connect up to Ash Street; and there's the multi-use path stuff already in place up in the Wilder area. So basically from the community college all the way to Hatfield, you'll have the option of driving, walking, or biking that's entirely off the highway. That last big chunk is going to get built next year. We have the multi-use path at Marine Science Drive and Ferry Slip, and that's where we'll

be branching off and taking it south past the Aquarium and tie it in at Ash Street where Ferry Slip goes into 101; which is where we currently stop at the moment on the south side. So, it fills that gap.

Goodman pulled up a map. The red line showed the tsunami inundation zone. So we're staying generally within the red line, or not in the zone. She asked Tokos to point out where Wilder is and where the community college is on the map. He pointed out the college, where Wilder begins, where there's an industrial piece owned by a private party, Ash Street, Ferry Slip, the end of the multi-use path now and where it will be extended and tie in. Tokos noted that the red line is the existing Senate Bill 379 line; not the new DOGAMI. He said for purposes of building codes, that's still the official line. DOGAMI did the new inundation map and had a recommendation for how that line should be reset; it just hasn't been adopted yet. Goodman asked what their recommendation is; she assumed it would go up higher. Tokos said it will go up higher; but it will not go to the worst-case scenario, which is what they have out as evacuation maps. They have those as a series; small, medium, large, extra-large, and extra-extra-large. He said the new line will be a large event; whereas the evacuation maps are an extra-extra-large. It won't be quite as bad as what you see on the evacuation map. Wilder is high and dry. Husing said when he was first shown the college property, he was amazed that there was that much flat ground with that few ravine or wetlands problems in Newport. So, why wouldn't we put it there somehow?

Goodman showed a map that Serkin had provided ECO that articulated sort of what's going on in Wilder. She noted that you have the community college, they're doing some apartment developments in the next couple of years, the village center, they're planning for some more single-family up north, and in the future, some more multi-family and small cottages. Goodman pointed out where there's another landowner that Serkin was suggesting that if you're looking at doing a larger-scale residence hall or something that might be an appropriate area for it; or smaller-scale housing buildings within their existing area. It was discussed that there's a potential in Wilder to do apartments where they had originally envisioned putting some. Tokos said they would have liked to have done a more robust apartment development, they just haven't been able to make it happen. So, now that's scaled down. Although with these conversations, that may change. They have been talking to Oksenholt Construction about their next phase, which is actually those small cottages under construction; and Oksenholt is going to do more of those. Hardy said she got the impression that Oksenholt was going to hold some of them and manage them himself. Tokos said that's his understanding as well; that they are not going to be selling them, they are going to be holding on to some of them and renting them. We'll get more information on that. But, the thought is they are going to do more of those cottages in that particular area. Tokos noted that Landwaves is talking to a church right now about potentially looking at property in the area. He pointed out an area that Serkin had mentioned would be a very nice site for multi-family housing if it were student-oriented; and as Goodman had mentioned, Serkin mentioned the BGB property further down and a little further away from Hatfield. Tokos was asked if he had a sense of the difference in that distance; and it was determined that it's like a quarter of a mile.

Goodman asked Tokos what his opinion was about identifying other sites at this point. Tokos thought in South Beach, we don't have much beyond this that's going to be outside the tsunami inundation area. There's a lot of vacant parcels in South Beach, but they're all in tsunami inundation areas, which is fraught with issues. If the conversation is strictly student housing, he thought this was the most viable site and perhaps the only one we would really want to focus on. If the conversation turns to getting more multi-family in the community generally so that it's more capable of taking on more students, then the conversation moves to other sites we have on the north side as well. Hardy said, as it should. Tokos said that would be, assuming the student housing doesn't happen, we don't have the capacity to take on these students; is there an opportunity to get multi-family going elsewhere in the community so we have more of an inventory and can better accommodate that without some designated student housing somewhere. Hardy asked if you're at a 500 unit deficit, why wouldn't you address housing in general. Husing said, development costs in Newport. He said that's what Landwaves has; they got the land for such a low cost. They have very affordable land costs and can make things happen that others can't with other properties. Husing said not to take anything away from Hardy's observation, but he agreed that it's two different discussions. Tokos said infrastructure is in place in Wilder; and they have a huge SDC credit pool, so he doesn't know if that cost issue is relevant in this area. It's a planned development, and those development densities can be moved around relatively easily. The infrastructure is sized for that. Husing said if a professional developer is telling you that you can knock off 50 units, if there's a smaller incremental level that makes sense, somewhere around the community college to take advantage of those synergies, he intuitively would run at that really hard to sort of try to put that on the radar screen. He said that's something you could tell the Legislature, too; don't worry we're addressing this issue so by the time you issue a GO bond and everything else comes together, we will have this figured out. He thinks that really becomes a compelling part. He loves this synergy with the community college aspect, too. We could make that an important piece. Suddenly four or five things come into play. With great infrastructure. What is the downside, other than the grocery store we are wanting? He said if that's the only down piece to this; that's remarkable. Ryslinge said not really as a down piece, there is a thing where those up there on the hill should look at sort of shared parking. So they have already been approached by the church that is looking at coming in about the parking. She thought that would get eaten up pretty quickly; so if there is going to be additional organized students up there, there has to be some kind of expanded parking on that; and also if retail starts picking up. Wilder has been pretty light on the parking. She said it's not a problem in any way, but just something to be accounted for. She was asked if the college was going to add on to their parking, would they just add on to where it is now. She said that's something she hasn't really thought about; but they are okay with parking now. It's used pretty heavily during the day; so if you're there Monday through Thursday between the hours of 8:00-5:00, those parking lots are pretty full. They manage that by

their scheduling. They're not doing much in the evenings, Saturdays, and those sort of things. If the church wants to use it on Sundays, that may work. At a certain point, they will trip into not having enough parking over time. Tokos said the BGB parcel does not have road access right now; that would require an extension of Harborton, which is the collector roadway; and along with the associated water and sewer mains. That's a much more expensive proposition than Phase 4. There are different things in play. Phase 4 is smaller; but you have all the infrastructure in place. There's a possibility that Wilder would be amenable to development on either side of Harborton, so you wouldn't necessarily be limited to Phase 4. BGB is larger, but there are a lot more in the way of development costs associated with it just to get it on line. Goodman said also if you are looking at phasing, you are probably looking at more modest units. That might make this area more attractive rather than a 35-acre parcel, which is what BGB property is. Tokos said the issue you run into with a lot of developers is how to pay for that initial upfront infrastructure cost just to get that first phase in. Husing said you really want to put an attractive building scheme on the table. It's really such valuable property. You really need to develop this correctly. Goodman said that Serkin sent some links that she believed Tokos shared about some innovative ways that are out there.

Craig said he did some quick math, and if we're talking about a unit being one that houses four students with four bedrooms or two double rooms, and you're looking for about 300 at the end of the day in the first student housing; that's only 75 units total. He said if he remembers right, the ramp up to get to that number is not an overnight thing; it's about seven years or so. Cowen said right now he thought we just think of a linear growth; where we are and where we're going to be in ten years. Craig said we're talking about a potential initial build out of maybe only 15 or 20. Goodman said, so we're looking at a four buildings of maybe 20. Craig said with the 100 beds that Hatfield currently has, in a pinch that gives you almost a couple hundred spaces for students and also interns, etc.

Goodman said next week we'll be coming back. She will be refining this internally for a final report they will be doing. They will be coming back with a slightly revised number that she suspects will be closer to what Cowen was talking about for number of units. We'll want to talk about some policy options and some policy approaches. We'll develop some strategies; and then some options for what Newport can do in different ways to help this housing happen. Tokos said those will be financing strategies; both those that can be taken advantage of by the private sector and more in the public sector. At least mapped out in a conceptual manner. It was noted that COG is looking for entities that are looking to enter into some business opportunity. Lincoln County is one of their identified areas that they haven't been doing as much as they could.

**Adjournment.** Having no further business, the meeting adjourned shortly after 5:00 p.m.

Respectfully submitted,

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Wanda Haney  
Executive Assistant

**DATE:** November 3, 2014  
**TO:** Student Housing Advisory Committee  
**CC:** Derrick Tokos  
**FROM:** Beth Goodman and Bob Parker  
**SUBJECT: DEVELOPMENT TOOLS AVAILABLE TO SUPPORT STUDENT HOUSING DEVELOPMENT  
ASSOCIATED WITH THE EXPANSION OF THE HATFIELD MARINE SCIENCE CENTER**

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Oregon State University (OSU) is planning for an expansion of the Hatfield Marine Science Center (HMSC), which is located in Newport's South Beach area. OSU is in the process of planning the expansion. The most up-to-date estimate from OSU staff is that the expansion is expected to accommodate approximately: (1) 40 to 60 new faculty and staff members, (2) about 400 undergraduate students (with 300 students in Newport during most university terms), and (3) about 100 graduate students. OSU faculty, staff, and students will need part-time and year-round housing in Newport.

New faculty, staff, and students at the HMSC will result in demand for 165 to 260 new units,<sup>1</sup> about 85 to 160 of which will be student housing in multifamily structures. Most undergraduate and many of the graduate students are likely to live in Newport, if housing is available. Some faculty and staff will choose to live in Newport, some will choose to live in nearby communities, and some may choose to commute into Newport from Corvallis.

The City of Newport contracted with ECONorthwest to work with City staff and an advisory committee to better understand the potential impacts of expansion of the OSU Hatfield Marine Science Center (HMSC) on Newport's housing market. The project will result in a report with the following sections: (1) an executive summary of key findings and recommended policies, (2) potential impacts of student housing growth on Newport's housing market, (3) a summary of changes to the residential buildable lands inventory and identification of suitable sites for student housing, (4) findings from policy research, and (5) draft policies that support development of student housing.

This memorandum provides information to the Student Housing Committee about the role of the City of Newport and, in less detail, OSU, in ensuring that student housing is available as the HMSC expands. This memorandum provides descriptions of tools used to encourage residential development, generally by lowering development costs or financing infrastructure development.

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<sup>1</sup> The estimate of 165 to 260 new units assumes: demand for: (1) 40 to 60 units for faculty and staff (some may choose not to live in Newport), (2) 40 single-family dwellings and 10 multifamily student housing for graduate students (with an average of two graduate students per unit), and (3) 75 to 150 units of multifamily student housing for undergraduates.

The focus of this memorandum is student housing development. However, it also includes information about tools for development of low-income and workforce housing because even without student housing development, Newport will need more affordable housing. In addition, Newport's 2011 *Housing Needs Analysis* identified a substantial deficit of housing available for households with incomes below \$25,000, as well as evidence suggesting that some workers in Newport live in nearby communities because affordable housing is scarce in Newport.

This memorandum is organized into the following sections:

- Definitions of student housing, low-income housing, and workforce housing
- Roles for the City of Newport and OSU in supporting the development of student housing
- Tools for housing development, including tools primarily used by the public sector and tools used by private entities, such as developers

## 1. Definitions

This section defines student housing and workforce housing, as these terms are used in this memorandum.

### 1.1 Student Housing

Throughout this memorandum, we discuss “student housing” and the housing needs of students. The term “student housing” is used in this memorandum to describe housing that is intended to be occupied predominantly by students, such as students at HMSC (or at the Oregon Coast Community College). If housing is built or managed by a college or university, such as OSU, occupants of that housing can be restricted to students, such as OSU students.

Housing that is privately owned and managed may be intended for occupancy by students but federal housing policy does not allow privately owned housing to exclude potential renters based on whether they are a student. As a result, non-students can occupy privately owned student housing. In addition, students can (and often do) occupy market-rate housing, such as single-family detached houses or apartments.

The term “student housing” implies a specific type of building and a range of unit configurations. Student housing is typically built in multifamily buildings, with more than three dwelling units per structure and often more than five dwelling units per structure. The dwelling units in student housing buildings range from: a private room (e.g., a one-room living space, often with a shared bathroom), a shared room with two or more occupants (e.g., a shared dorm room), or two or more private rooms with a shared common area and bathrooms (e.g., four occupants with four private bedrooms, two shared bathrooms, and shared common space).

The types of amenities in a student housing building (or group of buildings) vary. Some university owned and managed student housing includes a place for meals and may include

common areas outside of the dwelling units. In privately developed and managed student housing buildings, amenities often include common areas, recreation areas, or a fitness center.

In summary, student housing can be managed by the university or a private owner, it is typically in a multifamily structure, there are a range dwelling unit configurations, and a range of amenities is available in the building or complex.

## 1.2 Low Income and Workforce Housing

This memorandum presents tools that are used to facilitate the development of affordable “subsidized housing” and “workforce housing.” The following definitions describe terms used in this memorandum, related to housing affordability. Table 1 presents information about income and housing costs in Lincoln County in 2014.

- **Housing affordability.** HUD’s standard for affordability is that housing costs should be 30% or less of a household’s gross income. In Lincoln County, a household that earns the County’s Median Family Income (MFI) of \$55,700 per year has a monthly income of about \$4,640 and can afford up to \$1,390 per month in housing costs.
- **Low-income subsidized housing.** Families earning less than 50% of MFI are often eligible for federally subsidized housing programs, such as the Section 8 Housing Choice Voucher program. These households are often referred to as low- or very low-income households.
- **Workforce housing.** HUD defines workforce housing as housing that is available to households earning between 50% and 120% of median family income. Households in the 50% to 80% group are generally renters. Workforce housing for people earning 80% to 120% of MFI may be for renters or homeowners.

In Lincoln County, families with income of 50% of MFI can afford about \$700 per month in rent. The median gross rent in Newport is about \$780 per month.<sup>2</sup> A family earning 120% of MFI (nearly \$67,000) can afford a house costing about \$200,000, which is comparable to the median housing sales price in Newport in 2014.

**Table 1. Income as a Percentage of Median Family Income, Lincoln County, 2014**

Percent MFI	Annual Income	Monthly Income	Monthly Affordable Housing Cost
30%	\$16,710	\$ 1,390.00	\$420
50%	\$27,850	\$2,320	\$700
80%	\$44,560	\$3,710	\$1,110
100%	\$55,700	\$4,640	\$1,390
120%	\$66,840	\$5,570	\$1,670

Source: ECONorthwest; HUD Income Limits, 2014

<sup>2</sup> US Census American Community Survey, 2008 to 2012 5-year data

## 2. City of Newport and OSU Roles in Student Housing Development

A key outcome of this project is a set of strategies and policies that can ensure production of student housing, timing development as it is needed to accommodate growth at the HMSC. The City will not be the developer of housing, nor will they be the primary consumer of student housing. However, to make student housing development easier and increase the likelihood of timely student housing development the City can play the following roles:

- **Facilitate discussions about development of student housing.** The City is doing this, as part of this project and through discussions with partners and interested parties. As part of this role, the City is bringing interested parties together to discuss the opportunities, challenges, and solutions for student housing. The City can partner with OSU and developers by ensuring the necessary stakeholders are at the table, making the development process easier and faster, and identifying ways to lower development costs.
- **Identify potential sites for student housing.** The City is working with OSU, landowners, and other stakeholders to identify potential sites for student housing. The October 27<sup>th</sup>, 2014 memorandum to the Student Housing Advisory Committee describes the desired characteristics for a student housing site. The area identified as being most appropriate for student housing, based on the desired characteristics for a student housing site, is in or around the Wilder development, near Oregon Coast Community College. Other sites may be identified as being good candidates for student housing, as this project progresses.
- **Ensure the necessary zoning and development standards are in place.** One of the City's primary roles in facilitating any type of development is to ensure that the site for student housing has zoning that allows the type and density of housing necessary for student housing. Zoning standards should allow for development of multifamily buildings, such as multi-story buildings or townhouses.
- **Ensure availability of infrastructure and services.** The City should ensure that adequate infrastructure or services are available for the development site. Key infrastructure includes transportation access, municipal water, wastewater service, and stormwater management. The site for student housing needs to be accessible by car and potentially by bus or shuttle bus, preferably from local roads with a connection to Highway 101. The site should also be accessible to bicycles and pedestrians, with safe connections to HMSC.
- **Expedite the development process.** The City can facilitate student housing by expediting the development process. This may mean faster processing of the development application. It can also involve shepherding the development application(s) through the entire development process, helping to solve development issues, and ensuring that there has been adequate involvement with key stakeholders and public officials to avoid any delays in the process.
- **Lower development costs to the developer.** The City can take actions to lower development or operational costs to the developer, through tools such as giving SDC credits or property tax abatements or helping to assemble land. Most cities reserve these

tools for use on projects that further specific city goals (e.g., creating denser development in downtown or redevelopment of a long-vacant site) and where financial assistance is necessary to make a project financially viable. The City can also help developers through technical assistance for packaging local, state, and federal tools.

Newport is already engaged with the first four of these actions. The City is facilitating the process and helping to develop partnerships, through this project and other efforts. The City has identified the Wilder development, along with adjacent properties, as potential sites for student housing development. One reason these areas are under consideration is that they are largely serviced, have good transportation access, and the City is developing a pedestrian and bicycle path from South Beach to the Oregon Coast Community College.

OSU also has a critical role in ensuring the development of student housing. As plans for the HMSC expansion become clearer, the University will need to define its role in student housing development in more detail. Some parts of OSU's role are described in brief below:

- **Initiate and participate in partnerships.** Like the City, OSU can participate in public and private partnerships with public organizations (such as the City or the Oregon Coast Community College), nonprofits (such as the Lincoln Community Land Trust), landowners, developers (both for-profit and nonprofit developers), financiers, and other stakeholders.
- **Clarify plans about growth.** OSU is in the process of developing internal plans for the marine studies initiative, which is driving the HMSC expansion. OSU expects to have clearer plans for the HMSC expansion in the Spring of 2015, which will bring clarity to student housing needs.
- **Develop a housing transition process for students coming to and leaving the HMSC.** One of the challenges that OSU will face in expanding the HMSC is developing a process for students to transition easily from housing in Corvallis to housing in Newport and back to housing in Corvallis. This will be especially important to students who study at the HMSC for part of the year.
- **Help mitigate uncertainty about student housing demand.** Private student housing developers will be concerned about several aspects of the HMSC expansion: uncertainty about when HMSC will start attracting more students, uncertainty that demand for student housing will continue over the long-term, and uncertainty that students will choose to live in the student housing development. OSU can help mitigate uncertainty by being an active and collaborative partner with the developer, and through agreements with the private developer about occupancy (such as an occupancy guarantee) or developing a housing transition process.
- **Establish role in development.** OSU may choose to participate in the actual housing development by paying some development costs, day-to-day management of the housing, or financing the project.

### 3. Tools for Housing Development

This section describes tools that are designed to lower development costs or finance infrastructure development necessary to support development. This section is organized based on the potential role for the City. It begins with tools that are primarily public-oriented, where the City could have a direct role in implementing the tool. The final section presents tools that are primarily used by developers, both private and nonprofit.

The tools include those that can encourage student housing development, as well as those that support low-income subsidized or workforce-housing. The City may consider implementing tools to encourage development of affordable multifamily housing, aside from student housing, throughout the City.

The tools that the City may choose to use to ensure the production of student housing or encourage the production of low-income subsidized or workforce housing vary based on the location of the development (and whether there are infrastructure and services to the site), the type of housing being developed (and the financial feasibility of that housing), and the partners participating in the housing development. Below are some broad approaches that the City could use to support student housing or encourage the production of low-income subsidized or workforce housing. The City currently uses many of these tools to support development or infrastructure development.

- **Make the development process faster and smoother.** The City could make sure that obtaining entitlements for the project proceed as quickly as possible and assign a staff member to help solve any issues and expedite the process. The City could work closely with developers, landowners, and other stakeholders to identify issues (or potential issues) and participate in identifying resolutions to the issues quickly. This type of assistance would be appropriate for student housing or low-income subsidized / workforce housing.
- **Ensure infrastructure development and availability.** The City could: establish an urban renewal district (or use an existing URA) to pay for infrastructure development, help establish a Local Improvement District to pay for capital improvements, or work with the State to obtain transportation grants. If the project is sufficiently important to the City as a whole, the City could issue a General Obligation Bond to pay for large-scale infrastructure improvements or provide other development support.
- **Provide assistance to lower development costs.** The City can use the tools identified above to reduce or eliminate infrastructure costs to the developer. The City may choose to waive or lower development fees (such as the application fee) or reduce or waive SDCs. The City could use CDBG funds or CDBG loans (Section 108) to contribute funding to support housing development, such as low-income subsidized or workforce housing.

The mixture of tools that the City may choose to support student housing will depend, in large part, on where the housing is developed (if additional infrastructure development is needed),

who the development partners are, and what tools are available to development partners. For instance, if student housing is built in an area with all the necessary infrastructure, and the developer is a nonprofit organization, the City might: (1) provide assistance to make the development process smoother and faster, (2) waive development application and other fees, (3) bring stakeholders to the table (such as the landowner, OSU, the Lincoln Community Land Trust, and the nonprofit developer) to work together on financial and other issues necessary to make the development feasible and work out, and (4) work with stakeholders to use available funding tools such as Section 108 loans or EB5 (both of which require an economic development component, such as retail or jobs related to the operations of the student housing). If the developer is not a nonprofit and will operate the housing, the City could use a tax abatement program to lower operational costs of the housing.

If the City is trying to support development of low-income subsidized or workforce housing, the City might: (1) provide assistance to make the development process smoother and faster, (2) waive development application and other fees, (3) waive SDCs or use Urban Renewal funds (if the development is in a URA) to pay for infrastructure development, (4) donate or lease (at low cost) city-owned land for the development, (5) bring stakeholders to the table including the landowner, the Lincoln Community Land Trust, and the nonprofit developer, (6) support the developer’s use of Low Income Housing Tax Credits (for low-income housing) or HUD 221d4 loans (for workforce housing), and (7) work with stakeholders to use available funding tools such as Section 108 loans or EB5 (for housing with a service-element, such as affordable senior housing). If the developer is not a nonprofit and will operate the housing, the City could use a tax abatement program to lower operational costs of the housing.

The remainder of the memorandum describes these and other tools that are used to facilitate residential development, including market-rate or workforce housing, low-income housing, senior housing, and student housing.

## Public-oriented tools

Local jurisdictions can use the following tools to lower development costs.

### SDC Financing or Credits

<b>How It Works</b>	Enables developers to stretch their SDC payment over time, thereby reducing upfront costs. Alternately, credits allow developers to make necessary improvements to the site in lieu of paying SDCs. Note that the City can control its own SDCs, but often small cities manage them on behalf of other jurisdictions including the County and special districts.
<b>Fund Sources</b>	SDC fund / general fund. In some cases, there may be no financial impact.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>Reduced up-front costs for developers can enable a quicker development timeframe and increase the availability of property to be taxed.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>Reduces the availability of SDC funds over the short term.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## Sole Source Systems Development Charges

<b>How It Works</b>	Retains SDCs paid by developers within a limited geographic area that directly benefits from new development, rather than being available for use city-wide.
<b>Fund Sources</b>	SDC funds.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Enables SDC eligible improvements within the area that generates those funds to keep them for these improvements.</li><li>• Improvements within smaller areas, which can enhance the catalytic and redevelopment value of the area.</li><li>• Can be blended with other resources such as LIDs and TIF.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Reduces resources for SDC-funded projects in a broader geography.</li></ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## Fees or Other Dedicated Revenue

<b>How It Works</b>	Directs user fees into an enterprise fund that provides dedicated revenue to fund specific projects. Examples of those types of funds can include parking revenue funds, stormwater/sewer funds, street funds, etc. The City could also use this program to raise private sector funds for a district parking garage wherein the City could facilitate a program allowing developers to pay fees-in-lieu or “parking credits” that developers would purchase from the City for access “entitlement” into the shared supply. The shared supply could both meet initial parking need when the development comes on-line but maintain the flexibility to adjust to parking need over time as elasticity in the demand patterns develop in the district and influences like alternative modes are accounted for.
<b>Fund Sources</b>	Residents, businesses, and developers.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Allows for new revenue streams into the City.</li><li>• Many developers support fee-in-lieu programs if they allow them to receive the same parking allocation for less money than it would cost to build and manage the space.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Political challenges of introducing new fees or increasing existing fees that are directed toward specific funding objectives, unless those objectives are widely supported.</li></ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## Public Land Disposition

<b>How It Works</b>	The public sector sometimes controls land that has been acquired with resources that enable it to dispose of that land for private and/or nonprofit redevelopment. Land acquired with funding sources such as tax increment, EB5, or through federal resources such as CDBG or HUD Section 108 can be sold or leased at below market rates for various projects to help achieve redevelopment objectives.
<b>Fund Sources</b>	Tax Increment, CDBG/HUD 108, EB-5.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Increases development feasibility by reducing development costs.</li><li>• Gives the public sector leverage to achieve its goals via a development agreement process with the developer.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Public agencies sometimes buy land at the appraised value because they want to achieve multiple goals, which can impact costs of future public and private acquisitions.</li><li>• Requires careful underwriting and program administration to reduce public sector risk and ensure program compliance.</li></ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing, depending on the funding source.

The following tools are generally used for development of infrastructure to support housing development. Some of these tools, however, can be used directly to lower costs of housing development.

### Urban Renewal / Tax Increment Finance (TIF)

<b>How It Works</b>	<p>Newport has an Urban Renewal District in South Beach, but the Wilder property is outside of the Urban Renewal District. Tax increment finance revenues are generated by the increase in total assessed value in an urban renewal district from the time the district is first established. As property values increase in the district, the increase in total property taxes (i.e., City, County, school portions) is used to pay off the bonds. When the bonds are paid off, the entire valuation is returned to the general property tax rolls. Urban renewal funds can be invested in the form of low interest loans and/or grants for a variety of capital investments:</p> <ul style="list-style-type: none"> <li>• Redevelopment projects, such as mixed-use or infill housing developments.</li> <li>• Economic development strategies, such as capital improvement loans for small or start up businesses which can be linked to family-wage jobs.</li> <li>• Streetscape improvements, including new lighting, trees, and sidewalks.</li> <li>• Land assembly for public as well as private re-use.</li> <li>• Transportation enhancements, including intersection improvements.</li> <li>• Historic preservation projects.</li> <li>• Parks and open spaces.</li> </ul>
<b>Fund Sources</b>	Local taxing jurisdictions' permanent rate property tax revenues.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Over the long term (most districts are established for a period of 20 or more years), the district could produce significant revenues for capital projects.</li> <li>• TIF can be used to help pay for infrastructure improvements (including parking garages), and provide loans/grants for adaptive re-use and new development.</li> <li>• Among the most flexible incentives. For example a single project-based TIF district is possible.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Defers property tax accumulation by the City and County until the urban renewal district expires or pays off bonds.</li> <li>• Due to the sometimes slow or indirect nature of property tax growth in relation to targeted projects, urban renewal can often take five or more years to produce meaningful levels of revenue resulting in loss of project alignment.</li> <li>• Complex process requires extensive public involvement and community support, especially from other taxing jurisdictions. The City would need to explore options with County officials and elected leadership, tracking legislative changes in urban renewal law, and meeting with adjacent jurisdictions and overlapping taxing entities.</li> <li>• Use of urban renewal can be politically contentious because of its impact on funds available to overlapping taxing districts, and because of the perception that the school districts are adversely impacted.</li> <li>• Investing over \$750,000 in TIF directly into a new or rehab project triggers prevailing wage requirements, which can increase overall project costs by 10-20%.</li> </ul>
<b>Type of Housing</b>	<p>Urban renewal funds can be used to develop infrastructure to support student housing or low-income subsidized / workforce housing.</p> <p>Urban renewal funds can be used for housing development within urban renewal districts.</p>

## Local Improvement District (LID)

<b>How It Works</b>	A special assessment district where property owners are assessed a fee to pay for capital improvements, such as streetscape enhancements, underground utilities, or shared open space. LIDs must be supported by a majority of affected property owners.
<b>Fund Sources</b>	LID bonds are backed by revenue committed by property owners (which can be public as well as private).
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Organizes property owners around a common goal.</li><li>• Allows property owners to make payments over time to bring about improvements quickly that benefit them individually.</li><li>• Improvements within smaller areas can enhance catalytic and redevelopment value of the area.</li><li>• LIDs can be bundled with other resources, such as TIF.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Setting up fair LID payments for various property owners, who are located different distances from the improvement, is challenging.</li><li>• Some lenders insist that LIDs be paid off when properties are transferred.</li><li>• Small geographic areas may not have sufficient LID revenues to support bonds for the desired improvement.</li></ul>
<b>Type of Housing</b>	Can be used to develop infrastructure needed for student housing or low-income subsidized / workforce housing.

## Transportation Loans and Grants

<b>How It Works</b>	<p>ODOT administers several grant programs that help to pay for pedestrian and bicycle improvements, including crosswalks, bike lane striping, and pedestrian crossing islands. Local governments must often match grant funding. These programs include:</p> <ul style="list-style-type: none"><li>• <b>ConnectOregon.</b> ConnectOregon focuses on improving connections and supporting local economies throughout the state. Dedicated to non-highway projects, ConnectOregon was first approved by the Oregon legislature in 2005 and has funded more than 130 marine/ports, aviation, public transit, and rail projects around the state. For ConnectOregon V, bicycle/pedestrian projects were also eligible to compete for funds. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx">http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx</a></li><li>• <b>Statewide Transportation Enhancements Program.</b> The Statewide Transportation Improvement Program, known as the STIP, is Oregon's four-year transportation capital improvement program. It is the document that identifies the funding for, and scheduling of, transportation projects and programs. STIP will be divided into two broad categories: Fix-It and Enhance. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx">http://www.oregon.gov/ODOT/TD/STIP/Pages/about.aspx</a></li><li>• <b>Oregon Transportation Infrastructure Bank.</b> The Bank is a low-interest revolving loan fund that can help to pay for transportation capital projects. These low-interest loans can be repaid with TIF, general fund, or local improvement district revenues. They provide up front monies (planning, engineering) as well as implementation funds which means cities do not need to wait for TIF build up. Need to make sure there will be a city repayment source. State program webpage: <a href="http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx">http://www.oregon.gov/ODOT/CS/FS/pages/otib.aspx</a></li></ul>
<b>Fund Sources</b>	State and federal funds.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Direct public investment into private projects.</li><li>• Does not impact City funds.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Highly competitive and must meet state-identified criteria (varies by program).</li><li>• For loans, need to establish a City repayment source.</li></ul>
<b>Type of Housing</b>	Can be used to develop transportation infrastructure needed for student housing or low-income subsidized / workforce housing.

## Water and Wastewater Loans and Grants

<b>How It Works</b>	<p>Business Oregon's Infrastructure and Finance Authority administers several loan and grant programs that help to pay for water and wastewater improvements, including water, wastewater, and stormwater systems. These programs include:</p> <ul style="list-style-type: none"> <li>• <b>Water/Wastewater Financing Program.</b> This program funds design and construction of public infrastructure needed to ensure compliance with the Safe Drinking Water Act or the Clean Water Act. The program gives loans and grants, depending on the type and characteristics of infrastructure being developed. It funds projects related to construction improvement or expansion of drinking water system, wastewater system or stormwater system. To be eligible for funding a system must have received, or is likely to soon receive, a Notice of Non-Compliance by the appropriate regulatory agency or is for a facility plan or study required by a regulatory agency. State program webpage: <a href="http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx">http://www.oregon.gov/ODOT/TD/TP/pages/connector.aspx</a></li> <li>• <b>Safe Drinking Water Revolving Loan Fund.</b> The Safe Drinking Water Revolving Loan Fund (SDWRLF) is designed for collection, treatment, distribution and related infrastructure projects. This loan program funds drinking water system improvements needed to maintain compliance with the Federal Safe Drinking Water Act. The Safe Drinking Water Fund is funded by yearly grants from the U.S. Environmental Protection Agency (EPA) and matched with funds from the state Water/Wastewater Financing Program. The program allows use of funds for activities such as engineering or designing upgrades to or construction of system improvements and equipment for water intake, filtration, treatment, storage, or transmission. Funds can also be used for acquisition of property or easements, planning and review of projects, legal or technical support of projects, or enhancements of physical security. State program webpage: <a href="http://www.orinfrastructure.org/Infrastructure-Programs/SDW/">http://www.orinfrastructure.org/Infrastructure-Programs/SDW/</a></li> <li>• <b>Drinking Water Source Protection Fund.</b> The Drinking Water Source Protection Fund (DWSPF) is designed for the protection of drinking water sources. This loan program funds drinking water system improvements needed to maintain compliance with the Federal Safe Drinking Water Act. The program allows use of funds for activities such as engineering or designing upgrades to or construction of system improvements and equipment for water intake, filtration, treatment, storage, or transmission. Funds can also be used for acquisition of property or easements, planning and review of projects, legal or technical support of projects, or enhancements of physical security. State program webpage: <a href="http://www.orinfrastructure.org/Infrastructure-Programs/SDW/">http://www.orinfrastructure.org/Infrastructure-Programs/SDW/</a></li> </ul>
<b>Fund Sources</b>	State and federal funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Direct public investment into private projects.</li> <li>• Does not impact City funds.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Highly competitive and must meet state-identified criteria (varies by program).</li> <li>• For loans, need to establish a City repayment source.</li> </ul>
<b>Type of Housing</b>	Can be used to develop water, wastewater, and stormwater infrastructure needed for student housing or low-income subsidized / workforce housing.

General Fund and General Obligation Bonds are generally used to develop infrastructure or fund large public projects.

### General Fund and General Obligation (GO) Bonds

<b>How It Works</b>	City can use general fund monies on hand or can issue bonds backed by the full faith and credit of the city to pay for desired public improvements.
<b>Fund Sources</b>	Property taxes are increased to pay back the GO bonds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Community can implement public projects that can in turn catalyze other development (e.g. parking garage, transportation improvements, etc. ).</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• GO Bonds requires public vote which is often time-consuming and costly.</li> <li>• Raises property owner taxes (GO Bonds).</li> <li>• State Lending of Credit provision prohibits City from contributing directly to private sector projects.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

University bonds are used to build large-scale university projects, including new buildings and student residence halls.

### University Bonds

<b>How It Works</b>	Universities can issue bonds for a range of activities, including development of student housing. University bonds can be paid over a term of up to 20 years. OSU would need to identify the appropriate type of university bond, if the University chooses to build student housing.
<b>Fund Sources</b>	Rents and other fees
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity.</li> <li>• OSU can build student housing on its own or as part of a public-private partnership.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Requires OSU to be willing and financially able to issue a bond for the cost of student housing.</li> </ul>
<b>Type of Housing</b>	Student housing.

Community Development Block Grant and Section 108 funds are generally used for projects that meet identified community needs, such as low-income subsidized and workforce housing.

### Community Development Block Grants (Federal Program, Locally Administered)

<b>How It Works</b>	Community Development Block Grants (CDBG) provide communities with resources to address a range of community development needs, including infrastructure improvements, housing and commercial rehab loans and grants, as well as other benefits targeted to low- and moderate-income persons.
<b>Fund Sources</b>	Federal HUD funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Funds are fairly flexible in application.</li> <li>• Program has been run since 1974, and is seen as being fairly reliable.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Competitive process to secure loans/grants for individual projects.</li> <li>• Administration and projects must meet federal guidelines such as Davis Bacon construction requirements.</li> <li>• Amount of federal funding for CDBG has been diminishing over the past few years.</li> <li>• CDBG program is run through Lincoln County and is not in the control of the City.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized / workforce housing. Unlikely to be used for student housing.

### Section 108 (Federal Program, Locally Administered)

<b>How It Works</b>	HUD Section 108 increases the capacity of block grants to assist with economic development projects by enabling a community to borrow up to five times its annual CDBG allocation.
<b>Fund Sources</b>	Federal HUD funds.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Funds are fairly flexible in application.</li> <li>• Program has been run since 1974, and is seen as being fairly reliable.</li> <li>• Enables a larger amount of very low interest-rate-subordinate funding for eligible projects.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Competitive process to secure loans/grants for individual projects.</li> <li>• Administration and projects must meet federal guidelines such as Davis Bacon construction requirements.</li> <li>• Amount of federal funding for CDBG has been diminishing over the past few years.</li> <li>• CDBG program is run through Lincoln County and is not City-controlled.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized / workforce housing.

ECONorthwest focused the list of tax credits and abatements to ones that can be used for market-rate apartments, affordable housing, and mixed-use buildings, where housing is above active ground floor uses.

### Vertical Housing Tax Abatement (State of Oregon enabled, locally adopted)

<b>How It Works</b>	<p>Subsidizes "mixed-use" projects to encourage dense development or redevelopment by providing a partial property tax exemption on increased property value for qualified developments. The exemption varies in accordance with the number of residential floors on a mixed-use project with a maximum property tax exemption of 80% over 10 years. An additional property tax exemption on the land may be given if some or all of the residential housing is for low-income persons (80% of area is median income or below). The proposed zone must meet at least one of the following criteria:</p> <ul style="list-style-type: none"> <li>• Completely within the core area of an urban center.</li> <li>• Entirely within half-mile radius of existing/planned light rail station.</li> <li>• Entirely within one-quarter mile of fixed-route transit service (including a bus line).</li> <li>• Contains property for which land-use comprehensive plan and implementing ordinances effectively allow "mixed-use" with residential.</li> </ul> <p>State program webpage: <a href="http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx">http://www.oregon.gov/OHCS/Pages/HFS_Vertical_Housing_Program.aspx</a></p>
<b>Fund Sources</b>	General funds of local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support mixed-use development in places with locational advantages.</li> <li>• City-controlled on project-by-project basis.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces general fund revenues for all overlapping taxing districts.</li> <li>• Requires a lengthy approval process with taxing districts.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

### Multiple-Unit Limited Tax Exemption Program (Locally Enabled and Managed)

<b>How It Works</b>	<p>Multi-unit projects receive a ten-year property tax exemption on structural improvements to the property as long as program requirements are met. There is no ground floor active use requirement for this tool. The City of Portland's program, for example, limits the number of exemptions approved annually, requires developers to apply through a competitive process, and encourages projects to provide greater public benefits to the community. This program is enabled by the state, but managed by the local jurisdiction.</p>
<b>Fund Sources</b>	Local taxing jurisdictions that agree to participate—cities, school districts, counties, etc.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support mixed-use development in places with locational advantages.</li> <li>• City-controlled on project-by-project basis.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions.</li> <li>• Requires a lengthy approval process with taxing districts.</li> <li>• Highly competitive process.</li> </ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing.

## Developer Tools

The following tools are predominantly used by the private sector, such as developers.

### EB-5 (Federal Program, Administered by “Regional Centers”)

<b>How It Works</b>	Attracts investment dollars for new commercial enterprises that will benefit the US economy primarily by creating new jobs for US citizens. There are two versions of the program: 1) the original program that requires foreign investor to commit \$1 million for eligible projects that create at least 10 full-time direct jobs, and 2) the newer program that allows foreign investors to commit \$500,000 in eligible projects within Targeted Employment Areas that create at least 10 direct and/or indirect jobs. In return for these investments, foreigners seek US citizenship.
<b>Fund Sources</b>	Foreign investors.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Relatively low-cost source of equity for appropriate projects.</li> <li>• Projects can be construction (new or rehabilitation), or direct investments into businesses that will create required jobs.</li> <li>• EB5 can be bundled with many other funding sources such as TIF.</li> <li>• Among the most commonly sought-after projects are hotels and senior housing developments since both generate considerable jobs.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• \$500,000 program investor projects must be in an EB-5 eligible “targeted employment area” or TEA. TEAs are areas that have unemployment rates in excess of 150% of the federal rate for a given year. TEAs are established and adjusted by the governors of each state.</li> <li>• Must meet job generation requirements within 2.5 years.</li> <li>• Investors expect to get their equity investment repaid at the end of five years.</li> <li>• It takes added time to secure EB5 funds, due to federally required process</li> </ul>
<b>Type of Housing</b>	Student housing or affordable senior housing.

### New Market Tax Credits (Federal program, Administered by a Community Development Entity)

<b>How It Works</b>	The New Market Tax Credits (NMTC) program is designed to attract capital investment to low-income communities by allowing investors to receive a tax credit (against their Federal income tax) in return for equity investments in Community Development Entities (CDEs), which invest in low-income communities. The tax credit is 39% of the original investment, claimed over seven years.
<b>Fund Sources</b>	Investors.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Relatively low-cost source of equity for appropriate projects.</li> <li>• Projects can be construction (new or rehabilitation).</li> <li>• NMTC can be bundled with many other funding sources such as TIF.</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• NMTC are only available for use in areas identified as distressed within a community. The part of Newport that is eligible is an area identified as “severely distressed” along the northern bank of the Yaquina Bay front in Newport, up to Highway 20.</li> <li>• Requires partnership with a CDE to receive the NMTC.</li> <li>• It takes added time to secure NMTC due to federally required process</li> </ul>
<b>Type of Housing</b>	Student housing but the area under consideration for student housing is not eligible for NMTC.

## 221d4 Housing Program (Federal program)

<b>How It Works</b>	Provides market-rate multi-family housing developers with reduced equity requirements (20%), which can make some residential projects more feasible.
<b>Fund Sources</b>	Federal HUD funds.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Can provide preferential financing particularly in times when market rate borrowing requires high levels of equity.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Lengthy process to secure federal approval for project as well as ongoing documentation.</li></ul>
<b>Type of housing</b>	Student housing or low-income subsidized / workforce housing.

## 501c3 Bonds (Federal Program)

<b>How It Works</b>	<p>Allows nonprofits to finance nonprofit capital projects (such as student housing, education, or senior housing) by working with a government agency to get inducement resolution for the project to issue tax-exempt bonds. The tax-exempt bond is a revenue bond repaid by the rents and other fees that from the project. The nonprofit will need to identify assets to secure the bond, such as liquid assets or other property.</p> <p>Up to 5% of a project to be for profit uses, such as ground floor retail. If more than 5% of the project is for private use, the bond will require "taxable tail," which is a taxable portion of the bond.</p>
<b>Fund Sources</b>	Rents and other project fees
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Can pay for up to 100% of development costs</li><li>• Low cost tax exempt rates</li><li>• Bonds can be 20 year or longer to reduce annual payments</li><li>• Once bonds are paid off the project can be sold to the private sector at market value, or transferred to a guaranteeing entity such as a city or university for a reduced amount</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Project needs to have overwhelmingly nonprofit uses for period of the bonds</li><li>• There are limits on who the project can be sold to during the life of the bond</li><li>• Upfront costs are considerable, such as attorneys, bond council, and process steps with public agencies. These upfront costs can largely be included in the inducement resolution for the bond.</li><li>• Less experienced nonprofits may have challenges getting inducements without public agency guarantees</li></ul>
<b>Type of Housing</b>	Student housing or low-income subsidized / workforce housing or low-income senior housing.

The following tools are for use for low-income subsidized housing and, in some cases, workforce housing.

### Low-Income Housing Tax Credit (Federal Program, Administered by State of Oregon)

<b>How It Works</b>	<p>Provides a state income tax credit for affordable housing equity investments that help reduce the financing costs for multi-family rental units. Applications must demonstrate that the project will be maintained as affordable housing for a minimum 30-year term. To be eligible, at least 20% of units must be at or below 50% or AMI, OR 40% must be at or below 60% AMI. There are two rates:</p> <ul style="list-style-type: none"> <li>• <b>The "9%" credit rate.</b> New construction and substantial rehabilitation projects that are not otherwise subsidized by the federal government earn credits at a rate of approximately 9% of qualified basis, each year for a 10-year period. "9%" credits are more powerful but also more competitive.</li> <li>• <b>The "4%" credit rate.</b> The 4% rate applies to acquisition of eligible, existing buildings and to Federally subsidized new construction or rehabilitation. The 4% rate also applies to all eligible bases in projects that are financed through the issuance of volume-cap multi-family tax-exempt bonds (the associated LIHTCs are sometimes called 'as of right' credits because they are automatically attached to the volume-cap bonds).</li> </ul> <p>State program webpage: <a href="http://www.oregon.gov/OHCS/Pages/HRS_LIHTC_Program.aspx">http://www.oregon.gov/OHCS/Pages/HRS_LIHTC_Program.aspx</a></p>
<b>Fund Sources</b>	Institutional investors or high net worth individuals make investments by purchasing tax credits, which infuses cash equity into a project that does not require repayment. Income tax receipts are impacted because investors' income tax payments are reduced.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li> <li>• The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive (particularly at the 9% level) for the provision of affordable housing.</li> <li>• Can be blended with other resources such as TIF, property tax abatements, and housing bonds.</li> </ul>
<b>Type of Housing</b>	Low-income subsidized housing.

### Loan Guarantee Programs (Administered by State of Oregon)

<b>How It Works</b>	<p>Loan Guarantee and General (Lease) Guarantee Programs provide guarantees to lenders to assist in the financing of new housing construction or for the acquisition and/or rehabilitation of existing housing for low- and very low-income families. Guarantees may be up to 25 percent of the original principal amount of a loan. To participate, the lender submits an application for the loan guarantee for the project that requires the credit enhancement necessary to obtain the loan. Preference is given to projects offering long term affordability and a special needs service program</p> <p>State Program Website: <a href="http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx">http://www.oregon.gov/ohcs/pages/hfs_loan_guarantee_program.aspx</a></p>
<b>Fund Sources</b>	State of Oregon.
<b>Benefits</b>	<ul style="list-style-type: none"> <li>• Provides low cost financing for up to 25% of the loan principal.</li> <li>• Applicable to households at or below 80% of the median family income</li> </ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"> <li>• Requires the State application process.</li> <li>• The State may restrict servicing of loans to lenders who have significant experience in the administration of multifamily housing loans and leasing.</li> <li>• Required to comply with State guidelines for administration requirements.</li> </ul>
<b>Type of housing</b>	Low-income subsidized / workforce housing for those earning up to 80% of median family income.

## Conduit Loan Program (Administered by State of Oregon)

<b>How It Works</b>	Oregon Housing and Community Services (OHCS) provides bond issuance services for this program and does not provide credit enhancement. The Conduit Program provides funds to finance the construction, rehabilitation and acquisition of multi-unit affordable housing for lower-income households. The Conduit process assumes the tax-exempt bond allocation request is coupled with a request for 4% Low Income Housing Tax Credits (LIHTC) and possibly other OHCS funding sources. The permanent financing term is generally 30 years, but the combined construction and permanent terms may not exceed 45 years.
	State Program Website: <a href="http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx">http://www.oregon.gov/ohcs/pages/hfs_conduit_program.aspx</a>
<b>Fund Sources</b>	State of Oregon.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Provides flexibility in loan structure.</li><li>• Is designed to work with LIHTC and other programs.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Requires the State application process.</li><li>• Requires an experienced affordable housing development team to successfully navigate the complexity of the program.</li><li>• Required to comply with State guidelines for administration requirements.</li></ul>
<b>Type of housing</b>	Low-income subsidized / workforce housing.

## Affordable Housing Property Tax Abatement (Locally managed, enabled by State of Oregon)

<b>How It Works</b>	The State allows for affordable housing property tax abatements when they are sought separately by non-profits that develop and operate affordable rental housing. Only the residential portion of a property located within a City that is used to house very low-income people, or space that is used directly in providing housing for low-income residents, is eligible for a property tax exemption.
<b>Fund Sources</b>	Local taxing jurisdictions' general funds—cities, school districts, counties, etc.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li><li>• Can stand alone (without tax credits). For example, a non-profit housing provider can use bonds and still be eligible for an abatement, but it must apply for it separately.</li><li>• Can be blended with other resources such as TIF, tax credits, and housing bonds.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Reduces general fund revenues for all overlapping taxing districts if property tax abatement is sought by affordable housing providers and approved by local jurisdictions.</li></ul>
<b>Type of Housing</b>	Low-income subsidized housing.

## Affordable Housing Tax Credit (State managed)

<b>How It Works</b>	Provides a state income tax credit for affordable housing equity investments that helps reduce the financing costs for multi family rental units. Applications must demonstrate a 20 year term that the benefit of the tax credit will be entirely passed on to reduce rents for the tenants. Program webpage: <a href="http://www.oregon.gov/ohcs/pages/hrs_oahtc_program.aspx">http://www.oregon.gov/ohcs/pages/hrs_oahtc_program.aspx</a>
<b>Fund Sources</b>	Institutional investors or high net worth individuals makes investments. State general fund is impacted.
<b>Benefits</b>	<ul style="list-style-type: none"><li>• Targeted tool to support multi-family rentals or mixed-use development in places with locational advantages.</li><li>• The credit contributes to project equity, reducing developer's out-of-pocket investment and can be a significant incentive for the provision of affordable housing.</li><li>• The state allows for affordable housing property tax abatements, which are applied for separately.</li></ul>
<b>Drawbacks</b>	<ul style="list-style-type: none"><li>• Highly competitive process.</li></ul>
<b>Type of Housing</b>	Low-income subsidized / lower income workforce housing.

## Wanda Haney

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**From:** Derrick Tokos  
**Sent:** Thursday, October 30, 2014 5:24 PM  
**To:** Wanda Haney  
**Subject:** FW: Flood Study Review Recap  
**Attachments:** Linc\_changes\_Bayshore.PNG; Linc\_changes\_Depot\_Bay\_1.PNG;  
Linc\_changes\_Depot\_Bay\_2.PNG; Linc\_changes\_Lincoln\_Beach.PNG;  
Linc\_changes\_Newport.PNG; Linc\_changes\_north\_of\_Yachats1.PNG;  
Linc\_changes\_north\_of\_Yachats2.PNG; Linc\_changes\_Yachats.PNG

Wanda,

Please print off the attached email and Newport image so that we can include them in the 11/10 Planning Commission packet under unfinished business.

Derrick

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**From:** Jed Roberts [mailto:Jed.Roberts@dogami.state.or.us]  
**Sent:** Thursday, October 30, 2014 3:31 PM  
**To:** Curtis Landers (Lincoln County); Derrick Tokos; Eli Adam (Lincoln County); Jessica Bondy (Lincoln County); Joshua Shaklee (Lincoln County); Larry Lewis (City of Depoe Bay); Onno Husing (Lincoln County); Richard Townsend (City of Lincoln City); Terry Thompson (Lincoln County)  
**Cc:** Amanda Siok (FEMA Region X); SHIRLEY Christine; David Ratte (FEMA Region X); Fletcher O'Brien; LUCKER Stephen; Jonathan Allan  
**Subject:** RE: Flood Study Review Recap

All,

As a result of the independent review performed by FEMA's subcontractor STARR, we needed to make some changes to the floodplain mapping we shared with you in May. The changes affect eight coastal locations. In all but two cases we reduced the size of the flood zone. I have attached screenshots showing the changes. I can provide the updated GIS data if you need it.

The mapping is now completely reviewed. Additional changes would only result from local decisions on options provided by David Ratte in a separate e-mail earlier today. These options involve levees and re-delineation of old flood studies.

Thanks,

**Jed Roberts | Flood Mapping Coordinator**  
Geologic Survey and Services Program  
Oregon Department of Geology and Mineral Industries  
800 NE Oregon Street, Suite 965, Portland, Oregon 97232  
Direct: (971) 673-1546 | Mobile: (971) 400-6759  
[jed.roberts@dogami.state.or.us](mailto:jed.roberts@dogami.state.or.us) | [www.oregongeology.org](http://www.oregongeology.org)

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**From:** Jed Roberts  
**Sent:** Thursday, May 29, 2014 9:53 AM  
**To:** 'Arlene Inukai (City of Toledo)'; 'Curtis Landers (Lincoln County)'; Dave Perry (DLCD); 'Derrick Tokos (City of Newport)'; Eli Adam (Lincoln County); 'Jenny Demaris (Lincoln County)'; 'Jessica Bondy (Lincoln County)'; Joshua Shaklee (Lincoln County); Karen Wood-McGuinness (FEMA Region X); 'Larry Lewis (City of Depoe Bay)'; 'Larry Lewis (City of Waldport)'; 'Onno Husing (Lincoln County)'; 'Richard Townsend (City of Lincoln City)'; 'Sheryl Simmons (City of Siletz)'; 'Terry Thompson (Lincoln County)'

**Cc:** Amanda Siok (FEMA Region X); Andree Pollock; Brett Holt (FEMA Region X); Chris Shirley (DLCD); Christine O'Day (OEM); David Ratte (FEMA Region X); Fletcher O'Brien; Josh Bruce (OPDR); Joshua Crowley (Atkins); Lisa Corbly (DLCD); Michael Howard (OPDR); Rachel Smith; Steve Lucker (DLCD); Jonathan Allan; Karen Wood-McGuinness (FEMA Region X)  
**Subject:** Flood Study Review Recap

Hi,

Thank you for attending a very productive and informative meeting yesterday. For your reference I have attached the presentation and sign-in sheet.

I will be taking comments from jurisdictions until **Wednesday, June 18**. To efficiently address your comments the preferred format is a letter with issues listed by map panel number. It is often very helpful to include notated images in the letter. Please avoid handwritten notation if possible, as they can be difficult to read. Comments directly in the PDF map files are also very helpful.

This is not your last opportunity to submit comments! There will be a 90-day appeal period after the release of the preliminary maps later this year. However, this is a great opportunity make sure quick fixes can be made prior to the preliminary release, and to also get a head start on investigating more complicated issues that will need to be addressed during the appeal period.

Thanks,

**Jed Roberts | Flood Mapping Coordinator**  
**Geologic Survey and Services Program**  
**Oregon Department of Geology and Mineral Industries**  
800 NE Oregon Street, Suite 965, Portland, Oregon 97232  
Direct: (971) 673-1546 | Mobile: (971) 400-6759  
[jed.roberts@dogami.state.or.us](mailto:jed.roberts@dogami.state.or.us) | [www.oregongeology.org](http://www.oregongeology.org)

**CITY OF NEWPORT**

**Changes Since  
5/6/2014 Draft**

-  Added
-  No Change
-  Removed



# Memorandum

To: Newport Planning Commission  
From: Derrick Tokos, Community Development Director   
Date: November 5, 2014  
Re: Status of Nye Beach Design Review Revisions

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The Ad-Hoc Work Group met on September 18<sup>th</sup> to review recommendations from SERA Architecture on changes the City might consider making to its Nye Beach Design Review Guidelines. Focus areas were discussed and a scope of work has since been developed for SERA to “refresh” the guidelines. They will also provide suggestions on how the City can refine its review thresholds to ensure larger development projects receive an appropriate level of review to ensure that they are consistent with the character of the area. This may include recommendations for reducing the amount of permissible building mass. Attached is a copy of the scope of work. A draft should be available for review by the AD-Hoc Work Group in mid-December, and could be ready for Planning Commission review at a work session in early February.

I will prepare corresponding amendments to the Zoning Ordinance to sync up with the work that SERA is doing and those changes will be vetted with the Ad-Hoc Work Group. The group is also recommending a map amendment to the boundary of the overlay district. This information should also be available for Commission review by early February.



# Purchase Order

Print Form

City of Newport  
169, SW Coast Hwy  
Newport, OR 97365

P.O. Date: 11-4-14

P.O. Number: 1400-6030-4

**Deliver To:**

Company: SERA Architecture and Urban Design  
Address: 338 NW 5th Avenue  
City: Portland  
State: OR Zip: 97209  
Phone: 503-445-7372  
Fax: 503-445-7395  
Contact Name: Matt Arnold, AICP

Company: City of Newport  
Address: 169 SW Coast Hwy  
City: Newport  
State: OR Zip: 97365  
Phone: 541-574-0626  
Fax: 541.574.0644  
Contact Name: Derrick I Tokos, AICP

Item	Description	Quantity	Unit Price	Amount
1	Update Nye Beach Design Guidelines as outlined in November 4, 2014 proposal (attached)	1	\$12,000.00	\$12,000.00
<b>Total</b>				<b>\$12,000.00</b>

THIS PURCHASE ORDER INCORPORATES THE TERMS ON THE REVERSE SIDE. BY ITS SIGNATURE HEREUNDER, CONTRACTOR AGREES TO PERFORM THE SERVICES/PROVIDE THE PRODUCTS DESCRIBED IN CITY'S RFP OR SOLICITATION AND VENDORS RESPONSE THERETO, ALL OF WHICH ARE ATTACHED, FOR THE FEE/AMOUNT SET FORTH THEREIN.

Fund/Dept	Line/GL Dept	Project Code	Charge Acct
101	1400		6030

Notes:

**Authorizations:**

*Derrick I Tokos*  
Department Director

*[Signature]*  
Finance Director

*[Signature]*  
City Manager

Contractor's Authorized Signature

Contractor's Printed Name

Submit this for signature with all documentation

## TERMS OF CITY'S PURCHASE ORDER

1. In the course of providing Services under this Purchase Order, Contractor may have contact with the public. Contractor will maintain good relations with the public. The City may treat the failure to maintain good relations with the public as a non-curable breach of this Purchase Order and may disqualify Contractor from future work for the City.
2. Contractor shall be compensated as described in the Purchase Order. Unless otherwise set forth in the Purchase Order, Contractor shall begin Services on the Effective Date and shall complete Services no later than such date set forth in the Purchase Order or as agreed upon in writing by the parties.
3. Contractor certifies that: (a) Contractor is an independent contractor as defined by ORS 670.700 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. In the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of the finding and to the full extent of any payments that City is required to make (to Contractor or to a third party) as a result of the finding. (b) Contractor is not an officer, employee or agent of the City as those terms are used in ORS 30.265. (c) No employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Contractor, either directly or indirectly, in connection with this Agreement, except as specifically declared in writing. (d) Contractor currently has a City business license or will obtain one prior to delivering Services under this Agreement.
4. City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor warrants that all its work will be performed with good workmanship and in accordance with generally accepted professional practices and standards of the industry in which Contractor operates as well as the requirements of applicable federal, state and local laws. Contractor's work will conform to the requirements of this Purchase Order. Acceptance of Contractor's work by City shall not operate as a waiver or release of this warranty. Contractor is fully liable for the acts and omissions of Contractor and Contractor's subcontractors which cause any damage, injury, death, property damage or loss to any person or property. Contractor will indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney's fees that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this Agreement. Contractor's indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this indemnification.
5. Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement. The insurance shall cover all activities of the Contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.
6. At any time and without cause, City shall have the right in its sole discretion, to terminate this Agreement by giving notice to Contractor. If City terminates the Agreement pursuant to this Section due to no fault of Contractor, City shall pay Contractor for all approved and undisputed services rendered up to the date of termination. City may modify or terminate this Agreement without cause effective upon delivery of written notice to Contractor, or at such later date as may be established by City.
7. For a period of not less than three years after City's final payment to Contractor, Contractor shall permit the City, the State of Oregon and the Federal Government (if State or Federal funding is involved) to have access to all books, documents, papers and records of Contractor which are pertinent to the Services provided hereunder for purposes of audit, examination, excerpts and transcripts. Contractor shall retain those records for at least three years, or until litigation is resolved if litigation is instituted.
8. Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of nature or of a public enemy, civil unrest, earthquake, fire, flood, epidemic, quarantine restriction, strike, freight embargo, unusually severe weather; provided that the parties so disabled shall notify the other party in writing of the cause of delay. Each party shall make reasonable efforts to remove or eliminate the cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligations under the Agreement.
9. Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations, including, but not limited to those in Exhibit A. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659.425, and all regulations and administrative rules established pursuant to those laws.
10. Contractor will perform additional work as may be necessary to correct errors in Services performed under this Agreement without undue delay and without additional cost.
11. The provisions of this Agreement shall be construed in accordance with the laws of the State of Oregon. Any action or suits involving any question arising under this Agreement will be brought in the appropriate court of the State of Oregon. In any action arising under this Agreement, the losing party shall pay such sum as the court may adjudge including reasonable attorney fees and court costs. Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, requirements concerning working hours, overtime, medical care, workers compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding contained in ORS Chapter 279, some provisions of which are attached to this Agreement as Exhibit A. All Contractor's work product accomplished under this Agreement, whether in the form of designs, drawings, as-builts, diagrams, specifications, reports, or other writings, shall become the exclusive property of the City. The City is the owner of any copyrights thereto, upon City's final payment to Contractor. This writing is intended both as a final expression of the Agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of the Agreement.

### EXHIBIT A

- 279B.220 Conditions concerning payment, contributions, liens, withholding.** The contractor shall: 1. Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract. 2. Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract. 3. Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished. 4. Pay to the Department of Revenue all sums withheld from employees under ORS 316.167. 5. In addition to the conditions specific in subsection 1-4 above, every public improvement contract shall contain a condition that the contractor shall demonstrate that an employee drug testing program is in place. (279C.505)
- 279C.515 Conditions concerning payment of claims by public officers, payment to persons furnishing labor or materials and complaints.** 1. If the contractor fails, neglects or refuses to make prompt payment of any claim for labor or services furnished to the contractor or a subcontractor by any person in connection with the public improvement contract as the claim becomes due, the proper officer or officers representing a municipality, may pay such claim to the person furnishing the labor or services and charge the amount of the payment against funds due or to become due the contractor by reason of the contract. 2. If the contractor or a first-tier subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract within thirty days after receipt of payment from the contracting agency or a contractor, the contractor or first-tier subcontractor shall owe the person the amount due plus interest charges commencing at the end of the ten day period that payment is due under ORS 279C.580 (4) and ending upon final payment, unless payment in ORS 279C.580. The rate of interest charged to the contractor or first-tier subcontractor on the amount due shall equal three times the discount rate on 90 day commercial paper in effect at the Federal Reserve Bank in the Federal Reserve district that includes Oregon on the date that is thirty days after the date when payment was received from the contracting agency or from the contractor, but the rate of interest may not exceed thirty percent. The amount of interest may not be waived. 3. If the contractor or a subcontractor fails, neglects or refuses to make payment to a person furnishing labor or materials in connection with the public improvement contract, the person may file a complaint with the Construction Contractors Board, unless payment is subject to a good faith dispute as defined in ORS 279C.580. 4. The payment of a claim in the manner authorized in this section does not relieve the contractor or the contractor's surety from obligation with respect to any unpaid claims.
- 279B.230 Condition concerning payment for medical care and providing workers' compensation.** (see 279C.530 for public improvement contracts) 1. The contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services. 2. All subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126. [2003 c.794 §76c].
- 279B.020, 279B.235; 279C.520, 279C.540 Conditions concerning hours of labor.** 1. An employer must give notice in writing to employees who work on a public contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work. 2. A person may not be employed for more than 10 hours in any one day, or 40 hours in any one week, except in cases of necessity, emergency or when the public policy absolutely requires it, and in such cases, except in cases of contracts for personal services designated under ORS 279A.055 (or 279C.100) the employee shall be paid at least time and a half pay: (a) For all overtime in excess of eight hours in any one day or 40 hours in any one week when the work week is five consecutive days, Monday through Friday; or (b) For all overtime in excess of ten hours in any one day or 40 hours in any one week when the work week is four consecutive days, Monday through Friday; and (c) For all work performed on Saturday and on any legal holiday specified in ORS 279B.020 (or ORS 279C.540). 3. In the case of contracts for personal services as described in ORS 279A.055, the contract shall contain a provision that the employee shall be paid at least time and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime. 4. Persons employed shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater.
- 279C.830 Relating to prevailing rate of wage in public works contracts.** 1. In the event this contract is a public works contract, the parties shall state in the contract the existing state prevailing rate of wage and if applicable, the federal prevailing rate of wage required under the Davis-Bacon Act that may be paid to workers in each trade or occupation required for the public works employed in the performance of the contract either by the contractor or subcontractor or other person doing or contracting to do the whole or any part of the work contemplated by the contract. When the prevailing rates of wage are available electronically or are accessible on the Internet, the rates may be incorporated into the specifications by referring to the electronically accessible or Internet-accessible rates and by providing adequate information about how to access the rates. 2. Every contract and subcontract shall contain a provision that the workers shall contain a provision that the works shall be paid not less than the specified minimum hourly rate of wage in accordance with ORS 279C.838 and 279C.840. 3. Contractor will pay to the Commissioner of the Bureau of Labor and Industries (BOLI) a fee as provided in ORS 279C.825(1). The fee shall be paid to the commissioner under the administrative rule of the commissioner. 4. Every contract for public works shall contain a provision stating that the contractor and every subcontractor must have a public works bond filed with the Construction Contractors Board before starting work on the project, unless exempt under ORS 279C.836 (4), (7), (8) or (9).

# Proposal for Architectural Services



**Date** 04 November 2014  
**Project Name** Nye Beach Design Guidelines Update  
**Project Number** 1401039

**Attention** Derrick Tokos  
Community Development Director  
**Address** City of Newport  
169 SW Coast Hwy  
Newport, OR 97365

**Overview/Project Description** SERA Architects, Inc. appreciates this opportunity to submit this Proposal to assist the City of Newport with an update to the Nye Beach Design Guidelines. The City has requested assistance with addressing specific identified concerns with the guidelines, as described below.

**Scope of Work** The following tasks have been identified as the priority areas of the Nye Beach Design Guidelines to be addressed:

**Task 1: Recommendations on non-discretionary design standards to better achieve desired architectural styles**

SERA staff will review the City of Newport's Nye Beach Design Review Standards and offer suggested changes to help achieve the type of architectural result intended. Solutions will be in line with the suggestions in the SERA memo of 02-September-2014 addressing the Nye Beach Standards and Guidelines.

**Task 2: Updated Illustrations**

SERA will re-create the existing illustrations which are not fully legible, with minor revisions, to create a set of updated illustrations that will be reproducible and support the guidelines.

**Task 3: Revise to remove vague terminology**

SERA will offer suggestions to the Task Force to clarify vague terms in the discretionary design guidelines. Suggestions will be made for how policymakers might weigh the respective guidelines against one another.

**Task 4: New guidelines to address massing of larger buildings**

SERA will propose new standards and guidelines to provide additional architectural relief for large buildings. This task will include basic illustrations of massing concepts and scales.

**Task 5: Review existing thresholds for discretionary design review**

SERA will provide suggestions for how the design guidelines and standards might be adjusted to ensure that large or tall structures are required to go through discretionary design review. This review will also include the technique for measurement of building height as it affects the goals of these guidelines.

**Task 6: Task Force Meeting**

SERA will attend one meeting of the Task Force, in Newport, to discuss suggestions to revise the guidelines and standards.

**Project Deliverables** The recommendations and suggested revisions above will be compiled in a draft memorandum. Illustrations will be prepared in a digital format, of suitable resolution for inclusion in the published guidelines.

**Project Assumptions** Other than the meeting identified, SERA's work will be performed from Portland. SERA will provide a single draft and one final version of the memo, based on edits and comments compiled by City staff. City staff will make edits to the guideline master text, based on the revisions that are accepted as part of this process. No sub-consultants are included in this scope of work.

**Project Schedule** The tasks above will be prepared in draft form five weeks after the notice to proceed with the work. SERA will prepare a final version within two weeks after receipt of compiled comments from the City.

**Compensation** Based upon the assumptions and scope of services indicated, SERA will perform the above tasks for a fee of Twelve Thousand Dollars (\$12,000), inclusive of labor and reimbursables, which are calculated as 4% of labor fees.

If this Proposal is acceptable to you, please sign where indicated below, returning a fully executed copy for our file. We shall commence work upon receipt of this signed agreement. This proposal is good for sixty (60) days.

Sincerely,

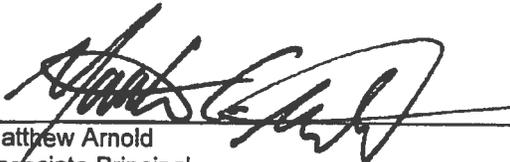
SERA Architects

Matthew Arnold, AICP  
Associate Principal

**Additional Services** The following services will be in addition to the fee for basic services and will be performed at your written request on a time and materials basis, using the billing rates current as of the time of the request.

- Attendance at hearings or other meetings associated with approval and adoption of the design guidelines.

**Approval** Proposed by: SERA Architects

  
Matthew Arnold  
Associate Principal

November 4, 2014  
Date

Accepted by: City of Newport, OR

  
Signature

11/4/14  
Date

DERRICK I. TOKOS  
(print name and title)  
COMMUNITY DEVELOPMENT DIRECTOR