

MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, June 13, 2016

Commissioners Present: Jim Patrick, Rod Croteau, Lee Hardy, Jim Hanselman, Bob Berman, and Mike Franklin.

Commissioners Absent: Bill Branigan (*excused*).

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

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

2. **Approval of Minutes.**

A. Approval of the Planning Commission work session and regular session meeting minutes of May 9, 2016.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to approve the Planning Commission meeting minutes with a couple of minor grammatical corrections that he had mentioned to Haney. The motion carried unanimously in a voice vote.

3. **Citizen/Public Comment.** No public comments.

4. **Action Items.** No action items.

5. **Public Hearings.** At 7:01 p.m. Patrick opened the public hearing portion of the meeting by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits; and nothing was declared. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

A. **File No. 1-UGB-16/1-CP-16.** A request for a minor amendment to the Newport Urban Growth Boundary submitted by Terry Lettenmaier & Laurie Weitkamp on behalf of themselves and Fox N Bush, LLC, the other property owner to accommodate a property line adjustment that will add and remove 6 acres of land. The land within the UGB is part of the Wolf Tree Destination Resort Planned Development. Property outside the UGB is designated for forest uses. The proposal would also include an amendment to the Newport Comprehensive Plan map designating the property being added to the UGB as "High Density Residential" with the limitation that it can only be developed in an urban manner as part of the destination resort.

Patrick opened the public hearing for File No. 1-UGB-16/1-CP-16 at 7:02 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos noted that included in the meeting packets was the application, which was broken down into the various attachments along with a memo he put together addressing the concerns raised by DLCD. He noted that with UGB amendments there are a lot of complicated steps. He said what it boils down to is that you have to have a demonstrated need; and once that's done, you have to be able to demonstrate that the land you're bringing in actually effectively addresses that need. The analysis we go through looks at the 20-year land supply, which is based on population forecasts. We have a housing needs analysis that's included as part of the Comprehensive Plan. We also have a commercial and industrial lands need. Our buildable lands inventory in sum covers both needs. Tokos said this application falls under the housing side of it. We last did the housing update in 2014 when we were working with OSU. The Wolf Tree Destination Resort is broken out separately. There aren't very many undeveloped destination resorts inside cities in the state. The type of housing provided by the destination resort is a little bit different than typical residential development. Tokos said the Commission may recall that a few years back Lettenmaier approached the City to have his property taken out of the city limits so it wasn't subject to that destination resort overlay because he couldn't develop it in any capacity unless he did the full-out destination resort.

Lettenmaier was successful in withdrawing his property from the city limits and can develop under County rules even though the property is still within the Urban Growth Boundary and could at some point in the future be annexed again if the destination resort concept comes to fruition. Since that time, they have done some work figuring out how they want to site their homes. In the process of doing that, they determined that a land swap was ideal. It not only positioned the Lettenmaier/Weitkamp home properly, but the neighboring property owner also benefits. As Tokos pointed out in the analysis, adjusting the UGB with the 6-acre swap in this manner actually aligns it a little bit better with the terrain. He said that what the State mentioned was that in 2015 they made changes to the law. We had brought our code up to speed in 2013 with current rules and will probably have to go through that again to address the changes made in 2015. In the meantime, we address it through direct application of the Administrative Rules. DLCD said even with land swaps, you have to meet the rules which tell you basically how you have to do the analysis to tell you if that land actually is the right land to address your need. Because it's a land swap, under the State law we can rely on the destination resort there now, and it's already part of our Comp Plan. We don't have to demonstrate that there's a need for the 6 acres for destination resort purposes; that's already established in our plan. What we had to do was establish that the 6 acres they want to swap out and bring in, which happens to be timber conservation, was the right acreage. The way the rules are set up, we have to look at all land within a mile of the City; and we have to go through a set of criteria to establish that those lands that are not farm or forest aren't suitable for various reasons. He addressed that in his memo he included in the packet that we can establish that exception lands that aren't contiguous to the destination resort can't reasonably be developed as part of the destination resort. We can establish that those exception lands that have two acre or less type parcelization development aren't suitable because we can't hobble those together to any kind of coherent destination resort development; at least not easily. That was easy enough to kick it out. There was some exception land next to the Airport, which because of its proximity to the Airport and the approach zones was easy enough to kick out. Tokos thought he included in the packet enough to address DLCD's concerns at this point. Tokos had a conversation with Patrick Wingard, our regional representative, and believes that he is satisfied with this. Tokos expects that he will have something to that effect in writing from him prior to the City Council meeting. Tokos said the applicant in his narrative put in a fair amount of time explaining how the various other criteria have been satisfied both in terms of the need and location analysis.

Proponents: Coming forward, the applicant, Terry Lettenmaier, PO Box 550, South Beach, OR 97366, noted that he didn't have a formal presentation, but could answer any questions. Croteau noted that he had a hard time going through all the detail; but he thought the applicant covered all of his bases. Lettenmaier said that if they could have figured out a simpler way, they would have. Patrick said he noticed the part that they have to be 50 feet from the timber zone. Lettenmaier said that's an issue. He mentioned that there are a whole bunch of advantages. There's more room for the septic and fire turn around. He said the biggest thing that's driven it is that there's been a lot of conflict with timber and residential uses in that area. They were just really worried about that. He said there was no other way to eliminate that possibility. He doesn't like the idea of a house next to an area where there are issues with logging. It's difficult not having good access to that property for logging purposes. That's the biggest motivator they have.

There were no other proponents, opponents, or interested parties present wishing to testify.

Patrick closed the public hearing at 7:11 p.m. for deliberation. Hardy thought it makes sense as presented. Berman agreed. He didn't follow through looking at the statutes, but he assumes Tokos did and that the requirements have been met. He said it seems like a perfectly sensible idea. Croteau said he spent some time with this and didn't see a downside at all. Franklin thought it's straightforward. He said it's a great plan, and he looks forward to seeing it completed. Hanselman thought the applicant had been very thorough. He said it took him several hours to figure it out. He was impressed and thought that this is something the applicant really wants to do. He thanked Lettenmaier for making it straightforward actually even though it doesn't seem so. He said it read well, and he understood what the applicant is trying to do. Patrick agreed. He said it trades some hard-to-access land for some easy-to-access land. He said it's kind of a no-brainer. He said it's taking a lot of work for something that should have been fairly straightforward. Tokos said sometimes the small, what seems very straightforward projects get hooked up with the larger battles that happen statewide about changing the UGBs and what lands should or shouldn't be brought in. What we have going for us in this case is that it's a destination resort site, which is unique and is not going to pop itself up in Portland or any of these other areas where you have larger land use palettes. So it's not precedent-setting. It allows us to get through even with this level of detail. Patrick discussed having to look at everything one mile outside the UGB. He said it's a good thing there's ocean on one side. Tokos said he looks at it too and wonders if this is streamlining. But on the flip side, those things weren't defined previously; so that got duked out in court. What

criteria was justifiable to shoot down not bringing in certain exception lands in certain areas. Was that valid enough criteria? When you don't have that level of detail, it's open to interpretation; which means they duke it out in court.

MOTION was made by Commissioner Croteau, seconded by Commissioner Franklin, to forward a positive recommendation to the City Council on File No. 1-UGB-16/-CP-16. The motion carried unanimously in a voice vote.

Patrick noted that on page 14 of one of the attachments, there were references to mobile homes in our Comp Plan. Tokos asked him to flag it and he would grab it at the end of the meeting.

6. **New Business.** Tokos noted that the Senior Planner position was funded effective January. We did one advertisement for recruitment, but didn't get very many applications. The recruitment was stretched for either an associate or senior planner and was re-advertised; and we got a better candidate pool. The advertisement closed last Friday, and we will go through them and set up interviews. Tokos asked if any of the Commissioners would like to participate in that process. Patrick said he would like to but doesn't have the time. Croteau said he will if he doesn't have a conflict. Berman asked how many applicants there were. Tokos said probably around twenty. The first time there were four. Croteau asked how many of those would be interviewed. Tokos said he would have to go through and check the qualifications. Typically, we interview no more than a half dozen and then have the final one or two for the second round.

7. **Unfinished Business.**

A. Tokos noted that the second meeting of the parking study advisory committee will be on June 22nd from 3:30 to 5:00 p.m. Branigan, the appointed Commission member, indicated to Tokos that he will be unavailable because he is out of town. He wondered if the Commission wanted to appoint a back-up. Hanselman will stand in as a substitute.

B. Regarding workforce housing, Tokos noted that City Manager Nebel is trying to arrange a meeting with the county and Lincoln City. Tokos will let the Commissioners know when it's arranged.

8. **Director Comments.** Tokos wanted to review the Commission's upcoming calendar. June 27th and July 11th will both be just work sessions only.

Tokos will be talking to the Council in work session on Monday going over the rules and statutes related to island annexations. They want to think about whether they want to push the button on taking in those unincorporated properties in South Beach that are surrounded by the City. There are a number of industrial pieces along 101 between 40th down to 62nd that are surrounded by the city limits that haven't annexed. We've extended services through Urban Renewal, and only one person has connected. The primary driver is they have Police and Fire complaints about it. It's gets confusing about who is supposed to respond where. The Council wants Tokos to walk through the annexation provision. So that may be something the Commission will talk about as well, particularly if they want to start pushing that because it would go through the Planning Commission first. Berman asked Tokos what his feeling was of what the reception would be among the property owners. Tokos said most will not be excited because they will have to pay more taxes. Those properties that are surrounded by the City, whether they want to be annexed or not, the City Council can by statute unilaterally bring them in. It's not like with an LID where they can remonstrate against it and stop it. Berman wondered if we're only going to look at the ones in South Beach. Tokos said the Council may talk about a few other areas as well; but that's the one pushing it. He noted that some of those properties are still in the Seal Rock Water District. We took care of that for the properties we annexed, but not the unincorporated ones. We can't force that issue. We can only address that in the areas where we have jurisdiction. Franklin asked, so those properties are still being charged twice; and Tokos confirmed that's the case. We can encourage them to petition to the County to get out of Seal Rock, but we have no jurisdiction outside the city limits. Patrick asked, they are paying both Seal Rock and the City; and Tokos confirmed they are. Franklin asked how long that would continue; and Tokos said for quite a while. He said it should have been addressed with the original service agreement in '06 or '07. We fixed it with the annexed territory; and the City ended up having to pay them a bunch of money to fix it because what they're charging those people are rates that were intended to retire their bond debt. You take those properties out, and that's that fewer property owners to help pay that bond debt. So we ended up having to pay that difference to Seal Rock. If we take these island properties out, we'll probably have to pay something similar. Patrick noted that it should get smaller because the bond is being paid down. Tokos said over time, yes; but it's going to take time. He said that's assuming

Seal Rock doesn't pass new bonds and include those properties. They did that in 2010. They're paying us for it, and it's a little higher because they're not inside the City. But we're at least providing them service.

Also, Tokos will have the RFP for the SDC methodology review to run by the Commission; and that's for work session.

On July 25th the Commission will have a public hearing on changes to the Comprehensive Plan map and the Zoning map for OSU housing in Wilder. There won't be a work session that night. Senator Roblan has a public outreach meeting scheduled here from 5:00 to 7:00 p.m. on septic systems. Patrick thought that deals with failed septic systems. That's being driven mostly by people on the east side of Devils Lake.

Patrick noted that he won't be in town for the second work session.

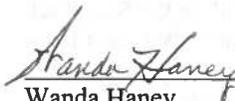
Tokos said one other thing he would like to work into the Planning Commission work session is a discussion about doing a concept plan for the block in South Beach from 32nd Street to 40th Street involving commercial stuff east of 101. Tokos will be doing some outreach with the property owners to gauge their temperature. It's really a conversation about if we should be doing some commercial zoning and changing from light industrial as that area changes. He thinks that it's a timely conversation because the Urban Renewal Agency is pumping a lot of money into infrastructure down there; and you're starting to see that change to more of a commercial orientation. If we don't put some provisions in place zoning-wise to support that, we may see some of those properties getting developed with auto repair or things of that nature or other industrial uses that we may not want to see down there long-term. We will talk to folks down there to see what they see as the long-term vision for their own properties down there and what kind of partnerships there might be. Tokos noted that there's a little bit on 40th Street that's not in the city. At Ferry Slip there are some little homes between Ash and 101 that are not in the city until you get to Rich Richmond's property. South Beach Grocery is not in the city limits. The property with the boat sitting on it is not in the city; and there are a number south of that. He explained that Rich Richmond's property is across from the glassblowing shop and is in city limits; but the properties immediately north of his are not. The trailer park is outside city limits. Tokos said that almost everything on the west side south of 40th is out. The State Park surrounds it. The east side is a little trickier. That's what the City Council wants to talk about; is it timely to take care of it. Patrick thought we need to do it before it gets to be a problem like Roads End; we don't want to end up like Lincoln City.

Tokos summed up that those are the things coming down for work sessions.

Patrick again raised the reference to mobile homes in the Comprehensive Plan. He thought it was on something like page 14 of Attachment "A", the Urbanization element where it talks about "suitable for mobile home overlay zone." Tokos said that's on page 274. He didn't think that was cleaned up in the past because it was past justification for bringing those areas into the city. We ran into this and talked about it briefly when we did the policy updates. All those areas were brought in the past; that's what the rationale was for bringing them in. He said that's not to say we can't purge from this moving forward.

9. **Adjournment.** Having no further business, the meeting adjourned at 7:34 p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant