

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room 'A'
Monday, August 27, 2012

Planning Commissioners Present: Jim Patrick, Gary East, Mark Fisher, Glen Small, and Bill Branigan.

Planning Commissioners Absent: Jim McIntyre and Rod Croteau (*excused*).

Citizens Advisory Committee Members Present: Lisa Mulcahy and Bob Berman.

EOA TAC Members Present: Lorna Davis, Caroline Bauman, Bonnie Serkin, and Will Emery.

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

Chair Patrick called the Planning Commission work session to order at 6:00 p.m. and turned the meeting over to CDD Tokos.

A. New Business.

1. Review of the Economic Opportunities Analysis. Tokos noted that he had provided in the packets minutes from the TAC's last meeting, a roster of the TAC members, and the update of the Economy section of the Comprehensive Plan. He noted that there are two other documents he didn't provide in the packets, but the Economy section is a compilation of the full buildable lands document and the economic development strategy, which has all the policies and actions. Tokos wanted to walk through a PowerPoint presentation he had prepared and then open up the meeting for questions.

Tokos said the purpose of the study was to determine whether Newport has enough employment land. The other big piece was developing a strategy to guide economic development policies and actions in Newport. With the PowerPoint, Tokos presented a summary of the process. \$30,000 was budgeted, with half from the State. A consultant, ECONorthwest, was hired. He noted that the Economy section of the Comprehensive Plan needs to meet the requirements of Statewide Planning Goal 9 and its Administrative Rule (OAR 660-009). There was basically a timeline of 12 months. Outreach involved a 15-member TAC. The resulting products were a buildable lands inventory, an EOA, an economic development strategy, and an updated Comprehensive Plan Economy section. The plan will go through a legislative process to adopt it into the Comprehensive Plan. The PowerPoint showed a list of the TAC members, the TAC meeting schedule, and what was covered at the six meetings. The first meeting was held in December 2011, and the last meeting was in June 2012. Tokos showed a list of the key economic partners, and noted that when looking at the goals, policies, and actions, not all of them are the City's. He said that they need to be drawn up in such a manner that we are not committing these partners; but just giving their role and how we should coordinate. Tokos next showed Newport's vision for economic development that the TAC came up with. Tokos explained that the EOA explains what the City should actually be doing as their support role in economic development. It notes that the City should have a land use program that provides a 20-year supply of commercial and industrial sites. The City provides and maintains infrastructure to support development. The City has limited staff and financial resources that can be invested to support economic development activities. Tokos talked about using Urban Renewal funds, and mentioned room tax, from SDCs, and a portion of the general fund for grant matches. The EOA notes that the City is not the appropriate organization to coordinate business recruitment and retention activities or to house staff that coordinates those activities. The City is a partner and financial contributor for those activities, but doesn't want to be into business recruitment.

Getting into the data, Tokos explained that the employment lands are broken out in acres by classification and plan designation. The acreage is broken down by zone designation and then, vacant and partially vacant. The consultant looked at developed and constrained acres, and what is left is developable. Then that can be broken down further into different categories of what is developable and suitable for industrial, commercial, shoreland, and public. Tokos showed Table 11, giving commercial and industrial land needs. He said that shows that the City has sufficient lands. We don't need to bring in commercial and industrial lands; we have enough in the UGB. Tokos noted that we do have a deficiency of larger commercial sites. One thing that came out of this study is just how much underdeveloped commercial property the City has that are prime areas for redevelopment. Newport has a low improvement-to-land value ratio. Tokos showed Map 2.1 from the study. He said that some of these are too small or have bad access. Patrick thought the colors on the map were confusing and that "0" and "no land value" was confusing. Tokos said maybe the "0" should go away, he will get that fixed.

Job growth generally gets into recommended goals and actions. It talks about independent actions. The goal is to create conditions that are attractive to the growth of existing businesses and attract new businesses to create new jobs. The action is to create and staff a business growth and recruitment coordinator function. The rationale explains what the business growth

and recruitment coordinator will do. Then it explains who does it. There will be follow-up work by the TAC on this function. Possible funding sources are listed. When to initiate is within the first year, continuing through a five-year period. Bench marks will be development of a work plan, hiring a coordinator, and implementation of the work plan. Tokos said that this is the standard format in place for all of the goals. In the PowerPoint, he just included it for one so that the group could see it. Tokos noted that the business growth and recruitment coordinator is a function. It could be contracted with a consulting firm; or it could become a position.

Policy 1 under Job Growth is that the City shall facilitate employment growth in the marine and ocean observing research and education cluster. There are several actions that will do that. Action 1.1 is to identify a person or organization responsible for coordinating. Action 1.2 is to update the strategic and business plan to guide growth of this cluster. Action 1.3 is to identify opportunity sites for growth of the cluster. Action 1.4 is to hold stakeholder workshops.

Job Growth Policy 2 is that the City shall encourage growth of tourism-related employment. Action 2.1 is to develop tourism-related amenities and facilities. Action 2.2 is to work with the Port and the Chamber to study opportunities to make Newport a destination for cruise ships and other recreational activities. Action 2.3 is to maintain meaningful tourism marketing, which is done through funds.

Policy 3 under Job Growth relates to imports, exports, and fishing. It states that the City shall coordinate with the Port on shared economic development objectives. The action is to evaluate opportunities to expand the goods shipped via the Port. The City has the infrastructure.

Policy 4 says that the City shall encourage growth of businesses involved with fishing and value-added seafood. The action is to coordinate relationships with the Port, fishing businesses, and other business interests.

Tokos explained that these target industries came out as the strongest area for development in the community. They came out of the SWOT (strengths, weaknesses, opportunities, and threats) list. These were the focus areas. Some of these generate a lot of jobs. A lot were the observations of the TAC.

The next topic was Work Force Availability and Quality. Policy 5 says the City shall support workforce development. Tokos said the general sense was that there is not a whole lot the City can do on this effort. The action is to provide strategic contributions in staff or dollars to partners to support workforce development. The City can support workforce development through the Community College to provide appropriate workforce and entrepreneurial training opportunities to meet the needs of the target industries.

The next topic is the Supply of Commercial and Industrial Land. The goal is to provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities. Policy 6 is that the City shall encourage better use of underutilized and/or blighted commercial sites. The City will have to put together tools to help, and the Urban Renewal Agency can do that. Action is to evaluate the creation of an Urban Renewal District north of the bridge.

Policy 7 states that the City shall ensure an adequate supply of commercial and industrial sites. Action 7.1 is to develop strategies to prioritize target industry uses on opportunity sites. The City can work with property owners and enter into development agreements to help market their properties. Action 7.2 is to develop an annexation strategy for commercial and industrial properties in South Beach. This project will result in an Urban Growth Management Agreement (UGMA) with Lincoln County. Patrick thought the City needs a "carrot". Tokos said we will need resources; and that is where Urban Renewal comes into it. He thought maybe this is something to have outside the plan proper.

The next topic was Infrastructure and Public Facilities. The goal is to make investments in infrastructure and public facilities to support target industries. Policy 8 says the City shall ensure that adequate infrastructure is available. Action 8.1 is to identify and make infrastructure investments on opportunity sites; Action 8.2, coordinate provision of infrastructure to the International Terminal; Action 8.3, develop and maintain infrastructure used by visitors; Action 8.4, develop infrastructure needed to support fishing and seafood processing; and Action 8.5, work with ODOT on upgrades to or replacement of the bridge. Tokos said that we don't have enough funds to ensure infrastructure is adequate for all potential future users that may want to come to Newport; so we have to be strategic with investments. He noted that the more policies we can have the bridge in, the more leverage we have.

The final topic is Implementation. Tokos said there are timelines woven in for each of these strategies. With the PowerPoint, he presented Figure 1 from the end of the document that shows the timeline.

Tokos asked the Commissioners to let him know if there should be adjustments one way or another before this goes to hearing. He said that the next step is a City Council work session on September 4th to review this same material. The Planning

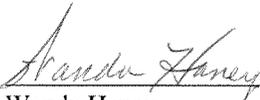
Commission hearing is scheduled for the first September meeting date. The City Council will hear this on October 1st tentatively.

Fisher said that on Action 8.5, he would say the bridge is the “only connection” between north and south. Tokos said he will change it to say the “only viable connection”.

Tokos said that he had covered what was in the document. He noted that several TAC members were present, and gave them an opportunity to say something if they wanted. Emery agreed with Tokos that resources are limited and have to be targeted. Fishing, tourism, and lumber were identified. He said that economic development can be broken down into two categories; it's either new development or redevelopment. Redevelopment property already has a lot of permitting in place. In terms of redevelopment, what is already there has potential. He noted that here, the value of improvements to land value is low. He said that the City should in preparation at least think of a strategy of how to use resources effectively. When talking about new construction, there should be some forethought and discussion about how that could be incentivized to attract jobs here. If we are looking for private enterprise employers, this should be discussed. Serkin said that it makes sense to focus on those things that already make Newport strong. Branigan asked if we could go with service industries like call centers that don't require a large amount of space. Serkin believed that what the TAC was stressing doesn't preclude those things. Tokos noted that from time to time, Business Oregon will kick those out. They do statewide business recruitment and align businesses looking at the Pacific Northwest with what would be an attractive location for them; and call centers come up now and then. He said that typically they are looking for larger acreage than what we have, and sometimes for buildings already in place. An obstacle for us is that we don't have larger buildings on properties that are vacant. Fisher asked if there is a system to forgive SDCs. Tokos said SDCs can be deferred, but not forgiven. Patrick added that the City gives credits on redevelopment. Tokos mentioned that there is the enterprise zone where there is a tax break. He said that the City could pursue potential rate reduction where, if the business is a higher water user, as an incentive we could give a lower rate for a time. Emery said that one thing that came up is that Newport is where the college central campus is located, and why we couldn't encourage home offices for whatever services. For example, a pest control company that covers Lincoln City to Waldport putting their central office here in Newport. There could be something to encourage businesses to put their home office here. Tokos noted that one shortcoming of Business Oregon is that they are I-5 focused. Newport needs to apply some resources to try to recruit businesses based on our relative competitive strengths. Small agreed that focus needs to be on those areas that don't rely on I-5; those things that stand alone and don't rely on I-5. Bauman said that Newport's desirability that draws tourists also draws the entrepreneurial folks that don't need the I-5 corridor. She thought that the desire of small business people that want to live here first and foremost and develop their own business was taken into consideration and is found in here. But the big thing for considering these targeted industries as having potential was because of the proximity to the ocean.

B. Adjournment. Having no further discussion, the work session meeting adjourned at 6:57p.m.

Respectfully submitted,



Wanda Haney
Executive Assistant