

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room 'A'
Monday, April 14, 2014

Planning Commissioners Present: Jim Patrick, Bill Branigan, Gary East, Mark Fisher, Rod Croteau, Jim McIntyre, and Bob Berman.

Citizens Advisory Committee Members Present: Lee Hardy, Suzanne Dalton, and Dustin Capri.

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

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

A. New Business.

1. Review of Updated Library Goals, Objectives, and Strategies (File No. 2-CP-14) for potential action in regular session. Tokos noted that he had invited Ted Smith to join the meeting to walk through the different goals, objectives, and strategies the Library has been working on. He noted that after this presentation and asking questions, if the Commissioners are comfortable with it, they can initiate legislative policy update to the Comprehensive Plan in tonight's regular session. Tokos turned the presentation over to Smith for him to give the background on why and how this document came to be.

Smith said that their last strategic plan was done in 2004. Ever since he got here in 2009, he wanted to do a plan with a building analysis and have someone look at infrastructure and IT issues and give an idea of what can be done within the footprint the library is on without expansion. Also to look at what we could do in the community and in the Library to increase efficiencies and make more space and keep as many books as we have. The Library Foundation gave some money, and he had consultants come in and prepare this strategy. He noted that there is more to the original document. Tokos had provided the strategies, but didn't include the details. Smith said the consultants went out to the community and had focus groups with teachers and home-schooling parents. They held meetings in the Library with advocates and meetings where they invited people randomly. The consultants asked questions about how they used the Library. They talked to leaders in the community. The result of all of those talks with residents and leaders is the strategic plan here. He noted that basically they find that they have three strategies externally, which focus on life enrichment and life skills and that create young readers. He said the Library is doing a pretty good job of meeting a lot of needs people expect them to do. There are a few things to tweak, but they are basically meeting the external needs; they just need to do more of the same and get more efficient. The internal strategy is basically to remodel the library. He noted that the Library has 90-inch-high shelving, and patrons have to climb on small stools. While doing that, some of the older patrons have found it hard to read through the bottom of the lens of their bifocals. What they found was that you can make room by taking out shelving, put some high-use DVDs in a vending kiosk similar to a Red Box; and that creates more space for patrons, seating, and meetings. The Library only has one meeting room and an informal conference room. They can reconfigure the shelving in the Library for height. In the children's area, they can reconfigure seating so the parents and kids can meet together. Now the parents are estranged from the kids because there isn't enough room for the parents to sit on the floor like the kids. He said there is some work to do. Smith is writing grants to pay for as much of this as possible. The Library Board is committed to whatever is needed.

Branigan asked if this has to go to the City Council. Tokos said it is the existing Library Services section in the Comprehensive Plan that needs to be amended because it is out-of-date; and this is the type of effort you would use to do that. It will require public hearings before the Planning Commission and the City Council. Tokos said that he was talking to Smith, and one of the things they will have to talk about is how to work this into the Comprehensive Plan by reframing it as City objectives as opposed to Library Committee services. It will just take some wordsmithing. Branigan noted that these are aggressive goals. Smith agreed and said that he didn't know if they would be able to hit them; but it is an aiming point. In addition, he noted that the Library is considered to serve 18,000 Lincoln County residents.

Croteau asked if they are looking at increasing square footage 40%, how they will do that. Smith said they would add to the footprint they have to the west side as far as to the ravine; and on the north side to the parking lots. He said if they went much farther north, they would have to acquire land. In addition, parking is as dire a need. The lower parking lot is used when people can't find a place to park; so it gets full too. When the disabled park there, they have to roll their chairs all the way around and back up. There is no outside elevator. East asked if there is any plan to access the lower parking lot. Smith said yes if there is an expansion; but the initial plan is not opening walls. There is a door downstairs, but it is a one way door and can't be used

when there is a meeting down there. Smith said that the City owns all of the ravine and over to Literacy Park. He thought they may be able to put in a big culvert and expand the parking or build there.

Fisher said that he is a great user and supporter of the Library. He noted that in the 90s when he was on the school budget committee, he noticed that they were putting aside most extra money for computer systems and equipment and all to the detriment of getting more library books. He tried to make a case each year. He thinks our Library for a town this size is remarkable. He said that he actually appreciated the self-check-out of books, which works so easily and so well. He would like to see getting funding from other grants and entities. He said the Library does have a lot of books there; and he hopes this won't be to the detriment of increasing the number of books. Berman said he found the hours to be most impressive. He also would like to see an expansion of public meeting space. Smith agreed that is one of the biggest issues they have out there. Fisher added that he also appreciates the children's section downstairs. He said we need to hook children into reading and using books; and McIntyre added, at an early age.

Dalton said that she also truly values the Library and the concept of a more comprehensive plan. She said maybe she missed it when she reviewed this, but asked Smith who was surveyed. She wondered if they surveyed the youth. Smith said there were 13 youths on one committee. There was a group of 20 people randomly pulled from the community; and there were 35-40 educators that use the Library regularly. They went to Head Start and had meetings with the teachers and parents; and they heard from home teachers. There were individual interviews with community leaders to get a feel for the community and how the community views the Library; and they got very positive things out of that. Smith said they tried to cover as much of the community as they could. Dalton asked if there was anyone for whom English is their second language. Smith said that most of those at Head Start are Spanish-speakers. He said they have a lot of information. Also, the Library has bilingual story time; and they are getting a lot of feedback from those parents.

Branigan asked how they got the consultants; is that her specialty. Smith said yes; and a facilities planner from San Francisco; and the IT person that works with libraries in Portland, and an interior designer.

Fisher noted that Tokos' memo says that in regular session, if the Commission wants, we would recommend that this study that Smith put together be adopted and referred on to the City Council. Tokos said the Commission would initiate amendments to the Library section of the Comprehensive Plan. He would be working with Smith and bringing a draft back to the Planning Commission for public hearing. Patrick said this is just starting the process. Tokos said an amendment needs either the City Council or Planning Commission to initiate. It would just be a motion to initiate the amendment process.

The group thanked Smith and told him that the study was a very nice piece of work.

2. Discussion about pursuing regulatory options for medical marijuana dispensaries as provided in SB1531. Tokos noted that at their April 7th meeting, the City Council put in place a temporary moratorium on medical marijuana dispensaries within city limits. That option was made available with passage of SB 1531 in March. SB 1531 authorized temporary moratorium until May 1, 2015, unless rescinded sooner; and that is what the City Council chose to put in place. It also allows reasonable regulations to be imposed on medical marijuana facilities. Tokos said those of a zoning nature would be in terms of further refining where these facilities would be allowed within commercial, industrial, and mixed use zones; and hours of operation. There is a provision for other reasonable conditions that may be non-land-use-related. The City Council referred this to the Planning Commission to explore whether or not to provide a recommendation if the City should be pursuing any of these options in terms of reasonable regulations under SB 1531. It was sent for the Planning Commission to work through whether any specific changes should be pursued through City regulations. Berman asked if these would be over and above what the State set up; and Tokos confirmed that. He said the Council also wanted to make sure that the process to make a recommendation provides for input from those interested in establishing medical marijuana dispensaries; and several of those folks were in attendance at this meeting. Tokos said he looked at the land use code; and unlike some jurisdictions, we go by categories and not by individual land uses anymore. We made that change because we recognized that with a 20-page SIC listing, they needed to be constantly updated; and it just wasn't prudent. He said that the way our code is set up makes it challenging to pull out a particular use and say that this one is restricted from Tourist Commercial for instance. It would look at the entire category and whether it was inappropriate.

Tokos said that his sense is that we might want to tackle this in a couple of work sessions to address the threshold and whether there's any reason to pursue this further on the land-use side. He thought that land use isn't the place to go. If there are any restrictions, it would likely be non-land-use; like if the Police Department wants enhanced background checks. It could be an endorsement to the business license and probably not code. Tokos suggested a couple of work sessions. Invite those interested to weigh in whether they believe there are any additional types of regulations that would be prudent. Similarly, invite the Police to weigh in. Work through this in a couple of work sessions to get to the point to say that we discussed and thought about this and come up with a letter back to the City Council indicating where we think they should go before taking it through a full process. That is how we have addressed some of the issues the Council has sent back to the Commission; we have sent a written response back. Tokos suggested tackling this matter that way. Dalton wondered if that could also include learning what other cities nearby are doing. Tokos said yes, that could be part of the work session process.

Fisher noted that he's not opposed to using medical marijuana. But he read this, he noticed that it says "governing body of city or county may;" and he's thinking that we already have the County Health Department that does licensing for restaurants and food events, and the State already has set up a body of people knowledgeable in dispensing such drugs (pharmacies). He is not convinced that we have an obligation to set up an actual business code saying here is what you have to do. He's not sure that we shouldn't recommend referring this to the County; maybe they are the proper body and should be doing that in concert with the State Pharmacy Board. He didn't know if anybody at the table is qualified to set up these rules and know how it should be done properly. Patrick said that he didn't see how this can be done through zoning without doing some major monkey-wrenching. He agrees that the Commission can do the hearing and can ask what kind of rules they would like to see. Berman thought that the whole mechanism with the VRDs and the business license endorsement was a good approach. Then we can get as specific as we want and come up with a list of conditions. Patrick agreed that process worked pretty well. Berman thought that would be a good mechanism for implementing something if it were to occur. Croteau said from a land-use aspect, it is medical marijuana, and we have facilities that sell medical supplies. That is the way it should be handled. He didn't see a valid reason to separate them. Hardy agreed and asked why they are any different than pharmacies. McIntyre said that they are really controlled by the Oregon Health Authority. Patrick said he could see this being controversial so the Commission could take the approach like we did with the VRDs; talk to the people who want to dispense and to the Police Department. Tokos said it would create a structured process for people to provide information to us so that we have it for the next work session. Interested parties can submit what types of reasonable restrictions are prudent if any. The Commission can discuss those at the next work session and provide to the City Council how we want to pursue changes or if it's set hard enough. Then in letter form, he'll prepare and bring back a response to the Council at the regular meeting for Commission approval. Tokos wondered if that seemed reasonable. Berman said it is a starting point and lets public input come in from various sources to say why and if there should be any additional restrictions above what are there already. McIntyre agreed. Capri said we could invite those that would be upset, like certain neighborhoods, and those that will have an opinion about it. Fisher said he didn't think that we can get through this in one two-hour evening. We will have groups of people coming in.

Branigan wondered if anyone had contacted Vancouver, Washington or any other city in Washington. He said there has to be some cities that have gone through a lengthy process. Tokos said that he can certainly reach out and see what other jurisdictions are doing with SB 1531 if anything and can report back on that. East said some surrounding cities are not going to pursue a moratorium.

From the audience, Lou Limbrunner, asked why the City Attorney wasn't present. Tokos said it's not necessary; we are just talking about the process to solidify information. Limbrunner said this affects the business licenses. These people made decisions that cost lots of money. Tokos said that's not the question before the Commission right now. Limbrunner noted that the State already has rules and regulations in place. Tokos said that he understood. Again, Tokos asked if the work session approach seemed reasonable; and the consensus was that it did. Berman said we will need good publicity. Patrick wanted to make sure that we hear from both sides. He thought the work session was best.

Audience member Jack O'Neil suggested looking at the OHA rules and regulations final draft. He said it is comprehensive and he believes covers most of the bases. He said it is written very carefully and requires security and very stringent accountability. He said the zoning is addressed just like Tokos had mentioned. He noted that around the country, other cities and local governments have tried to adopt regulations to ban this based on other business association in a given area. Other businesses might protest even though it is zoned correctly. He said the courts have been ruling pretty consistently in favor of the State zoning regulations as opposed to neighbors heavily protesting this existence. He said the State did put a lot into this thing and covered it pretty thoroughly. He said he is unsure what local jurisdictions are looking for. O'Neil said that he has been operating a dispensary for two and a half years. At this point he is dealing with the State and trying to be compliant. He said he can't imagine how this could get more stringent. His dispensary is in Salem. He had a good video system, but he had to completely redo it because it wasn't good enough for the State. They also seem very serious about their regulations. When you read them, you wonder if they have the ability or intent to regulate to that extent. Berman thought the document from the Health Authority would be a good thing to include. Tokos said absolutely.

Tokos said he would envision that the next work session would be the first one in May. That's four weeks from now. We can provide three weeks' outreach and pull information together for that meeting. Dalton asked if it's appropriate when we do the announcement of the public meeting to also cite the law and the Health Authority resource that was referenced. Tokos said what he was thinking of is that basically this is an opportunity for interested folks to provide feedback about what, if any, reasonable regulations should be considered in work session. We don't have anything that is appropriate for a hearing at this point. We may not want to go down the path of any changes and just kick back to the Council that the Commission doesn't see any reasonable regulations to pursue. He is cautious about public hearings right off the bat because that is inviting testimony, and they don't know what to testify to. That is why he is framing this in a work-session-structured way for input of what they think should be considered or why not. That gives the Commission time to digest it and talk about it as a group and decide where you want to go.

Limbrunner asked if any other municipality is doing this. Tokos said that Lincoln County did put in a temporary moratorium. Limbrunner said that Toledo already has one; and Yachats and Lincoln City are not doing this. Tokos said that is possible. He will see what other jurisdictions are doing.

O'Neil had one comment regarding the problems with the issuance of the business licenses. He asked if it was possible to come up with some sort of timeframe. He said if they have a timeframe, they can deal more easily with some of these problems that are happening so suddenly. He said that they ran into this at the last minute and were already tied into leases and commitments. He said a timeframe would really be helpful.

Fisher thought that the City Council was clear that this moratorium isn't going to be quickly recalled. They are serious about putting this off awhile to see what the Planning Commission comes up with. Tokos thought the initial step with May 12th is reasonable to provide three weeks for comments and is moving along in a timely manner. If what the Commission determines it wants to do is a recommendation for specific changes or report back to the City Council why we don't think it should be pursued, he can bring that back to the second meeting in May at the regular session for the Commission to consider. After May 12th, if the Planning Commission directs Tokos to prepare additional changes that will have to go through public hearing, which would be four weeks out; possibly the first meeting in June. Tokos said those are the two paths. We are moving as timely as we can and also respecting that we need to do meaningful outreach and get information to the Planning Commission.

B. Unfinished Business.

1. Further discussion regarding the feasibility of the formation of a North Side Urban Renewal District. Tokos said that he hoped everyone had read through the final report. He said what he tried to do was summarize the revisions in a memo. He noted that the revenue sharing provisions were clarified on page 3. We had talked about it not being clear with the different thresholds you see. They cleared up the 10% and the partial revenue of 12.5%. There are additional details provided regarding compression including the trend, and that was moved up in the report. Street labeling was improved on the map so you can read it. Tokos thought they did a nice job of cleaning up the tables, and the summary on Exhibit 3 was a good one. Croteau asked if the total column was only of the large option. Tokos said what that is saying is the large option includes those elements; and the small and middle do not include those. Looking at Exhibit 3, the small and mid means those aren't further projects at all; they are in the large to that amount (100%, 50%, 75%, and so forth). Tokos said he had a conversation with ECO about this; and they held with 4.5% growth forecast. They asked if we really want to do 3.65% because 4.5% is realistic; and they felt that 3.65% is too conservative. They said that was taking in a recession that we are unlikely to see again. ECO said that 4.5% is more typical and is reasonably conservative. Tokos noted that this is the feasibility study, and if you form a plan based on 4.5% growth that doesn't mean that can't be refined. He said in South Beach we went with 7.1% growth because that seemed reasonable in 2008. That changed, and we adjusted it down to 3% based on experience. You can make course corrections after you make the plan. If you don't meet it, that means less money coming in and less projects. Berman asked if that is the rate only within the plan area or citywide. Tokos said the 4.5% should be just in the plan area. He continued noting corrections by saying that they cleared up the error in the TIF forecasts in Exhibits 6, 7, and 8. He said he talked to them about truncating the tables and why not stop them at the year they retire; and that is what they did. He asked them if they would flag the year when we would be closing the South Beach District because the entities will be getting an infusion back; and they footnoted that. Croteau asked if 2026 is realistic; and Tokos said it is shown as 2027 on the tables, which is realistic but we may actually close sooner. At that point we would have \$2.8 million in annual TIF revenue that will roll back to the taxing districts. ECO added a new section to the report to address impacts to taxing districts. Tokos said that he didn't appreciate fully until he had a talk with ECO that school districts are held harmless. It is picked up through a State formula, which funds based on student population. The school district is not going to get impacted. You also have compression, so the loss in property taxes to schools in the near term wouldn't be as significant anyway because of the compression issue. If an urban renewal district passes, the school district is losing a half million dollars to compression; that shifts to general government, and the school district will no longer lose that. That clarified the school a little bit, which was helpful. Existing GO bonds are not affected by the creation of a new urban renewal district. The pool bond would not be affected. They clarified that all three options assume that for certain projects there will be other funding partners; the middle just assumes the most. Tokos caught a typographical error in the tables where fairgrounds was misspelled and will pass that on to ECO.

Tokos said his thoughts for next steps is for him to take this to the taxing entities and have a conversation with each of them and bring that information back to the Planning Commission. He noted that City Manager Nebel wants to participate in that. Tokos said the City Council will get this document so they can start looking at it; maybe at their next work session. As feedback, Tokos noted that the new City Manager read this report. Nebel has been digging through all kinds of documents trying to get up to speed and familiarize himself with things; and he said that this gave him a better sense of how these different issues are intertwined. Tokos said that's good to hear. Other entities that don't deal with urban renewal will read this and share their candid thoughts.

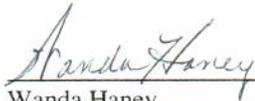
Berman wondered if the City Council asked the Planning Commission to take a look at this. Tokos said this came out of a recommendation in the Economic Opportunity Analysis. This was one of the key recommendations out of that. The Council

wanted to get this policy going. The TAC group was formed from a large group from the taxing entities and businesses in the community. Croteau asked if other taxing entities will see this report. Tokos said that is his thought. We're not in a rush, but want to move timely. Berman said that he sees three serious impacts. The school district essentially has no impact. The County out of their \$12 million, they could at least get a \$3 million contribution back in their new building. Tokos said the hospital district similarly. They will have a near-term hit; but they will see that we are programing in projects benefiting them because otherwise they would have to spend money on them. Tokos noted that the taxing entities don't have veto power; but we want everyone going the same direction. Patrick agreed that we want to do a good sales job.

2. Discussion regarding urban renewal collection on tax statement. Berman had provided a sheet to explain a city's urban renewal tax calculations. He told Fisher the bottom line is that \$8,800, if there hadn't been any urban renewal, is money that he still would have paid. Berman explained that you start with an URD, you define an area, and come up with a frozen base. It's the assessed value on the day it's set up in that area. The next year that assessed value goes up by some percent; say 3%. So that 3% is a countable number; you know how much that is. You can say what city taxes would have to be to generate that much money. If city tax was \$1 per thousand, a million dollars in increment then would be 1/100 of 1%. You simply apply that rate to the whole city. It raises exactly the same as if you applied the full tax rate in the small district. In the example he provided, with urban renewal, urban renewal would raise \$3,449; the city would raise \$86,916. The sum of that is \$90,366, which is what the total taxes would have been if there hadn't been an URD. You figure the rate adjustment for all taxing districts and subtract it out and apply it to everybody. Tokos said that's the way the assessor would chose to calculate the amount payable to urban renewal. That is strictly what would be going from the frozen base in the district. That is a given. If the frozen base means a half million dollars to urban renewal; next year the county could take it on just within that district. It's easier to calculate it citywide. Fisher said the bottom line is that some of the entities he has been paying taxes to are getting less money that is now going to an URA. He said it is not an accurate way to reflect it. His statement shows him paying into urban renewal whether or not the bottom line changes. There is some money not going to these others because it's been reduced. Berman said the rate presented on these tax statements was the same reason he started asking. He agreed that this is poor presentation. Fisher said the bottom line is that money would have gone to other entities if it didn't go into urban renewal; and that is not right. He said \$20 million over ten years is not right. Patrick said that people in the district paid more money. They paid more than they were supposed to. Fisher said he shouldn't have had money that he was paying to other entities taken away. It should have gone where he was paying it instead of into an URA. Fisher said he will have a hard time voting for a new urban renewal district because it will make this more egregious. Berman agreed they would take more from other entities. Again, Fisher said that isn't right. Berman said that is how State regulations are written. Dalton said she appreciated what they just shared. Tokos said it doesn't reflect how it's displayed here. Fisher said they can explain it away all day; but it isn't right.

C. Adjournment. Having no further time for discussion, the work session meeting adjourned at 7:02 p.m.

Respectfully submitted,



Wanda Haney,
Executive Assistant