



## **AGENDA & Notice of Planning Commission Work Session Meeting**

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The Planning Commission of the City of Newport will hold a work session meeting at **6:00 p.m., Monday, January 25, 2016**, at the Newport City Hall, Conference Room "A", 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 and the City Council reserve 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 work session.

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### **NEWPORT PLANNING COMMISSION Monday, January 25, 2016, 6:00 p.m.**

#### **AGENDA**

**A. Unfinished Business.**

1. Discussion of workforce/affordable housing initiatives.

**B. Adjournment.**

# Memorandum

To: Newport Planning Commission/Citizen Advisory Committee  
From: Derrick Tokos, Community Development Director   
Date: January 21, 2016  
Re: Workforce and Affordable Housing Initiatives

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In the coming weeks, staff will be working with the City Council to prioritize a new round of action items, or steps, that the City can take to facilitate construction of workforce and affordable housing within our community.

For this work session, I will put together a brief PowerPoint presentation listing potential action items and how those items relate to the City's housing policies and implementation strategies. They will likely include, but are not limited to, the following topic areas:

- Build upon partnership with Habitat for Humanity.
- Affirm partnership with the Lincoln Community Land Trust.
- Establish a multiple unit property tax exemption to support multi-family development.
- Complete a review of city owned properties to see if others are suitable for land banking.
- Engage Community Service Consortium to more effectively leverage CDBG housing rehabilitation funds.
- Evaluate opportunities for adjusting the City's SDC methodology.
- Develop alternative, narrow street standards for city-wide application.
- Leverage urban renewal funding to reduce infrastructure development costs.

I would very much appreciate your thoughts on steps the City should be taking to promote workforce and affordable housing. To that end, I am including background information with this memo to help put the issue in context, including a summary of housing related actions the City has taken since 2011, the City's existing housing policies, the executive summary from the 2011 housing needs assessment, and the executive summary from the 2014 update to that study related to the potential HMSC expansion.

See you on Monday!

# Memorandum

To: Spencer Nebel, City Manager

From: Derrick Tokos, Community Development Director 

Date: December 2, 2015

Re: Summary of Actions Taken by the City of Newport Related to Affordable and Workforce Housing

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Per your request, the following is a list of actions the City has taken over the last few years to carry-out its obligations under Statewide Planning Goal 10 (OAR 660-015-0000(10)) to inventory buildable lands for residential use and develop plans to encourage the availability of adequate numbers of needed housing units at price ranges and rent levels which are commensurate with the financial capabilities of Newport residents. These actions have also implemented annual goals that the City Council has established to address the shortage of affordable and workforce housing in the community.

### Actions

- 6/20/11* Adopted Ordinance 2015, repealing and replacing the Population Growth Forecast and Housing Elements of the Newport Comprehensive Plan. These amendments were the product of a Housing Needs and Buildable Lands Assessment (i.e. "Housing Study") conducted by the City. The work was funded by a \$30,000 grant from the Department of Land Conservation and Development and was informed by a Citizen Advisory Committee. The housing policies from this effort have informed the City's actions over the last four years.
- 7/1/12* Established a no interest revolving loan program to facilitate construction of workforce housing on city owned properties that were to be donated for that purpose. The loan program was funded from proceeds resulting from the sale of city-owned property at 761 SW Bay Boulevard. This step implemented Policy 1, Goal 1 of the Housing Study which calls for the use of creative funding tools to facilitate the development of government-assisted and workforce housing.
- 8/6/12* Provided \$1,500 in funding to the Lincoln Community Land Trust (LCLT) to conduct an Affordable Housing Pilot Initiative survey of employees of the City's largest employers to get their perspective on affordability issues in the community. The survey was completed in November of 2012.
- 2/4/13* Conducted a City Council work session to discuss a conceptual framework for an interagency agreement and contract for workforce housing development between the City of Newport, LCLT, and Community Services Consortium (CSC). LCLT was to construct six units over a five year period on land donated by the City. The revolving loan program was to be made available to finance construction. This work implemented Goals 1 and 2 of the

Housing Study, including implementation Measure 2.1 which calls for the City to establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

- 4/15/13* Conducted a City Council work session to discuss the workforce housing development agreement between the City of Newport, LCLT and CSC including past financial contributions Lincoln City has made to facilitate the construction of workforce housing. A request was made to have LCLT make a presentation and field questions from the Council. Examples of potentially suitable City owned properties were discussed along with how specific properties could be identified.
- 4/15/13* Adopted Ordinance No. 2053A, amending the Newport Municipal Code to allow the donation of city-owned real property to qualifying non-profit corporations or municipal corporations consistent with ORS 271.330, paving the way for the donation of real property for work force housing.
- 5/20/13* Presentation to the City Council by the LCLT providing an overview of the work the Trust is doing to facilitate the construction of workforce housing in Lincoln County. The draft workforce housing agreement between the City of Newport, LCLT, and CSC was discussed but no formal action on the agreement was requested or taken.
- 6/17/13* Adopted Ordinance No. 2055, amending Chapter 14.16 of the Newport Municipal Code to authorize Accessory Dwelling Units in all residential zones. These changes implemented Policy 4, Goal 2 of the Housing Study, creating an avenue for property owners to construct modest ancillary residences irrespective of density limitations to provide rental opportunities for persons employed in the City or housing for family members.
- 9/4/13* Conducted a City Council work session and public hearing on the workforce housing development agreement between the City of Newport, LCLT and CSC previously discussed at work sessions on 2/4/13, 4/15/13, and 5/20/13. The matter was tabled until after the first of the year in part to see how Lincoln City would be developing workforce housing given its recent purchase of the "Village at Cascades Head" property. The agreement ultimately unraveled when the Community Service Consortium restructured and could no longer support workforce housing initiatives.
- 9/4/13* Adopted Ordinance No. 2059, amending Chapter 14.6 of the Newport Municipal Code Relating to Manufactured Dwelling Parks and Recreational Vehicles. Implemented Policy 8, Goal 2 of the Housing Study to allow and encourage "park model" recreational vehicles as a viable housing type within manufactured dwelling and recreational vehicle parks.
- 7/21/14* Executed a Memorandum of Understanding between the LCLT, City of Newport, Lincoln City and Lincoln County to provide base funding to LCLT for full time staff support and associated administrative services so that LCLT can fulfill its mission to provide permanently affordable home ownership for working individuals and families in Lincoln County. Each of the partners committed to contribute \$30,000 over a 3 year period. The partners also agreed, without specific commitment of resources or properties, to give a high priority to provide surplus or foreclosed land and/or revolving loan funds to LCLT for housing development. Such action is consistent with the Goals 1 and 2 of the Housing Study.
- 9/2/14* Conducted a City Council work session to discuss donation of land for workforce housing purposes. Specific properties in the City's land inventory were discussed as was a process for identifying suitable properties.

- 9/2/14 Conducted a City Council work session with Habitat for Humanity of Lincoln County on the possibility of donating property for development of Habitat homes in the City of Newport.
- 2/17/15 Adopted Ordinance 2076, amending the Housing Element of the City of Newport Comprehensive Plan to incorporate recommendations from Newport Student Housing Report. The work was funded with grants from Lincoln County (\$7,500) and the Department of Land Conservation and Development (\$7,500) and was informed by an advisory committee. The catalyst for these amendments is Oregon State University's planned expansion of its Hatfield Marine Science Center to accommodate 450 additional students and 40 to 60 faculty and staff members over the next 10 years. The ordinance added a Policy 9 to the Housing Element of the Comprehensive Plan identifying strategies the City will pursue to increase its supply of multi-family housing.
- 3/25/15 Executed an amendment to the 7/21/14 Memorandum of Understanding between the LCLT, City of Newport, Lincoln City and Lincoln County to provide that each public partner would allocate up to \$30,000 annually to fund professional staffing for LCLT. Reference to full-time staffing was deleted. This was done to accommodate LCLT's desire to contract with Proud Ground, an established Land Trust in the Portland area, in lieu of hiring a full time staff person.
- 6/15/15 Conducted a City Council work session to review a possible agreement with Habitat for Humanity of Lincoln County to convey city property in the vicinity of SE 10th Street and SW Hatfield Drive for the development of 5 owner-occupied homes.
- 7/20/15 Executed a land donation agreement between the City of Newport and Habitat for Humanity of Lincoln County to construct at least 5 owner occupied affordable housing units over a period of 4 years on vacant parcels of land owned by the City of Newport in the vicinity of SE 10<sup>th</sup> Street and SW Hatfield Drive. The agreement is consistent with Goals 1 and 2 of the Housing Study which calls for the City to actively participate in the development of affordable, workforce housing.
- 10/5/15 Adopted Ordinance 2083, establishing the Newport Northside Urban Renewal Plan. The plan includes policy language outlining how urban renewal funds can be used to encourage development of affordable and workforce housing in Agate Beach and commercial core areas consistent with Policies 2, 3 and 5 of the Housing Study.
- In Progress* Updates to the City of Newport's System Development Charge Methodology to identify opportunities to reduce costs in exchange for developer commitments to construct affordable and workforce housing. This work is consistent with Implementation Measure 1.4 of the Housing Study.
- In Progress* Coordination with Lincoln County on the viability of instituting a multiple unit tax exemption to support multi-family development, which was a key recommendation in the Student Housing Study (Implementation Measure 1, Policy 9)

The Planning Commission has played a key role in all of the actions listed above, and has a specific statutory role in assisting the Council with respect to improving housing conditions within the City (ref: ORS 227.090). You requested that I include a copy of relevant information from the Housing Element of the Comprehensive Plan as adopted in 2011 and amended in 2015. Excerpts from both are attached, along with a summary of the City's housing goals, policies and implementation measures. Other information relevant to the timeline of actions listed above can be made available if you think it would be helpful for the work session.

## HOUSING GOALS, POLICIES, AND IMPLEMENTATION MEASURES

### Goals:

**Goal 1: To provide for the housing needs of the citizens of Newport in adequate numbers, price ranges, and rent levels which are commensurate with the financial capabilities of Newport households.**

**Goal 2: To provide adequate housing that is affordable to Newport workers at all wage levels.**

Policy 1: The City of Newport shall assess the housing needs and desires of Newport residents to formulate or refine specific action programs to meet those needs.

Implementation Measure 1.1: The City of Newport shall establish a set of verifiable and empirically measurable metrics to track trends in housing development and affordability. The metrics should be based on readily available data sets that are available on an annual basis and should include income and housing cost trends, housing sales, building permits by type and value, as well as others.

Implementation Measure 1.2: The Community Development Department shall prepare annual housing activity reports that include data on residential building permits issued, residential land consumption, and other indicators relevant to housing activity.

Implementation Measure 1.3: The Community Development Department shall conduct an assessment of the housing needs of Newport residents and workforce every five years. This assessment shall focus on the implementation measures and related housing programs as described in the Housing section of the Newport Comprehensive Plan.

Implementation Measure 1.4: The City of Newport shall assess the use of creative funding and land use tools to facilitate the development of government-assisted housing and workforce housing. Tools to be evaluated include urban renewal, lodging tax revenues, system development charge structures, in lieu fees, and others.

Policy 2: The city shall cooperate with private developers, nonprofits, and federal, state, and local government agencies in the provision and improvement of government assisted and workforce housing.

Implementation Measure 2.1: The City shall establish a residential land bank program with the intent of facilitating the development of government-assisted and workforce housing.

Policy 3: The city shall encourage diversity and innovation in residential design, development and redevelopment that is consistent with community goals.

Implementation Measure 3.1: The City shall review the potential for establishing policies and locations for transitional housing in ORS 446.265.

Implementation Measure 3.2: The City shall review options for allowing innovative housing design including pre-approved housing plans. The review shall consider impacts on government assisted or workforce housing on innovative design and should include consideration of innovative options that would result in an increase of workforce or government-assisted housing.

Implementation Measure 3.3: The City shall evaluate how the zoning code can be modified to create more flexibility for innovative housing design, such as form-based code options, or modifications to the conditional use process.

Policy 4: The City of Newport shall designate and zone land for different housing types in appropriate locations. Higher density housing types shall be located in areas that are close to major transportation corridors and services.

Implementation Measure 4.1: The City of Newport shall review the comprehensive plan and zoning maps to ensure that low- and high-density residential lands are located in areas that are appropriate to associated housing types.

Implementation Measure 4.2: The City of Newport shall review the Newport Zoning Code to identify potential amendments related to facilitating the development of needed housing types. The review shall, at a minimum, include the following elements: (1) reduced minimum lot size in the R-1 and R-2 zones; (2) allowing small homes under certain circumstances; (3) adoption of an accessory dwelling unit ordinance; and (4) street width standards. Any proposals to reduce minimum lot sizes shall consider building mass and the potential need to reduce lot coverage allowances.

Policy 5: The City of Newport shall coordinate planning for housing with provision of infrastructure. The Community Development Department shall coordinate with other city departments and state agencies to ensure the provision of adequate and cost-effective infrastructure to support housing development.

Implementation Measure 5.1: The Community Development Department shall review functional plans (e.g., water, wastewater, transportation, etc.) to identify areas that have service constraints or will be more expensive to service. This review shall occur in conjunction with the five-year housing needs evaluation described in Implementation Measure 1.3.

Policy 6: The City of Newport shall discourage, and in some cases, prohibit the development of residences in known environmentally hazardous or sensitive areas where legal and appropriately engineered modifications cannot be successfully made. In support of this policy, the city shall inventory, and to the greatest extent possible, specifically designate areas that are not buildable or require special building techniques.

Policy 7: As much as possible, the City of Newport shall protect residential development from impacts that arise from incompatible commercial and industrial uses; however, the city also recognizes that some land use conflicts are inevitable and cannot be eliminated. Where such conflicts occur, the uses shall be buffered, where possible, to eliminate or reduce adverse affects. Residences that develop next to objectionable uses are assumed to be cognizant of their actions, so no special effort by the adjacent use is required. The residential development will, therefore, be responsible for the amelioration of harmful affects.

Implementation Measure 7.1: The City of Newport shall investigate and evaluate housing programs that may reduce the costs on renters and home buyers.

Implementation Measure 7.2: The City of Newport shall eliminate any unnecessary review processes.

Policy 8: The City of Newport recognizes that mobile homes and manufactured dwellings provide an affordable alternative to the housing needs of the citizens of Newport. The city shall provide for those types of housing units through appropriate zoning provisions.

Implementation Measure 8.1: The City of Newport shall review the mobile home park inventory maintained by the Oregon Department of Housing and Community Services to identify parks that may be at risk of transition to commercial uses. Mobile home parks represent a low-cost housing alternative for lower income households. The City should consider strategies to mitigate the conversion of mobile home parks into other uses including working with park owners or managers.

Implementation Measure 8.2: The City of Newport shall review the zoning code to allow and encourage “park model” RVs as a viable housing type. This review should include establishing appropriate definitions for Park Model RVs, establishing appropriate development standards, reviewing minimum lot sizes, and establishing a set of pre-approved Park Model plans.

Policy 9: Consistent with the November 2014 study titled “Newport Student Housing – Expansion of the Hatfield Marine Science Center in Newport” by ECONorthwest (Appendix “D”), the City of Newport will encourage development of multifamily housing, including student housing, throughout the City in areas that allow multifamily development. Increasing the supply of multifamily housing is crucial to meeting the needs of Newport’s workforce and lower-income households, as well as to supporting student growth at the Hatfield Marine Science Center. The City will identify and implement appropriate tools to support multifamily and student housing development.

Implementation Measure 9.1: The City of Newport will endeavor to work with Lincoln County to evaluate the use of the multiple unit tax exemption to support multifamily development. If the City and County choose to offer the multiple unit tax exemption, they will work together to identify the area(s) to apply the tax

exemption, develop criteria for offering the tax exemption, and set criteria for using the program (such as a programmatic cap).

Implementation Measure 9.2: The City of Newport will endeavor to work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing.

Implementation Measure 9.3: The City of Newport will endeavor to work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area. If necessary, the City of Newport will adjust the zoning in this area to allow for development of student housing and other multifamily housing.

# Final Report

## Newport Housing Needs Analysis, 2011 to 2031

Prepared for:  
The City of Newport

**ECONorthwest**  
ECONOMICS • FINANCE • PLANNING

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May 2011

# Acknowledgements

Numerous people contributed to the completion of this project. We would like to acknowledge the hard work of the project Technical Advisory Committee, State of Oregon Staff, and consultants.

This project was funded by a Department of Land Conservation and Development Technical Assistance Grant and in-kind contributions of participating jurisdictions.

## **Technical Advisory Committee (TAC)**

The Technical Advisory Committee (TAC) provided guidance on numerous topics, including the assumptions about the supply of buildable employment land, demand for residential land, and guidance on issues of importance to the community. TAC members included:

**Lorna Davis**, Greater Newport Chamber of Commerce  
**Barbara Dougherty**, Lincoln Commission on Children and Families  
**Gary East**, Newport Homebuilders Association  
**Lee Hardy**, Yaquina Bay Property Management  
**Larry Henson**, Longview Hills Manufactured Housing Community  
**Jim Patrick**, Newport Planning Commission chair  
**Bonnie Serkin**, Landwaves, Inc.  
**Valerie Soilhi**, Lincoln County Planning Director  
**Joanne Troy**, Housing Authority of Lincoln City

## **State of Oregon**

**Matt Spangler**, Regional Representative, Department of Land Conservation and Development

## **City of Newport staff**

**Derrick Tokos**, AICP, Community Development Director  
**Wanda Haney**, Senior Administrative Assistant

## **ECONorthwest**

**Bob Parker**, AICP, Senior Planner  
**Beth Goodman**, Planner

# Executive Summary

This report presents a housing needs analysis consistent with requirements of Statewide Planning Goal 10 and OAR 660-008. The methods used for this study generally follow the *Planning for Residential Growth* guidebook, published by the Oregon Transportation and Growth Management Program (1996).

The primary goals of the housing needs analysis were to (1) project the amount of land needed to accommodate the future housing needs of all types within the Newport Urban Growth Boundary (UGB), (2) evaluate the existing residential land supply within the Newport UGB to determine if it is adequate to meet that need, (3) to fulfill state planning requirements for a twenty-year supply of residential land, and (4) identify policy and programmatic options for the City to meet identified housing needs.

## WHAT ARE THE KEY HOUSING NEEDS IN NEWPORT?

Following are several key issues identified in the housing needs analysis:

- **Newport has experienced limited multifamily apartment development.** While 32% of the new dwellings permitted in Newport during the 2000-2010 period were multifamily, the vast majority of multifamily housing was intended as vacation rentals. In short, the market is producing virtually no multifamily dwellings for local residents and workers.
- **Land designated for higher-density housing is located in areas that are less desirable for high density housing types.** Desirable locations for multifamily housing are places with services and retail close by and with easy transportation linkages. While Newport has a large inventory of land designated for higher density housing, very little is in locations that are ideal for workers. This issue is not new – it was identified in the 1989 Housing element of the Comprehensive Plan.
- **Aging housing stock.** Nearly 20% of the city's housing stock was built before 1950. Data collected as part of the housing needs analysis suggests that the condition of rental housing in Newport is poor. The condition of rental housing combined with the higher rental costs (relative to nearby communities) negatively affects potential renters' willingness to rent in Newport.
- **Lack of affordable workforce housing in Newport.** Housing in Newport became much less affordable between 2000 and 2010 – particularly to working households:

- In 2010, a household needed to earn \$14.60 an hour to afford a two-bedroom rental unit in Newport, an increase of \$5 or nearly 50% from 2000.
- More than one-third of Newport households could not afford a two-bedroom apartment at HUD's fair market rent level of \$759 in the 2005-2009 period.
- Newport had a deficit of nearly 500 affordable housing units for households that earned less than \$25,000.
- About 39% of Newport's households were cost-burdened, with 51% of renters and 30% of owners cost-burdened.
- The average sale price for single-family dwellings increased by 47% between 2000 and 2010, from about \$159,000 in 2000 to \$233,000 in 2010. Single-family sales prices peaked in 2007 at an average of nearly \$350,000.
- Condominium sale prices increased 71% between 2000 and 2010.
- Newport had a smaller share of housing valued under \$200,000 than the State, and a larger share of housing valued more than \$400,000 for the 2005-2009 period.
- Rents increased at a slower pace than housing prices, increasing by 14% (\$74) between 2000 and the 2005-2009 period.
- **Substantial in-commuting by workers at Newport businesses who live in outlying areas.** Evidence suggests that housing costs are forcing some households to live in nearby communities. In 2008, 68% of residents of Newport worked in Lincoln County, with 50% working in Newport. Data from the American Community Survey show that gross rent in Newport was \$651 compared to \$669 in Toledo, \$592 in Waldport, \$372 in Siletz, and \$493 in Eddyville.

## HOW MUCH GROWTH IS NEWPORT PLANNING FOR?<sup>1</sup>

A 20-year population forecast (in this instance, 2011 to 2031) is the foundation for estimating needed new dwelling units. Table S-1 shows a population forecast for Newport for the 2011 to 2031 period based on the assumption that Newport continues to account for 23.8% of Lincoln County's population over the 20-year period. Table S-1 shows that

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<sup>1</sup> The U.S. Census population counts were released as this project was in the final stages. That data showed that Newport had a 2010 population of 9,989 persons. The City revised the population forecast downward to reflect the Census data. The new forecast results in about 130 fewer persons over the 20-year period than the figures shown in Table S-1.

Newport's population would grow by about 1,600 people over the 20-year period.

**Table S-1. Population forecast, Newport, 2011 to 2031**

Year	Lincoln County (OEA)	Newport
2011	47,306	11,243
2031	54,051	12,846
<b>Change 2011 to 2031</b>		
Number	6,745	1,603
Percent	14%	14%
AAGR	0.7%	0.7%

Source: ECONorthwest, based on the Office of Economic Analysis forecast for Lincoln County  
 Note: Population for 2011 and 2031 was extrapolated based on the growth rates used between 2010-2015 (for 2011) and 2030-2035 (for 2031).  
 Note: AAGR is average annual growth rate

The housing needs analysis assumes population will grow by 1,603 people over the 2011 to 2031 period.

## HOW MUCH BUILDABLE RESIDENTIAL LAND DOES NEWPORT CURRENTLY HAVE?

Table S-2 shows land with development capacity by constraint status. The data show that about 935 acres within tax lots with development capacity are developed. An additional 541 acres have development constraints that are unbuildable, leaving about 1,764 vacant buildable residential acres within the UGB.

**Table S-2. Residential land with development capacity by constraint status, Newport UGB, 2011**

Plan Designation	Total Acres		Developed	Constrained	Buildable
	Tax Lots	in Tax Lots	Acres	Acres	Acres
Low Density Residential					
Partially Vacant	129	222	30	20	172
Vacant	544	878	0	52	826
<b>Subtotal</b>	<b>673</b>	<b>1,100</b>	<b>30</b>	<b>72</b>	<b>998</b>
High Density Residential					
Destination Resort	31	668	0	93	575
Partially Vacant	24	43	6	8	29
Vacant	339	225	0	64	162
<b>Subtotal</b>	<b>394</b>	<b>936</b>	<b>6</b>	<b>165</b>	<b>765</b>
<b>Total</b>	<b>1,067</b>	<b>2,036</b>	<b>36</b>	<b>237</b>	<b>1,764</b>

Source: City of Newport GIS data; analysis by ECONorthwest  
 Note: Constraints do not make any deductions for slope

## HOW MUCH HOUSING WILL NEWPORT NEED?

Newport will need to provide about 846 new dwelling units to accommodate forecast population growth between 2011 and 2031. About 508 dwelling units (60%) will be single-family types, which includes single-family detached, manufactured dwellings. About 33 (4%) will be single-family attached and 305 (36%) will be multifamily, which includes duplexes, structures with three to four dwellings, and structures with five or more dwellings.

## HOW MUCH LAND WILL BE REQUIRED FOR HOUSING?

Table S-3 allocates needed housing units by Newport's residential plan designations and commercial plan designations. Dwelling units were allocated to plan designations based, in part, on recent development trends within each plan designation and on the type of development allowed in each plan destination. Table S-3 also provides an estimate of the gross acres required in each designation to accommodate needed housing units for the 2011-2031 period.

Based on the housing needs analysis, dwellings have been allocated by plan designation and type:

- The overall needed housing mix is 60% single-family detached housing types and 40% multifamily attached housing types (including single-family attached).
- Forty-two percent of needed dwelling units will locate in the Low Density Residential designation.
- Forty-seven percent of needed dwellings will locate in the High Density Residential designation.
- Eleven percent of needed dwelling units will locate in commercial plan designations.

**Table S-3. Allocation of new housing units by plan designation, Newport, 2011-2031**

Housing Type	Plan Designation						Total	
	Low Density Residential		High Density Residential		Commercial Designations			
	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac	DU	Gross Ac
Single-family detached	339	69	169	21	0	0	508	91
Multifamily	17	2	229	14	93	6	339	21
<b>Total</b>	<b>356</b>	<b>71</b>	<b>398</b>	<b>35</b>	<b>93</b>	<b>6</b>	<b>847</b>	<b>112</b>
<b>Percent of Acres and Units</b>								
Single-family detached	40%	62%	20%	19%	0%	0%	60%	81%
Multifamily	2%	2%	27%	12%	11%	5%	40%	19%
<b>Total</b>	<b>42%</b>	<b>64%</b>	<b>47%</b>	<b>31%</b>	<b>11%</b>	<b>5%</b>	<b>100%</b>	<b>100%</b>

Source: ECONorthwest

Note: Multifamily includes single-family attached.

Table S-4 shows a comparison of buildable residential land with demand for residential land to determine the sufficiency of residential land in the Newport UGB to accommodate growth over the 2011 to 2031 period. Table 5-1 shows:

- **Land Supply.** Newport has more than 1,700 acres of vacant and partially vacant buildable land (based on Table 2-5).
- **Land Demand.** Newport will have demand for about 106 gross acres of residential land (based on Table 4-7).
- **Land Sufficiency.** Newport has enough land to accommodate residential growth over the 20-year period, with a surplus of about 1,650 gross acres of residential land.

**Table S-4. Comparison of buildable residential and with demand for residential land, gross acres, Newport, 2011-2031**

	Vacant and Partially Vacant Land (buildable acres)	Demand for Residential land (gross acres)	Residential Land Surplus or (Deficit) (gross acres)
Low Density Residential	998	71	927
High Density Residential	765	35	730
<b>Total</b>	<b>1,763</b>	<b>106</b>	<b>1,657</b>

Source: ECONorthwest

Note: Buildable acres minus demand for residential equals residential land surplus or deficit.

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# Newport Student Housing

Expansion of the Hatfield Marine Science  
Center in Newport

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November 2014

Prepared for:

The City of Newport

*Final Report*

**ECONorthwest**

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# Acknowledgements

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ECONorthwest and the City of Corvallis thank the many people who helped to develop the Newport Student Housing Study.

## **Student Housing Study Advisory Committee**

Birgitte Ryslinge, President, Oregon Coast Community College

Bonnie Serkin, Chief Operating Officer, Landwaves, Inc.

Dan Cutter, Oregon State University and Waldport City Councilor

David Craig, Director of Business Development, University Housing and Dining Services, Oregon State University

Derrick Tokos, Community Development Director, City of Newport

Larry Lewis, City Planner, for the cities of Depot Bay, Waldport, and Yachats

Lee Hardy, Owner, Yaquina Bay Property Management

Onno Husing, Planning Director, Lincoln County

Patrick Wingard, North Coast Regional Representative, Oregon Department of Land Conservation and Development

Richard Townsend, Planning and Community Development Director, Lincoln City

Robert Cowen, Director and Professor, Hatfield Marine Science Center, Oregon State University

Spencer Nebel, City Manager, City of Newport

This project was funded by Lincoln County, City of Newport, and the Department of Land Conservation and Development.

# Executive Summary

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Newport's South Beach is a developing ecodistrict, with a broad range of ocean-observing organizations, such as: NOAA Marine Operations Center, the Oregon Coast Aquarium, the Oregon Museum of Science and Industry's Coastal Discovery Center, the Hatfield Marine Science Center (HMSC), and other businesses and government agencies. Oregon State University (OSU) is planning for an of the HMSC campus in South Beach, as part of the University's Marine Studies Initiative.

The City of Newport and Lincoln County support HMSC expansion. However, they also recognize that the growth of students, faculty, and staff resulting from the HMSC expansion could increase the pressure in Newport's already tight housing market, in the absence of proactive planning. The City, County, and OSU want to ensure that growth of the student presence will not displace Newport's workforce and residents from existing housing, which requires planning for student housing development.

This report was developed as the first step in proactively planning student housing development in Newport. This report was developed in collaboration with an Advisory Committee of staff from Newport, Lincoln County, OSU, the Oregon Coast Community College, Department of Land Conservation and development, and other stakeholders in Newport such as landowners, real estate professionals, and representatives from other cities in Lincoln County.

## Hatfield Marine Science Center Expansion Plans

OSU is planning to expand the HMSC as part of the University-wide the Marine Studies Initiative, which will bring about 500 undergraduate and graduate students to the HMSC as an integral part of their studies at OSU. Student growth will result in demand for between 85 and 160 units of student housing, plus need for 40 units of non-student housing for graduate students. As part of the expansion, OSU plans to add 40 to 60 faculty and staff, resulting in the need for 40 to 60 dwellings, some in Newport and some in nearby areas and communities.

## Potential Impact of HMSC Expansion on Newport's Housing Market

The 2011 Newport *Housing Needs Analysis* report concluded that Newport has a limited supply of multifamily housing and that the city lacks affordable workforce housing. In addition, the city's housing stock is aging, with some housing in poor condition. There has been little new multifamily rental development in Newport since 2000.

Examination of newer information about Newport's housing market, as well as interviews with real estate and other stakeholders, confirm these issues. Newport's housing market continues to be very tight (with a vacancy rate of around 4%) and housing affordability, especially for renters, continues to be a concern for Newport's workforce and other residents.

Given these conditions, growth in the number of HMSC students, in the absence of student housing development, has the potential to displace existing renters in Newport. OSU students in Corvallis generally pay between \$650 and \$800 per month for rent, both at housing managed by OSU and in private student-oriented housing. If students at HMSC can pay the same rent in Newport as they do in Corvallis and live in a two-person unit, they could pay \$1,300 to \$1,600 per month in rent. In comparison, average rent in Newport is currently about \$775 per unit per month.

Given the lower cost of housing in Newport, most HMSC students might have a preference for market-rate multifamily housing in Newport, if it is available. If student housing is available and OSU has an active role in managing student housing, students in Newport for part of the year and some year-around students may prefer student housing because of the convenience of living in housing managed by OSU, both for ease of paying for housing and for ease of moving between Newport and Corvallis during the school year. In addition, Newport landlords may be generally unwilling to rent to students who will be in Newport for less than a calendar year.

As a result, ensuring that student housing is built is important for HMSC students. It is a priority for the City of Newport to ensure that Newport's workforce and existing renters are not displaced by students.

### **Potential Sites for Student Housing**

Discussions with the Advisory Committee identified the following characteristics as being important for a new student housing site: (1) a site at least five acres and potentially 10 to 15 acres, (2) within two miles of HMSC, (3) south of the Yaquina Bay Bridge, (4) accessible by bicycle and pedestrians, (5) accessible by automobiles and transit, (6) existing access to water and wastewater services, (7) outside of the tsunami inundation zone (as required by ORS 455.446 to 455.447), (8) owned by an owner willing to develop student housing, and (9) in an area with access to retail and service amenities.

This project identified an area in South Beach with several sites that meet these criteria. The site best suited for student housing is within the Wilder development, which is an area being developed with single-family and multifamily housing. The Wilder site includes an area of about three buildable acres that could accommodate student housing. In addition, two properties adjacent to the Wilder property, the BGB Parcels and the GVR Parcel, have potential for student housing. Both areas would require transportation and other infrastructure investments, as well as entitlement and other administrative changes, to make them development-ready.

Outside of these three areas, Newport has no other sites that meet the criteria for student housing. Other sites would take longer and be more expensive to make development-ready.

## Policy Actions to Ensure Student Housing Development and Support HMSC Expansion

The Advisory Committee reviewed and discussed a wide range of approaches available to encourage and facilitate student housing development. The Committee also considered approaches to facilitate multifamily housing development, as some graduate students and staff may prefer to live in rental housing in Newport. The following recommendations from ECONorthwest are based on discussions with the Advisory Committee, as well as discussions with Newport staff.

### *Strategies to support continued collaboration about student housing development*

- **The City and County should express a preference for direct and proactive involvement from OSU in student housing development.** The City and County prefer that OSU have greater involvement in operations of the student housing development, by either developing and operating the student housing facility or by working with a private developer to develop student housing that OSU manages.
- **Given the limited number of available sites that meet the criteria for student housing development, OSU should be proactive in securing a development site.** ECONorthwest recommends that OSU secure a property for development or obtain an option to purchase (or lease) a property as soon as possible. Wilder is proceeding with development and the flexibility to incorporate student housing will decrease over time. Other sites may become unavailable for development, if landowners make other development plans.
- **OSU may need to develop a phasing strategy for HMSC expansion that includes managing student growth and timing of student housing development.** An important part of ensuring that students have housing in Newport as the HMSC grows is timing the development of student housing with the growth of students in Newport. ECONorthwest recommends that OSU develop a phasing strategy for HMSC expansion that includes managing the timing of student growth with student housing development.
- **The City, County, OSU, and OCCC should continue to work together to facilitate expansion of the HMSC and student housing development.** The City, County, OSU, and OCCC continue to actively collaborate together and with other stakeholders about the HMSC expansion and student housing development.
- **The City of Newport, Lincoln County, and other cities in Lincoln County should continue to coordinate about issues related to housing and the HMSC expansion that may affect the entire county.** While undergraduate students are most likely to need housing in South Beach, HMSC's faculty, staff, and some graduate students may prefer to live in other parts of Lincoln County. ECONorthwest recommends that the County and all of the cities in it continue to actively collaborate on issues related to HMSC expansion, especially housing.

*Policies and strategies to support student and multifamily housing development*

- **The City and County should work together, and with other cities in the County, to decide whether to offer a multiple-unit tax exemption.** This tax exemption could be used to encourage development of multifamily, student housing, and other housing in Newport or other cities in Lincoln County.
- **The City and County should work together, and with other cities in Lincoln County, to evaluate options for using CDBG or Section 108 funds to encourage development of multifamily housing that includes low-income and workforce housing.** One of the ways to decrease potential impact of student growth on Newport's housing market is to encourage development of more multifamily housing, such as low-income subsidized and workforce housing. We recommend that the City, County, and other cities in Lincoln County evaluate options to use CDBG funds or Section 108 loans to support multifamily housing development.
- **The City of Newport should consider options for offering SDC financing or credits to encourage multifamily or student housing development.** The City already offers SDC credits to some developers. The City should weigh the trade-offs in lowering SDCs to encourage multifamily or student housing development.
- **The City of Newport should encourage and facilitate development of retail and service amenities in South Beach.** These amenities would include a grocery store, restaurants, banks, and other retail and services to serve students, residents, and employees in South Beach.
- **The City of Newport should make policy amendments, as necessary, to support student housing development and HMSC expansion.** We recommend that the City adopt policy amendments to encourage development of multifamily housing, including student housing, throughout the City.

In addition, the City should adopt implementation measures to: (1) work with Lincoln County to evaluate the use of the multiple-unit tax exemption to support multifamily development, (2) work with Lincoln County to evaluate the use of CDBG and Section 108 funds to support development of subsidized low-income and (where applicable) workforce multifamily housing, and (3) work with property owners around the Wilder development and the Oregon Department of Transportation to coordinate the amount, type, and density of residential development in this area.



## AGENDA & NOTICE OF PLANNING COMMISSION MEETING

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The Planning Commission of the City of Newport will hold a meeting at **7:00 p.m. Monday, January 25, 2016**, 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, January 25, 2016, 7:00 p.m. AGENDA

**A. Roll Call.**

**B. Approval of Minutes.**

1. Approval of the Planning Commission regular meeting minutes of January 11, 2016.

**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. 1-VAR-15. Final Order approving a sign variance requested by Jayanti & Saroj Patel (Dennis Bartoldus, authorized representative) with conditions attached for signs at Motel 6 located at 2633 SE Pacific Way. The Planning Commission opened a public hearing on this matter on December 14, 2015, and continued the hearing on January 11, 2015.

**E. Action Items.**

**F. Public Hearings.**

**G. New Business.**

**H. Unfinished Business.**

**I. Director Comments.**

**J. Adjournment.**

**Draft MINUTES**  
**City of Newport Planning Commission**  
**Regular Session**  
**Newport City Hall Council Chambers**  
**Monday, January 11, 2016**

**Commissioners Present:** Jim Patrick, Lee Hardy, Bob Berman, and Bill Branigan.

**Commissioners Absent:** Mike Franklin and Rod Croteau (*both excused*).

**City Staff Present:** Community Development Director (CDD) Derrick Tokos, Building Official Joseph Lease, and Executive Assistant Wanda Haney.

**A. 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, Patrick, and Branigan were present. Croteau and Franklin were absent, but excused.

**B. Approval of Minutes.**

1. Approval of the Planning Commission work session and regular meeting minutes of December 14, 2015.

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

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

**D. Consent Calendar.** Nothing on the Consent Calendar.

**E. Action Items.**

1. Second outreach meeting for the City's assumption of the mechanical permitting program for properties within city limits. Tokos noted that this was the second of two outreach meetings the City is offering. He said that the City has filed to have the mechanical permit program transferred from Lincoln County to the City for mechanical permitting within city limits. He said there are a number of reasons for that, which he outlined in the original materials that he distributed to the Planning Commission; not the least of which is that it's the only type of permit we don't currently handle in house. In the past we didn't have a Building Official capable of providing that service; we do now. It allows us to bundle all the like-type permits so we'll achieve some significant efficiencies in working with property owners. Then they also do not have to deal with multiple jurisdictions. Tokos noted that the Building Official, Joseph Lease, was in attendance at this meeting as well to answer any questions. We also expanded the outreach coming out of the first meeting to include an additional range of contractors. Tokos explained that if everything proceeds as planned, the transfer of jurisdiction would be effective July 1<sup>st</sup>. He expects that we would do some additional outreach and training prior to that so that everyone knows those dates and who they need to work with moving forward.

At this point Patrick opened the meeting up to public testimony. Rich Rau of Rau Plumbing had a question. He asked if we're consolidating inspections as one way to save money, being a plumbing contractor he wondered if that will hold up his inspections. They have to do their work first, and if there are- repairs, it's better for them to make repairs before the mechanical stuff is in the way. His billing is based on how he does his inspections. So it wouldn't be beneficial to him to have to wait to do his repair work until someone else is done with their work before he can get his inspections. Lease explained that first of all the contractor would have the option for example on a rough-in inspection whether he or she wanted to call the inspections all at once. For example, you could do the framing, electrical, plumbing, and mechanical all at once if you chose to; or the individual contractors and subcontractors could elect to call the inspections individually, which is typically the current practice. But, he thinks that some builders, some general contractors, and particularly some homeowners would probably like to bundle those inspections together. He said so it's really up to you how you do that; how you request the inspection. The City would honor either way. Rau said as long as there's not a cost of extra fees. He said he can see a bundled inspection on a final when the job is

complete and everybody's done; but not to have him wait so the inspections can be bundled. Lease said you don't have to wait. If you're a subcontractor working under a general, you can call your own inspections when you are ready; which is the current practice. Branigan asked, so the subs are not bound by whatever the general does. Joseph said no, generally the general would coordinate with them on whether he's calling the inspections or they are. Now, typically the subcontractors call their own inspections. Berman asked if there's any impact on cost whether they're bundled or individual. Tokos explained that we're going to be charging much the same fees and rates that Lincoln County was, and he doesn't know that we were offering up any kind of discounted rate. Joseph said, no; there's no way to control whether they call for them together or separate. Berman asked, but it's not going to cost any more to defer the mechanical; and he was told that is correct.

Tokos explained that he will take the minutes from these two meetings along with the flyers and the list of people we mailed them to and send that along to BCD so that they have the benefit of information we obtained through these two meetings. He is coordinating with Lincoln County on an amendment to the Intergovernmental Agreement that we have for mutual support of our building programs. We will be making some amendments on that front at the same time as we make this transfer.

2. Election of Commission Chair and Vice Chair for 2016.

**MOTION** was made by Commissioner Berman, seconded by Commissioner Hardy, that given the outstanding history we have with the current officers, the Chair and Vice Chair be re-elected for the calendar year 2016. The motion carried unanimously in a voice vote. The 2016 officers will be the same.

3. Discussion about the Parking Study RFP and possible action should the Commission wish to recommend a Planning Commission member to sit on the Advisory Committee. Tokos noted that the packets included a copy of the RFP that is out there. He has had significant interest from a number of different consultants on this one. He will be meeting with the City Council on January 19<sup>th</sup> to talk about an advisory committee. His recommendation will be to take the three existing parking district advisory committees and pull that group together as a single panel for the purpose of acting as an advisory committee for the study; but then also to bring on a Planning Commission representative. That would give us about fourteen people, which is still manageable. The Council may have one or two other people they would like to have on there as well. He said if the Council's inclined to go that way, it would be great if he could offer up a name at the meeting on the 19<sup>th</sup> as to who the Planning Commission representative would be. Branigan volunteered to fill that role.

Berman had a question on the RFP. He noted that at one point it says the contractor will be provided a copy of the north end urban renewal plan. He wondered if that's just terminology. Tokos said that's probably the Northside Urban Renewal Plan; so they would get a copy of that just for background purposes. Berman wondered if that's the old one or the new one. Tokos said it would be the new one. Berman said there isn't a plan. Tokos said there is an urban renewal plan for the north side. Berman thought that was to be developed during Phase 1. Tokos said Berman's probably thinking of the corridor plan for the city center core area, which is a refinement plan that will be done in a few years. The Urban Renewal Plan is just the general framework plan.

**F. Public Hearings.** Patrick opened the public hearing portion of the meeting at 7:10 p.m. 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. Hardy, Berman, Patrick, and Branigan all declared site visits. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

1. **File No. 1-VAR-15.** Continued hearing on a request for approval of a Type III Variance submitted by Jayanti & Saroj Patel (Motel 6) (Dennis Bartoldus, authorized representative) to allow a wall sign on the north side of the motel to be placed at a height of 43 feet and a wall sign to be placed at a height of 38 feet on the south side of the building. The applicant is further requesting a variance to allow a total of five signs; four of which would be wall signs, and the fifth a freestanding sign. The Commission opened this hearing on December 14, 2015, and at the request of the applicant, continued the hearing to this meeting.

Patrick continued the hearing for File No. 1-VAR-15 at 7:12 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos said that as noted what we have here is a request to deviate from the numerical or dimensional limitations of the City's sign code. There are three requests before the Commission. One is to allow

wall signs on the north and south elevations of the motel. This was originally the Ashley Inn, later the Inn at Yaquina Bay, and now Motel 6 at 2633 SE Pacific Way. So the first is to allow wall signs to be installed on the north and south ends of the motel that exceed the City's 30-foot maximum height limitation for such signs. The second is to allow a total of five signs; four of which would be wall signs on the north, south, east, and west elevations, along with an existing monument sign that's there now. The third is, if approved as proposed, the maximum display area would be just over 324 square feet, which exceeds the 200 square-foot maximum limit that the City imposes for the display area for any business. In the staff report, Tokos went ahead and listed the specific citations of the sign code that are relevant. He noted that the property is zoned C-2 (Tourist Commercial). This is a location in South Beach where you have an existing RV park to the north and east, the Rogue Brewery to the north, the Oregon Coast Aquarium to the east and south, and US 101 to the west along with Safe Haven Hill and then residential further to the west. Tokos noted that the relevant criteria are found in Section 10.10.130. He said there's really one specific clause that's pertinent, which states that "approval of the request is the minimum necessary to alleviate special hardships or practical difficulties faced by the applicant and that are beyond the control of the applicant." Tokos thought that the applicant's attorney, Dennis Bartoldus, did a nice job of framing this with respect to the signs on the north and the south. He was able to show and demonstrate in the record and in the materials that the original motel was constructed with signage at the height that they're requesting for the wall signs on the north and on the south elevations. This provides visibility to the motel from US 101, which is set down below the elevation of the highway; so signage at that elevation on the north and south faces of the structure will provide visibility along the US 101 corridor, which is a big deal for lodging establishments because they cater to individuals who are driving in from out of town or passing through town typically on a highway corridor. Tokos thought it was reasonable for the Commission to find in this case that with respect to those two wall signs it would be a practical difficulty to the applicant not to be able to advertise in a manner that's comparable to how the original motel advertised. It's also outside of their control in that they did not design the motel; they had no influence over how it was constructed, oriented on the property, how the site was graded, etc. He thought there's enough information that's been provided by the applicant's attorney and that's in the packet for the Commission to find that there are grounds to approve that variance request. He thought it's a little tougher with respect to the wall signs on the east and west elevations. He doesn't think that the applicant's really provided a compelling case in that regard. He thought it was important for the Commission to look hard at what is the minimum necessary in terms of a deviation from these provisions because they are asking to do something that most folks can't do. Sign provisions set the limits for what folks can do, and there have to be compelling reasons as noted with the criteria in order to deviate from that. He noted that Bartoldus had mentioned that the applicant is likely to propose here some deviations to the display area that would take it under the 200 square feet. They may not be requesting that variance. Bartoldus will need to talk about that.

**Proponents:** The applicant's agent, Dennis Bartoldus, PO Box 1510, Newport, came forward to testify. He noted that he is representing the Patels, and Jay Patel, who is one of the owners, was joining him and would be glad to answer any questions the Commission may have. Bartoldus said he would try to be as brief as possible in summarizing this. He said that in his comments tonight he wants to talk primarily about the wall signs on the west and the east and maybe an alternate proposal for that and try to address some of the concerns that Tokos expressed in the staff report. Bartoldus said as the Commissioners are all aware, this is a uniquely-situated property just off to the east side of the bridge. You have the bridge structure that you're pretty much contending with to make this property visible as a motel. He noted that the property was developed as a motel in 1996 when the Ashley Inn was built there. Later it became the Inn at Yaquina Bay. Looking at the historical records for both of those properties, they both had signs on the ends at the locations of the upper signs that the applicant is proposing. He noted that one of the reasons they weren't able to go forward in December is that the ordinance says they need to provide survey information; and Gary Nyhus was tied up on some major jobs and wasn't able to get that. That was the reason they requested this set-over, and they appreciate the Commission's indulgence in doing that. Bartoldus said that at the top of the signs the elevations are going to be at about 42 feet and at about 36 feet; it drops off a little bit at the north and there's a difference in the top of the building although they appear to be at the same height. He said that the signs they are requesting are quite a bit smaller than what was on the Ashley Inn and the Inn at Yaquina Bay. Those higher signs were between 65 square feet and about 80-some square feet according to records that were on file with the City. The signs that they are requesting are the typical Motel 6 logo signs that are backlit. Those would be 5' x 5' or 25 square feet; or about a third of the size of the signs that were there previously. They would be at the same locations as the previous signs. In fact, according to the sign person, Kevin Wells, the conduit is there and they will be using that.

Bartoldus said as he understands it, there has only been the one variance request on height, and that was the Holiday Inn a few years ago. He said to give perspective, that's a four-story motel, and where that sign's located is right at

about 48 feet. One of the reasons they requested that in lieu of other signage is so it could be seen better from 101 because they sit back behind the LaQuinta Inn. He tried to submit some photographs that kind of walk through the process. He explained that Photo 1 is taken south on 101 kind of in the area where Toby Murry's is. He said as you notice when you view that building what you see is the upper part of the building. You can kind of see the small vinyl sign that's there now as a temporary sign. He walked down the road for Photos 2 and 3. Photo 4 shows the motel. Bartoldus explained that this is a 51-room motel. The Patels purchased the property through a receiver in December 2014; a judge signed an order allowing the Patels to buy the motel. The previous owner was apparently not able to make a go of it. The bank was foreclosing on it, a receiver was appointed, and the Patels purchased the property and have been operating it as a Motel 6 for about a year. They have dramatically increased the revenues in the way they operate a motel. He said it's interesting to take a look at the fact that, in terms of the taxes that are paid, the Patels have paid taxes on the motel last year right in the vicinity of \$35-\$36 thousand. Of those property taxes, \$10 thousand of that was paid to the City of Newport. They paid approximately \$60 thousand in room taxes last year. They are hoping with better signage to increase those volumes and pay more in room taxes because that will show their business is doing better. One of the things they are looking at is to have reasonable signage. Bartoldus said as he drove around in this area, he tried to look at it from a number of angles to see what would be reasonable signage. He said, just because it sits down lower, he thinks the signs up on top are very reasonable, and this is not a situation that most motels face. He said basically this motel in essence is kind of on a triangle. It's fronted on one side by Highway 101 and SW Pacific Way. On the north it's fronted by Marine Science Drive. On the east side you also have a heavy traffic road that runs by the aquarium; SE Ferry Slip Road. So, really what you have are three street sides in essence to this motel because on the north side and the east side you have the Port of Newport trailer park facility. So as he drove around and walked around, he was trying to see from the different angles how you can view the signage on this property. On Highway 101, the bridge abutment and the heavy railings on the bridge are obviously a factor. When he took Photo 5, he basically set the camera on the railing on the south end of the bridge. You can see the light pole that's by the stairway as you're walking up to the bridge from below. That's really what you can see of the motel when you're on the bridge. You can really just see the top of the motel. So, to see it from 101, a sign at the top would be important. That's where there's historically been a sign. Likewise on Photo 6, it also shows on the north side where the sign would be located. This shot was also taken by setting the camera on the railing there. Photo 7 and a couple that are following show the property basically from Marine Science Drive and into the Rogue parking lot shooting back. Again the most visible place given the trees and everything there would be on the upper portion of the building. That's what he tried to depict in Photos 7, 8, and 9.

Berman asked if the signs the Commissioners are seeing here, which Bartoldus had said were vinyl temporary signs, are roughly the same size as the permanent signs. Bartoldus said the other signs would be a little bit bigger. He would say these maybe are roughly 2' x 3'; and the others would be 5' x 5'. With 5' x 5' we're talking 25 square feet. By comparison the Inn at Yaquina Bay and the Ashley Inn were in the neighborhood of 65 square feet to 80-some square feet. The difference is this is going to be more of a square. The others were more elongated. They will be a little bigger than the ones that are depicted in the photo. Berman asked if they will all be backlit; and Bartoldus said they will be. There won't be any light shining up on them; you'll just see blue sign. Bartoldus said, looking at Photo 10, he took that right approximately as you're coming out of the aquarium entrance/exit looking at the Motel 6 property. Photo 11 is right there in that same vicinity. He noted that when you're looking at those signs, it's hard to see other signage on the building. That's why there has been a request for a sign on the east side of the building. SE Ferry Slip Road and also Marine Science Dr. are heavy traffic areas with the recreational fishing going on there, with the Rogue Brewery there, and with the aquarium. That's why a sign was being proposed on the east side. Photo 12 shows the building coming out of the parking lot by the Rogue where it aligns with Ferry Slip Road. There are trees in that area too keeping you from seeing the sign that would be on the upper portion of the building.

Bartoldus said that he spoke with the client's about the concern Tokos raised saying that the 97 and the 87 square-foot sign would be pretty big signs; is there some way we could mitigate that. They are thinking they could basically cut that in half, and they wouldn't need signs that big with some identifying sign on the east side. Bartoldus talked to the sign person, Kevin Wells, and he said really from these distances if the signs are going to be anything less than 5' x 5' it's going to be hard to be visible. So he didn't think we'd go anything less than 5' x 5'. The applicant is hoping for something a little bit bigger; but that's the Planning Commission's call. But, just in doing the math, if they had 5' x 5' signs on the east and the west sides, along with the pole sign and those signs at the top, those signs all combined would be less than 200 square feet. In fact if he did the math right, it would be 192 square feet. If they could get up to about 231 square feet, which would be about 7' x 7' signs on the west and the east sides, that would certainly be preferable from the client's point of view. Bartoldus just wanted to throw that out there as an option after he read the

staff report and talked with Tokos and understood what the concerns are. The main concern the applicant has is if you're driving by and look over there you see this is a motel property where you might want to stay. So, that's something they would like to propose; that the size of those wall signs could be reduced.

Bartoldus said the same argument on the east side applies on the west side. He explained that he took Photos 13 and 14 coming down from the west access road coming off the bridge. When you look at the building from that angle, you don't see any signage because of the bridge and the way the property's configured. If they could have a sign on that side, even if it's just a 5' x 5', they would have the opportunity to have people see it. Bartoldus said that he knows some Motel 6s that you see have some digital signage; and they're not requesting anything of that nature. These are just Motel 6 logo signs. He understands that these can be made custom signs. When Bartoldus talked to Kevin Wells, he indicated they're not bound by certain parameters; they can cut these to any size that might be required. Bartoldus said that is one of the alternatives they would like to propose for the east side and for the west side of the property.

Again, Bartoldus said he thought this property is unique in the sense that it does have three streets surrounding it. It's in an area that's pretty much developed with tourist-oriented properties. To the south of it you have two other motels. One of those, the Holiday Inn, had a sign height variance. He knows there was some discussion about that; and that actually went to the City Council and was approved. He has not heard any complaints about the sign on the Holiday Inn building because of the variance that was granted there. Over the years, he never heard that the Ashley Inn or the Inn at Yaquina Bay signs on the north and south sides were too high. In fact, if they were not there, he would say a lot of people would probably drive by and not even see the motel there. He thinks it's a big deal in the sense that you want people to know about the property before they get there. He thinks good signage is important. He understands on the other hand, we have a sign ordinance, and we don't want to be too glitzy about the whole thing. That's one reason why they're thinking maybe there's some reduced proposal on the east wall and the west wall that we can discuss and hopefully get some relief on those. Bartoldus said that the Patels really want to make a go of this motel. The fact that they bought it from a receiver shows that there have been some struggles with the motel in the past. So far what they've done has turned everything around. They're hoping that good signage will even further increase their ability to pay room taxes to the City of Newport. Bartoldus said, again, with the properties that are around there he doesn't think the additional signage is going to affect the Rogue at all, the aquarium, and there's basically that parking area under the bridge that's not going to be affected, nor the parking area to the south as well. There are no residential uses that are adjoining this. The closest residential is across 101 kind of behind Safe Haven Hill; and so all of that area is pretty much sheltered from this. Bartoldus noted that he lives on the north side of the bay and has a bay view. He enjoys seeing the lights in South Beach. He doesn't think these signs are offensive in any way. He thinks they would promote the business, which provides local jobs. Tourism is an important component of our economy. The Patels are really hoping to do this right. They want to make a go of it. So they have submitted the request for this signage.

Bartoldus said when he was talking to Tokos one question that came up was what variances they are actually requesting. Do they address the variance set forth in the variance requirements, or do they address variance requirements to the eight things that are listed there in the sign ordinance. He wasn't quite sure, so he tried to address them both and hopefully have shown that they meet the criteria in both of those ways.

Branigan asked how big the sign that is up 43 feet is going to be. Bartoldus answered that that's a 5' x 5'. The ones on the north side and the south side up high are both 5' x 5'. Branigan asked then if the applicant is requesting that the signs on all sides be 5' x 5'. Bartoldus said they could live with that certainly. Originally the request on the east side was 97.37 square feet as opposed to 25 square feet. The one on the west was 85 square feet as opposed to 25 square feet. He said, ideally if they could meet at 40-some square feet on the east side and the west side that would be great; but having a 5' x 5' beats having nothing at all. Bill asked if what they're really requesting then is 85 square feet, 97 square feet, plus three more at 25 square feet. Bartoldus said it actually would be four signs at 25 square feet each, which is 100 square feet. The pole sign that's been there historically is 60 square feet at the top, and there's a reader board of 32 square feet; so 92 square feet for the pole sign. He paced it off, and it's about 30 feet off the curb. So all total that would be 192 square feet. The variance would still be needed because they would have more than the required number of signs. One of the arguments for trying to put them on the different sides is because of the location of that property. With a lot of motels you're on one street so you have one sign and you can see it from there. Some have two, like Best Western in Agate Beach. They have two streets and have a sign on each side. Here we kind of have three; and given the configuration of the building it would be great if they could have some type of signage on this that would be seen from 101 and could be conveniently seen by people driving on those streets in the area so they

could view it easily. Branigan asked if the most important signs would be the ones on the north and the west. Bartoldus said the north and south; the ones that would be seen from 101. The ones on the east and on the west wouldn't need any height variance. The streets around there too are at a lower level so when you're looking at the building you can hopefully see it easily. Branigan asked again how big the sign on the north side was going to be; and Bartoldus answered 5' x 5'. Branigan asked, and the one on the south; and Bartoldus replied, 5' x 5'.

Berman asked in Photo 15 if that sign is meant to depict the 97.375 square feet, or was that just slapped on there in Photo Shop or something. Bartoldus said Photo 15 is one that was done by the sign company; and given the location of that sign, he believes it shows that's what a 97 square-foot sign would look like. He said it's Photo Shopped on there, but it was done by the sign company and is pretty close to scale if not exactly. So if they went 5' x 5', it would be about a quarter of that size. There was some discussion that the 97 square-foot sign would be a little under 10' x 10'.

Trying to get clarification, Patrick said the Commission actually has two requests; the original request and a modified request. Hardy said so what Patrick's saying is the Commission has a choice between two requests; and Berman said or make up a new one somewhere in between. Patrick said he's kind of leaning toward the 5' x 5' because it stays under the 200 square feet. He asked the Commissioners if anybody was having a problem with the height variation; and the answer was no. Patrick said, so the discussion is actually about the east and the west signs. The original proposal would have been about 300-some total square feet, and now a new proposal that meets the square footage. Branigan said it meets the size, but it's more total signs than what's allowed. Patrick said but everything added up together adds up to the 200 limit. Bartoldus confirmed that's the total square footage of all of the signs because the free-standing sign is 92 and the total of the others would be 100. Patrick said he's kind of willing to go with the 200 square feet because of the odd position that motel's in; that's not normal.

Tokos noted that at some point the Commission will need to close the hearing and initiate deliberation. He said whichever way the Commission goes, what's important for him because he has to put together findings of fact and a final order is that the Commission explain how your decision comports to that standard, which is "the minimum necessary to alleviate special hardships or practical difficulties faced by the applicant." So Tokos asked the Commission to provide at least some sense of how they see it connecting to that, he can put those together for the Commission.

Berman said how about asking the applicant that question. Bartoldus said why it would be the minimum necessary is because, as the Commissioners have indicated, the irregular configuration of the properties down there. That would give the Commission the basis to grant a sign variance for them to put on an additional two signs. The other is with the testimony from the sign fellow that a 5' x 5' sign is really the minimum necessary that can be seen from any distance. Bartoldus said if you put those two factors together, he thinks the Commission comes up with the basis for granting the variance in this case. He would be glad to provide some additional findings as well that he could submit to Tokos.

There were no other proponents present to testify.

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

Patrick closed the hearing at 7:45 p.m. for Commission deliberation. Branigan said he would vote to grant the variance. He thought the height is a given because we're not changing anything whatsoever and the property is located at a height that you can't see a sign. He spends a lot of time down at the aquarium and in that area, and there's a fair amount of traffic that comes around there by Rogue and down Ferry Slip Road. It is kind of a unique property the way it sits with 101, Ferry Slip, and Marine Science Drive. He said based on that he would agree to go with 5' x 5' signs as presented so that the total will still be under 200 square feet but will cover what they need to in order to recommend their property to visitors. Berman agreed with Branigan. He said what he's having trouble with is what Tokos is asking; which is what is the special hardship or practical difficulty that we're trying to alleviate. He said there isn't any special hardship or practical difficulty that he can see with not putting up those signs. They're asking for something more than the status quo as opposed to just maintaining the status quo of the old property, which is essentially what the other half of the request is about. The east and west signs bother him a little bit; but given the nature of the neighborhood, there isn't anybody going to be in a blue glow all of the time. For the people in the RV

park, that's just where the RV park is. Without any residences to be affected or other businesses who might be affected, he intends to vote for it. But to support Tokos' finding of fact, he's still having trouble enumerating the hardship and difficulty; but he would vote for it anyway. Hardy thought the Commissioners might want to consider the fact that the stop light will be moved a little further south, which means that your opportunity to slow down and pay attention is further away. She doesn't see any reason to minimize the sign on either the north or the south. Regarding the east and the west, from the west down below you're coming under the bridge from a residential property so that should be small. On the east side, it's all commercial anyway. From that standpoint Hardy doesn't have a problem granting the variance on the size of the sign or the height. Patrick thought we have existing rationale for why we got the extra height signs; it's basically topographical. We granted it originally for Ashley Inn, and he thinks the Inn at Yaquina Bay just swapped out signs. He thinks we have a good rationale and good reasoning for why we did that. Now what we're asking about is the east and the west signs. If we keep it under the 200 square feet and allow the 5' x 5' signs on either side, he thinks you can make a case that it's an odd-shaped lot. He said that it's the same reasoning we used for the geographical location for getting the height variance because of the distance from the highway this is the way it works. You can see the buildings, but you can't tell what it is. He thinks you can make a reasonable case for a practical difficulty there. Hardy added that it will get worse when the stop light is moved; and Patrick agreed. He said there will be more traffic on Marine Science Drive and Ferry Slip Road. That's where the majority of the traffic will be and that will actually be more of a draw. He said the signs on the north and on the south from the bridge, yes you need those. He thinks you can make a good case that there's rationale to do that; and we're doing the minimum so we won't violate that. He just can't see a rationale to make the signs bigger. He can see saying they can distribute their signs how they like. We're giving the height variance because of the location. Branigan agreed. Patrick said they can distribute the square footage however they want, we're not particular about that. If they want to make the north and south signs bigger than the other two, that's up to them; just stay below the 200 square feet. Most motels don't have what is actually a four-sided access problem. Patrick said that's his rationale. He said he's arguing for the 5' x 5' signs because that doesn't break the limit on square footage. He said if we're trying to do the minimum necessary, then he thinks that's reasonable; and it's something he can defend later on if we ever get another request like this.

**MOTION** was made by Commissioner Berman, seconded by Commissioner Branigan, to approve File No. 1-VAR-15 to allow the height variance for the two signs on the north and the south elevations and to allow signs to be placed on all four elevations of the building provided the total combined square footage of the wall signs and the free-standing sign, however distributed, does not exceed the 200 square-foot limit. The motion carried unanimously in a voice vote.

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

**H. Unfinished Business.**

1. Patrick informed Tokos that he won't be able to attend the visioning meeting next Friday.

**I. Director Comments.**

1. Tokos noted that the Commission won't have these approval standards again for signs. This was a standard that the Commission eliminated in 2010, and they didn't get worked into the Municipal Code correctly. Back when the Commission did the variance and adjustment work to the zoning code, you added adjustment and variance provisions to the sign code. It was adopted as Ordinance Number 1992 in November 2009. Then we had those electronic message sign amendments come through first for Walgreens and then later for the PAC. We didn't have any variance request since Holiday Inn. With that original ordinance, the City Recorder didn't update the Municipal Code to show that the variance provision changed. So when several years later we did the Walgreens amendment, it readopted the old variance standards. It was just a housekeeping error. Tokos couldn't apply the new stuff because it wasn't in the Municipal Code. The motel filed under the standards as they are. The City Council at its next meeting is going to re-adopt the stuff that was supposed to be in there. It is a little bit different. But there wasn't anything he could do about it. It was just one of those things that didn't get reflected in the Municipal Code and a couple of years later we do amendments to the sign code and we still have the old stuff sitting in the Municipal Code, which is what we have to use as our base for making an amendment. That new ordinance gets adopted superseding the one that was done earlier inadvertently. It's that "the adjustment or variance is consistent with the Purpose section of the sign code, and there are a number of provisions there; the adjustment or variance will allow for placement of a sign with exceptional design, style, or circumstances, or will allow a sign that is more consistent with the architecture and

development of the site; that the adjustment or variance will not significantly increase or lead to street-level sign clutter or will create a traffic or safety hazard.” Patrick said it would have been an easier one for the applicant to make his case. Tokos said yes, these were tougher provisions. Tokos said hardships are hard for a reason. If we were still working with those standards, and you started issuing decisions allowing people to have five or six signs when you’re not allowed to have that many, it just compounds on itself. That’s why they’re in place, and variances are supposed to be hard to get because everybody is supposed to play by the same rules.

2. Branigan asked what the City is going to do with Golf Course Drive. Tokos said the water line there needs to be replaced; it’s chronically failing such that the residents are constantly subjected to periods when they don’t have water service. The road has no storm drainage, and it causes flooding of homes from time to time. It’s ridiculously narrow. The Public Works Department is working on a project that would replace the water line, probably slip-line the sewer line, put in storm drainage, and widen the road. The question is how it’s to be paid for. We’re at the same time working through changes to our Local Improvement District (LID) code. That code will go into effect before work happens on Golf Course Drive. One of the two pilot cases we’re using as part of the LID work is Golf Course Drive. It’s going to be pitched as an LID project. There has not been any design work done for the new project. He knows people have expressed some concern about trees being removed, how wide and where the road would be located. There hasn’t been any design at this point. We’re not that far along. Tim Gross is in the process of getting an actual survey done so that we know where a lot of these features are; where the existing road is, where the right-of-way boundaries are, how much of the golf course is actually in the right-of-way, how much of the neighbors’ front yards are in the public road right-of-way. Retrofitting existing residential areas with improvements is challenging. We need that baseline information before we can pick up conversation with the community. That conversation needs to happen, it’s just going to happen down the road. Branigan asked how wide the road would be if paved. Tokos said the bottom line for Public Works is 24 feet, and that’s kind of becoming bottom line for Fire as well. He noted that Golf Course Drive is a very long dead-end road; it exceeds our standards at this point. It definitely could stand to be widened for safety purposes. Branigan noted that the golf course is not in the city limits; and Tokos said no, just the clubhouse. Branigan wondered if that doesn’t cause a problem for widening the road. Tokos said anything that’s in the right-of-way is actually in the city. So if part of the golf course extends into the right-of-way then it’s in the city. Anything that’s in the right-of-way is fair game. Patrick said he would be surprised if parts of that road are actually in the right-of-way. Tokos said that’s a good point. We’ve had to legalize several roads since he got here because of sloppy work in the past where roads weren’t put where they were supposed to be or rights-of-way weren’t well thought out really well when they were platted. That survey is a big piece; just to have something. To start a conversation, we have to have that information. Patrick said if we have to widen it onto the golf course property, we do have a procedure for that. We just have to reimburse them for it. Tokos said we would want to avoid it. His guess is they would probably work with us; it’s to their benefit too. Although he doesn’t think anyone wants to see a bunch of mature trees taken down. He can appreciate concerns about golf balls going through windows and everything else. Trees do serve as a nice buffer.

3. Berman asked if the agreement on Big Creek Road was worked out between the County and the City. Tokos said it was just towards the end of last year when the Country finally wrapped up the legalization of the road. He’s been talking to Tim Gross about what his timing is on any kind of reservoir work. So, we’ll start picking up that conversation here shortly because we have to move that annexation forward now that the road is legalized. We had a brief conversation with the County; and we’ll have more about that. Patrick said, so we haven’t annexed that yet. Tokos said no we haven’t annexed those properties yet. He thought the County may have been going slow on that. That road legalization took a long time. They ran into some odd situations past our property that they had to get sorted out. They ended up legalizing it quite a bit past the City property. It took a while for it to get sorted out. Plus he’s not sure they wanted us to annex that property before the Urban Renewal Plans were done. That’s additional acreage and could have justified even larger Urban Renewal areas.

**J. Adjournment.** Having no further business, the meeting adjourned at 8:04 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. 1-VAR-15, APPLICATION FOR A )  
VARIANCE, AS SUBMITTED BY JAYANTI & ) **FINAL**  
SAROJ PATEL (DENNIS BARTOLDUS, ) **ORDER**  
AUTHORIZED REPRESENTATIVE) )**

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**ORDER APPROVING A VARIANCE** pursuant to Section 10-10.130 (A) of the Newport Municipal Code (NMC) to allow (1) wall signs to be installed on the north and south elevations of the motel that exceed the City's 30-foot maximum sign height limitation; (2) a total of five signs, four wall signs and a freestanding sign, which exceeds the City's limit of three signs, one of which may be other than a wall sign. The combined maximum display area for all of the signs shall not be over the 200 sq. ft. limit for a business. The property is located at 2633 SE Pacific Way (Assessor's Map 11-11-17-AC; Tax Lots 301 & 1100).

**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 for a variance, with a public hearing a matter of record of the Planning Commission on December 14, 2015, continued to January 11, 2016; and
- 3.) At the public hearing on said application, the Planning Commission received testimony and evidence, including testimony and evidence from the applicant, and from Community Development Department staff; and
- 4.) At the conclusion of said public hearing, after consideration and discussion, the Newport Planning Commission, upon a motion duly seconded, **APPROVED** the request for the variance.

**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 variance as requested by the applicant with the following condition(s):

1. The applicant may have a wall sign on all four building elevations in addition to the freestanding sign as long as the total combined square footage for all signs on the property satisfy the City's 200 square-foot limit of display area for a business.
2. The wall sign on the north elevation of the building shall not exceed 43 feet in height and the wall sign on the south elevation of the building shall not to exceed 38 feet in height.
3. 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.

**BASED UPON THE ABOVE**, the Planning Commission determines that the request for a variance is in conformance with the provisions of the Comprehensive Plan and the Zoning Ordinance of the City of Newport.

Accepted and approved this 25<sup>th</sup> day of January, 2016.

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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. 1-VAR-15

### FINDINGS OF FACT

1. Jayanti and Saroj Patel (Dennis Bartoldus, authorized representative) submitted a request on November 20, 2015, for approval of a Type III variance pursuant to Section 10.10.130 (A) of the Newport Municipal Code (NMC) to allow (1) wall signs to be installed on the north and the south elevations of the motel that exceed the City's 30-foot maximum sign height limitation; (2) a total of five signs, four of which would be wall signs and the fifth a freestanding sign, which exceeds the City's limit of three signs, one of which may be other than a wall sign; and (3) a maximum display area for all signs of 324.75 sq. ft., which exceeds the City's 200 sq. ft. limit of display area for a business. The City sign height limitation is listed in Newport Municipal Code (NMC) Section 10.10.085 (J), the restriction on the maximum number of signs is listed under NMC 10.10.085(C), and the maximum aggregate display area limitation is listed at 10.10.085(G).
2. The property subject to the variance application is located at 2633 SE Pacific Way (Lincoln County Assessor's Map 11-11-17-AC, Tax Lots 301 and 1100). It is approximately 30,492 square feet in size per County assessment records.
3. Staff reports the following facts in connection with the application:
  - a. Plan Designation: Commercial.
  - b. Zone Designation: C-2/"Tourist Commercial."
  - c. Surrounding Land Uses: Surrounding uses include an RV park to the north and east, Rogue Brewery to the north, the Oregon Coast Aquarium to the south and east, and residential development to the west opposite US 101.
  - d. Topography: The property is sloped and situated below the elevation of the adjoining highway.
  - e. Existing Structures: A motel.
  - f. Utilities: All are available to the subject property.
  - g. Past Land Use Actions: None known.
4. Upon acceptance of the application, the Community Development (Planning) Department mailed notice of the proposed action on November 14, 2015, to property owners within 200 feet required to receive such notice by the Newport Zoning Ordinance, and to various City departments and other agencies. 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., December 14, 2016. Comments could also be submitted during the course of the public hearing. The notice was also published in the Newport News-Times on December 4, 2015. The Community Development Department received no comments from any of the affected parties.

5. The original hearing date was December 14, 2015. The applicant requested the hearing be continued to January 11, 2016, so that they could provide survey information for signs that will exceed the maximum height and building setbacks from property lines. They also wanted the opportunity to submit supplemental narrative in support of the application. The Planning Commission granted the continuance request at its December 14, 2015 meeting.

6. The continued public hearing was held on January 11, 2016. At the hearing, the Planning Commission received the staff report and received oral testimony from the applicant's representative. The minutes of the December 14, 2015, and the January 11, 2016, meetings are hereby incorporated by reference into the findings. The Planning Staff Report with Attachments is hereby incorporated by reference into the findings. The Planning Staff Report Attachments included the following:

- Attachment "A" – Application w/ attachments, received 11/20/15
- Attachment "A-1" – Request for continuance, dated 12/10/15
- Attachment "A-2" – Survey information from Gary Nyhus, received 1/6/16
- Attachment "A-3" – Supplemental narrative and photos, received 1/7/16
- Attachment "B" – Public hearing notice
- Attachment "C" – Zoning map of the area
- Attachment "D" – Schematic drawing of the existing monument sign
- Attachment "E" – Lincoln County Assessor's reports for the property
- Attachment "F" – Municipal Code Chapter 10.10 (Sign Regulations)

7. The application notes that the property owner desires to install wall signs on the north and south elevations of the motel in excess of the City's 30-foot height limitation (NMC 10.10.085(J)), and that they want to add wall signs on the west and east elevations of the structure, which would increase the total number of signs to five, as they also have an existing monument sign. The City's sign code limits the property to a maximum of three signs, one of which may be other than a wall sign (NMC 10.10.085(C)). The display area of the signs is as follows:

Wall Signs

- West – 85.375 sq. ft.
- East – 97.375 sq. ft.
- North – 25 sq. ft.
- South – 25 sq. ft.

Monument Sign

- Display (per face) – 60 sq. ft.
- Reader Board (per face) – 32 sq. ft.

Photo renderings of the wall signs were included with the application (Staff Report Attachment "A"). A schematic drawing of the existing monument sign was included as Staff Report Attachment "D." The City has a 200 sq. ft. maximum aggregate display area limitation for signs (NMC 10.10.085(G)). The total proposed display area is 324.75 sq. ft.

8. Pursuant to Section 10.10.130 (Variance Requirements) of the Newport Municipal Code, the applicant may seek a variance to the numerical provisions of the code. The Planning Commission is the designated approval authority.

9. The applicable criteria for a variance are found in Newport Municipal Code (NMC) Section 10.10.130, which states that: "approval of the request is the minimum necessary to alleviate

special hardships or practical difficulties faced by the applicant and that are beyond the control of the applicant."

## CONCLUSIONS

1. In order to grant the variance, the Planning Commission must review the application to determine whether it meets the criteria. With regard to those criteria, the following analysis could be made:

*Approval of the request is the minimum necessary to alleviate special hardships or practical difficulties faced by the applicant and that are beyond the control of the applicant.*

2. The applicant's representative, Dennis Bartoldus, submitted findings addressing the criteria. See Planning Staff Report Attachment "A" and "A-3". With respect to the height variance, Mr. Bartoldus points out that the original motel, the "Ashley Inn" (later the Inn at Yaquina Bay") was designed with signage at the same height that is now proposed for Motel 6. Exterior elevation drawings are included in the application showing this to be the case. Mr. Bartoldus also notes that the motel was constructed at an elevation that is well below US 101 and that without signage at this height the business would be significantly disadvantaged in terms of visibility from US 101 and that there is precedent for height variances of this nature, such as the nearby Holiday Inn Express.

3. At the hearing on January 11, 2016, Mr. Bartoldus advised the Planning Commission that the applicant was modifying the request relative to the proposed wall signs on the east and west elevations. The new proposal is for the signs to be no more than 5' x 5' in size, so that the total for all of the signage stays at or below the 200 square-foot limit.

4. Mr. Bartoldus offered that the request for wall signs on the east and west building elevations is the minimum necessary because of the unique location of the property, with the bridge/US 101 being at a higher elevation and the irregular configuration of the property relative to nearby streets.

5. Based on the application material and the other evidence and testimony in the record, the Commission concluded that a variance to the height limitation should be granted to allow the applicant to install the signage requested on the north and south elevations of the structure. It is clear from the information provided by Mr. Bartoldus that the original motel had signage at the height requested so that the business would be visible to north- and south-bound travelers on US 101. This was accepted by the City when the original motel was constructed, and the Commission finds that denying the current owner that same opportunity would create a practical difficulty or special hardship because they would not be able to advertise their business in as effective a manner as the original motel. US 101 visibility tends to be a major factor for lodging establishments since they are oriented to out-of-town travelers that have either made advance reservations or are passing through the community. Additionally, the Commission finds that such hardship or practical difficulty was

beyond the applicant's control since they did not construct the existing motel and therefore had no influence over site grading or the orientation and design of the building.

6. With respect to the additional 5' x 5' wall signs on the east and the west elevations of the building, the Commission accepts the applicant's argument that the location and configuration of the property creates a special hardship or practical difficulty with respect to advertising that other, similar zoned and developed properties do not face, that such conditions are beyond the control of the applicant, and that the proposed signage is the minimum necessary to alleviate special hardships or practical difficulties.

### OVERALL CONCLUSION

Based on the staff report, the application material, and other evidence and testimony in the record, the Planning Commission concludes that the above findings of fact and conclusions demonstrate that the applicant has demonstrated compliance with the criteria for granting a variance, and, therefore, the request is **APPROVED** with the following conditions of approval:

1. The applicant may have a wall sign on all four building elevations in addition to the freestanding sign as long as the total combined square footage for all signs on the property satisfy the City's 200 square-foot limit of display area for a business.
2. The wall sign on the north elevation of the building shall not exceed 43 feet in height and the wall sign on the south elevation of the building shall not to exceed 38 feet in height.
3. 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.