



Meeting Notice

Please note that there will not be a 6:00 p.m. Newport Planning Commission work session meeting held prior to the regular 7:00 p.m. session on **Monday, September 14, 2015.**



AGENDA & NOTICE OF PLANNING COMMISSION MEETING

The Planning Commission of the City of Newport will hold a meeting at **7:00 p.m. Monday, September 14, 2015**, 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.

NEWPORT PLANNING COMMISSION Monday, September 14, 2015, 7:00 p.m. AGENDA

A. Roll Call.

B. Approval of Minutes.

1. Approval of the Planning Commission regular session meeting minutes of August 10, 2015, and the work session minutes of August 24, 2015.

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.

E. Action Items.

F. Public Hearings.

1. Consideration of the proposed Newport Northside and the McLean Point Urban Renewal Plans. The Planning Commission will review the proposed Urban Renewal Plans, including the relationship to the City's Comprehensive Plan, and make a recommendation to the Newport City Council. The Commission will take public testimony and consider such testimony before providing a recommendation.

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, August 10, 2015

Commissioners Present: Jim Patrick, Rod Croteau, Lee Hardy, Bob Berman, and Gary East.

Commissioners Absent: Bill Branigan and Mike Franklin (*both excused*).

City Staff Present: Community Development Director (CDD) Derrick Tokos 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, Croteau, Patrick, and East were present; Branigan and Franklin were absent but excused.

B. **Approval of Minutes.**

1. Approval of the Planning Commission work session and regular session meeting minutes of June 22, 2015. Croteau noted a grammatical error in the regular session minutes.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hardy, to approve the Planning Commission work session and regular session meeting minutes of June 22, 2015, as corrected. The motion carried unanimously in a voice vote.

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

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

E. **Action Items.** No items requiring action to be taken.

F. **Public Hearings.**

1. **File No. 4-CUP-15.** A request submitted by Mid-Coast Christian School (Greg Wood, authorized representative) (First Christian Church, property owner) for approval of a conditional use permit in order to operate a private elementary and secondary school within existing church buildings located at 809 SE 2nd Street, which is situated on a piece of property with the following multiple zoning designations: R-1/"Low Density Single-Family Residential," R-2/"Medium Density Single-Family Residential," and C-3/"Heavy Commercial" zoning districts

Patrick opened the public hearing for File No. 4-CUP-15 at 7:02 p.m. by reading the summary of the file from the agenda. He read the statement of rights and relevance and asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. All but Berman 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. He called for the staff report. Tokos explained that this is a conditional use permit application filed by Mid-Coast Christian School for an elementary and secondary school at 809 SE 2nd. He noted that the conditional use criteria are found in NMC Chapter 14.34.050 and are that the public facilities can adequately accommodate the proposed use; that the request complies with the requirements of the underlying or overlay zone; that the proposed use does not have an adverse impact greater than existing uses on nearby properties, or can be ameliorated through conditions; and that a proposed building or building modification is consistent with the overall development character of the neighborhood. He noted that included in the packet is his staff report outlining how these standards have been specifically addressed. He added that he also had the entire case record should any of the Commissioners have any questions about the material provided.

Going through the criteria, Tokos explained that with respect to the adequacy of public facilities, the packet included a map showing the services that are available. All services are in place and available and currently serving the existing structure. Tokos said there is sufficient data to find that this criterion has been met. Tokos said the purpose of the

criterion regarding the underlying zone typically is to address parking and landscaping standards. Tokos noted that as the Commissioners could see from the aerial photo, there is ample parking at the site to accommodate this use. He said as is often the case, the church and the school would operate at times that do not conflict and would not be vying for the same parking spots. The landscaping meets the current requirement. So, he noted that the Commission can find that this criterion has been met. Tokos said the third criterion, whether there's an adverse impact or it can be addressed through reasonable conditions of approval, is often the most relevant. He said here we're dealing with a situation where the school is operating when the church is not holding regular services. He did point out in the staff report that there is an elementary nearby and baseball field adjacent; and that parking is certainly used by those attending sporting events. But it's after school hours, and it shouldn't be a conflict; maybe a little as they're letting out. However, it shouldn't result in traffic congestion that would create a public safety issue. He thought with this information, the Commissioners could find that this standard has been met. Regarding the last criterion about building modifications, he did note that our Building Official took a look at the site and is requiring modifications to comply with the current building code for a school use to occur on the property; things like removal of deadbolts, installation of panic hardware, installation of illuminated exit signs, and replacement of a deteriorated handrail. These are safety requirements for this type of use and are not of such significance that it would be considered building modifications; so he believed the Commission could find that this standard has been met as well.

Tokos recommended that the Commission take testimony; and if so inclined, can take action tonight because there are adequate findings that the standards have been met. Tokos had provided a draft final order and a set of findings, should the Commission choose go down that path. He noted that there is one change that he would like to make to the findings if it's acceptable. Under item B1, criterion #2, there's a reference in the last sentence to a private school is allowed. For purposes of land use regulations, we wouldn't concern ourselves with whether it's public or private. It's whether it's an elementary or a secondary school. Tokos would change that last sentence to read that elementary and secondary schools are allowed in each of these zones. No change needs to be made to the Final Order itself. He said if that revision is acceptable, and if after taking testimony the Commission is prepared to move forward, he would ask them to accept that change to the findings and he'll make it after the meeting.

Berman said that Tokos mentioned under item D all the things that needed to be fixed up. He wondered why that isn't a condition of approval that those things do get accomplished. Tokos said it's a requirement under the building code that it would have to be done. We'll just exercise it under the building code. Berman asked if a permit is being pulled for these things. Tokos said it's a change of occupancy; they have to obtain a permit. The church has been in communication with the Building Official.

There were no proponents, opponents, or interested parties present wishing to testify; so Patrick closed the public hearing at 7:10 p.m. for Commission deliberation. Hardy had no problem with what was presented. Berman concurred. Croteau saw no issues. East thought it was fine. Patrick thought it met the criteria and does what it's supposed to do.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to approve File No. 4-CUP-15 with the changes in conditions as stated. The motion carried unanimously in a voice vote.

MOTION was made by Commissioner Croteau, seconded by Commissioner East, to approve the Final Order for File No. 4-CUP-15. The motion carried unanimously in a voice vote.

2. File No. 4-Z-13. Consideration of revisions to City of Newport Design Review land use regulations and the boundary of the Historic Nye Beach Design Review Overlay. Changes to land use regulations include new and updated design guidelines, clarifications to clear and objective standards, tighter thresholds for guideline review of large structures, updated illustrations, and consolidated procedures (NMC Chapter 14.30). Overlay boundary change removes some R-2 zoned property and adds R-4 land. The Commission will make a recommendation to the City Council on this matter.

Patrick opened the public hearing for File No. 4-Z-13 at 7:12 p.m. by reading the summary of the file from the agenda. He called for the staff report. Tokos noted that the Commissioners have a staff report addressing a number of these issues in detail. He said that in addition the packet included a map and a legal description of the overlay boundary, a map showing where the changes are being made to the boundary (which also was the large map on display), the amended design review land use regulations, the amended design review guidelines, an amended glossary, and

illustrations that go along with the guidelines, the information about the notice of public hearing, and minutes from the December City Council meeting where the Council initiated the changes before the Commission tonight. He also had all the various materials since the amendment was initiated; the work from the ad hoc work group and various drafts that were developed to get to this point.

Tokos explained that in 2003, the City created the Nye Beach Design Review Overlay in its present form. At that time they put in place a provision that it would be re-evaluated in ten years. That was the purpose of the December 2013 City Council meeting. Tokos noted that the Nye Beach Design Review Overlay is intended to address a number of things; specifically enhance new and redeveloping architectural and landscape resources to preserve and strengthen the historic, scenic, and identified neighborhood character and function of each setting in the area, improve vehicular and pedestrian networks in order to provide for safety, efficiency, continuity in relationship to connecting Newport neighborhoods, strengthen the economic vitality of the area, and improve the visual appearance and attractiveness of developed areas. Those were the objectives of the Design Review Overlay. When the City Council held the hearing that they were required to under the ordinance for the ten-year review after providing notice to the public and inviting people to come and attend and speak to the Council about whether changes were needed or not, they did receive quite a bit of public testimony. From that testimony, the Council made a determination that changes were in fact needed and referred the matter to the Planning Commission. Specifically they asked that the Commission take a look at issues dealing with building width, mass, and setbacks, issues relating to maintaining village character, building height, building size, zoning, and boundaries. The City Council further directed that the Commission develop the necessary recommended amendments and present those to the City Council at a future date. After considering the scope of the project, the Planning Commission elected to put together an ad hoc work group of individuals who have businesses or own property in the Nye Beach Overlay to work through these issues and provide a recommendation to the Commission. The work group met ten times between March 2014 and June 2015. We also retained the services of SERA Architecture services to help identify strategies for refreshing the design guidelines and standards. They also did prepare a number of the illustrations that are in the packet. Out of this, the Commission has the package of recommendations before them. He said the key changes to the map on display and in the packet were that there was some R-2 zoned property that was originally included in the boundary. The design review guidelines and standards were set up for high density residential development and tourist commercial. There are ample references in the design review codes that's of record right now to the C-2 and R-4 zones; there's no mention of R-2 low density residential even being something that was conceived being covered under the design review guidelines and standards. So, the ad hoc work group is recommending that that area be removed. There's a small pocket of R-4 high density residential on the north end of the design review area that's recommended to be added. The other areas were along the perimeter and are primarily rights-of-way that are proposed to be removed because they didn't really make sense to be included. There is a small change that affects the Whaler Motel specifically where the line is being adjusted so that it cuts through that property in a logical manner so the undeveloped portion of the site is inside the Overlay, but the developed portion is not. The existing line cuts through the middle of the existing building, which doesn't make a whole lot of sense.

Tokos summarized what the other changes were. Design review under the guidelines will be required for a greater number of projects under these revisions. He said that was one of the points of frustration that was raised at the City Council and was deferred to the Planning Commission for further review. He explained that for guideline review in the design overlay you have two paths you can go through. You have a standards review, which are clear and objective standards that do not involve land use review by City staff administratively or by the Planning Commission. They're simply clear and objective standards that somebody meets when they come and pull a building permit to do some construction on their property within the overlay. State law requires that any jurisdiction that has design review standards must provide a clear and objective path for residential development. Then you have guideline review

Guideline review are discretionary standards that go before the Planning Commission to determine whether or not those standards are met. Currently structures over 100 feet in length would trigger a guideline review, and also if it's over 35 feet in height. That threshold in terms of the length is being proposed to be reduced to 65 feet; so a building over 65 feet in length would trigger a design review before the Planning Commission. The height threshold would remain the same at 35 feet in terms of the triggering mechanism for Planning Commission review. The design guidelines have been updated to clarify the intent of each design guideline and to identify approaches a developer can take to satisfy them. This was one of the points of frustration that had been raised to the City Council; the guidelines weren't clear or there was so much room to maneuver within them it was difficult for somebody who was subjected to guidelines and review to understand how they could successfully navigate the guidelines and demonstrate that they

met them. Quite a bit of work was done to clarify the intent of each of those guidelines. The new guidelines were developed to address solar impacts. That was an issue that had been raised; particularly with large projects that are built right up to a property line and say the property to the north that's a smaller development could face situations where they lose quite a bit of solar access on their property and be shadowed for much of the day. So, the guidelines have been addressed to ensure that new development takes steps to avoid excessively shading neighboring properties. That can be done in a number of ways including stepping back on say a third story of a building so that it's not up to the property line, and there are some other approaches that can be taken.

The design standards have been revised to make sure they are clear and objective; we're required to have that. One of the concerns that had been raised was some of those standards that were to be clear and objective still had a little bit too much discretion in them. So, that's been cleaned up so that they're much more explicit. There also have been some changes to ensure that the pallet that somebody has to choose from isn't overly broad. So, it's a little bit clearer in terms of design elements that somebody can incorporate in a structure to meet the standards.

The illustrations have been refreshed. They were getting old and hard to understand. Definitions and review procedures have been consolidated so that they align with how the Commission handles other types of land use actions.

Tokos said those are the primary changes that are a part of this package of amendments. The Commission tonight needs to hold a public hearing on this matter. Its charge is to make a recommendation to the City Council; the Planning Commission is not the approval authority. He said if the Commissioners believe at the end of the day after taking public testimony that the changes are consistent with the public welfare and are appropriate to be made, then you can make that recommendation to the City Council.

Berman wondered for the 100 feet down to 65 feet where that number came from. He wondered if that's some kind of compromise number. Tokos said there was some thought put to it based on an evaluation of some of the structures that have been approved under the current framework and at what point they became a concern in terms of their bulk to members of the ad hoc work group. SERA Architecture weighed in and took a look at some development elsewhere as part of that whole discussion. Tokos noted that there were members of the ad hoc work group present tonight who may choose to testify.

Proponents: Kathy Cleary, 112 SE Fogarty. Cleary noted that she was a member of the ad hoc committee that worked on this. She said there was a lot of compromise that went on. She added that the members took their job very seriously; to look at what was in place at the time and where they felt Nye Beach needed to go in order to continue to develop in a lovely way and not have things that were out of proportion and buildings that just really didn't fit. She said there were some pretty lively meetings. It wasn't a cohesive group at all times; but in the end, they compromised well. She thinks that they covered all of the areas as best they could. In any area where there could be a question or could be a misunderstanding, they tried to get things very clear and concise so that when you come in for a permit, you know what you can do and you know the groups of choices that you can make and just cleaning up the language and making it very clear and very fair and very responsible for the neighborhood as it exists and the vision that they have for it in the future for very responsible development. She said that the idea was not limiting things; it was helping to develop the Nye Beach area in a very responsible and efficient way. That is what they were attempting to do. She hopes the Commission sees this favorably and decides to pass it on to the City Council. She said it's a good plan. There was a lot of compromise that went on. They worked very hard at this.

Terry Obteshka, co-owner of the Grand Victorian Bed and Breakfast in Nye Beach. Obteska said they've operated the bed and breakfast for over twelve years. He can tell from the testimony from guests that Nye Beach is a special place. They have had guests from all over the world. Many of their guests come from the Portland metro area, and rather than go much closer to home, they drive down to stay in Nye Beach. He said we have it all; ocean, shopping eating; all within walking distance. There's other amenities like fishing, crabbing, beachcombing, hiking, and bicycling. He said we need to keep the character of Nye Beach. If we lose it, these people may elect to go somewhere else. He could get guests to come in and testify why they come to Nye Beach. We're eclectic, it's friendly, you can walk at night; it's safe. He's casting a vote in support and hopes the Commissioners do the same.

Marletta Noe, 531 NW Hurbert St. Noe has lived in Nye Beach since 1966. She's seen Nye Beach become a much better place to live; much nicer place. You can walk in Nye Beach now without any problems. It took a lot of hard work from people to improve the area. She's grateful for the ad hoc committee for doing this. She does have some

disagreements with the overlay, but has since the beginning. They have worked very hard on this. She hopes the Planning Commission will approve it.

Tokos mentioned that an email was received from Cathey Briggs, which he had distributed to the Commission. It was an email in support. He read it into the record. She believes the revision provides more clarity and feels it's important to adopt the revised design guidelines to ensure that the area maintains its historic charm and pedestrian-friendly scale.

There were no other proponents present wishing to testify.

Opponents or Interested Parties: There were no opponents or interested parties present wishing to testify.

Patrick closed the hearing at 7:30 p.m. for Commission deliberation. East said after reviewing the guidelines and all the work the ad hoc committee has done, he really likes what the committee has done with this review. He likes the design they have come up with for this. It's easy to understand. He recommended going ahead and handing it over to the City Council. Croteau said it's a bit more restrictive, but he thought it's clearer and more detailed than what we had to work with previously. He thought it's a good move in the direction of responsible tourism, which he thought is what this community needs. This is what you want to do. Berman agreed. He said that in reading through this, if he were developing a piece of property, he would have a much better idea as to what was necessary to get his plans approved. He thought the ad hoc committee is to be congratulated. He knows it's not easy, and that's an awful lot of meetings for a group like that. He thanked them all for the work that they put in. He said it's a great product. Hardy thought that the clarifications that were sought were probably achieved. She still had one question. In the introduction to the guidelines, she asked if anyone can define what a "working class neighborhood" is supposed to look like. She said that's the premise you're starting with, but it's never really clearly defined. From the audience, Jody George, who was a member of the ad hoc work group, said that the phrase came from the original document. It's not something they tried to give definition to. It's actually lifted out of the original document. Also from the audience, Wendy Engler, who was the Council liaison for the ad hoc work group, thought it was from the Comp Plan that Don Davis did. It has been part of the design guidelines in the first rendition from 1997. It was just part of the introductory language; and it's never defined. She thought in the future you could define it, maybe as you develop the neighborhood. She thought that was a good point. Patrick said someone can take it to City Council and try to define it there if someone has a definition.

Berman said under "Design Review Required" (14.30.040) point "C," it talks about not more than ten feet in height for an accessory structure. What if it is more than ten feet in height; they don't have to go through design review? He didn't understand why that was there at all. Patrick said if he remembers correctly, if it's more than ten feet in height, it's not an accessory building anymore. He thought that in the definition of an accessory building, it has to be under ten feet in height. Berman said if that's the case, this phrase still isn't needed. Tokos said it is a small thing, but he can confirm that. He said the attempt here was to align with the building code trigger for when a building permit is needed for ease of administration and for ease of understanding by the public. It's awfully awkward if a building permit is not required for something that's a very small structure, but then you still have to go through design review. The general consensus on the ad hoc work group was to align it with the building code. He will take a look just to make sure that that language is accurate before presenting it to the City Council. He thanked Berman for bringing it up.

Berman asked the 50% is an increase from what; the 50% of fair market value. Tokos said that's 50% of current fair market value. Berman asked what that used to be; he thought Tokos had said that was an increase. Tokos said that's a change. Berman thought that seemed like an awful lot; 40% of a fair market value is still a major construction. Tokos wondered if what he's asking is about the change to substantial improvements triggering for basically a remodel to have to go through design review. Berman said if that's what the ad hoc group felt was appropriate; it just seemed high to him. Tokos said that is what the ad hoc work group felt. We discussed the definition changes, and they were comfortable with that. Berman said 50% of the fair market value can be an awful lot of money and involve an awful lot of changes. He wondered if any of the ad hoc group recalled why 50%. He said it says that "substantial improvement is a defined term that is 50% of the fair market value of a structure." Then it uses substantial improvement in several of the clauses on when a review is required. He's just curious why that 50% number is as high as it is. Croteau said maybe the idea is just to capture major remodel changes. It's going to be pretty substantial. Tokos said that is the intent, and it aligns with what is required in say a flood plain area. So if you have a home that's destroyed by flood in our flood zones, that's the trigger for having to elevate it so it doesn't get flooded again. It's something that's kind of a standardized threshold for when is it significant enough that you have to meet current rules.

That's a generally-accepted threshold in that regard. Berman said he's not advocating to change it. His comment is that it just seems awfully high. Patrick said thinking back, he believes you still get triggered by this if you're getting a building permit. If it's something that requires a building permit you get thrown into review. You can do substantial improvements, like you can re-side an entire building and not have to go through design review unless it gets over 50% of the value. What they didn't want people to do is to come to the Planning Commission for stuff that the Commission didn't need to do and stuff that isn't triggered by a building permit. Berman said it doesn't really say that here. Patrick said it's somewhere; it's not in this part here, it's somewhere else. Tokos said it's a substantial improvement. There's not a correlation. He doesn't have it in front of him, but the existing substantial improvement definition for Nye Beach is something like 35% of the value of the improvements for which a building permit is required. So, that's a little bit different. You could end up doing a whole lot of work to an existing structure that doesn't require a building permit and that doesn't count toward the thresholds. He wouldn't say the one that's proposed is more permissive than the current standard. It's probably a little bit easier to figure out. It's the threshold by which you figure that's when review is needed. So, if you're doing a remodel of an existing home, if the work that you're doing is significant enough to trigger 50% of the current fair market value, that's when it's going to trigger the need to meet the design standards. If the work's below that; you don't. Patrick said that's also the trigger for building codes for damage when you have to bring an entire building up to current code. If it's more than 50% of the value of the property, then you have to bring everything up to the existing code. He thought we tied to that one too.

Continuing deliberation, Patrick said that he also wanted to thank the ad hoc committee for all of their work. He said that we got a lot of good ideas out of there. He thought we ended up with an excellent document. It's a lot easier for a developer or anyone to figure out what you can or can't do. It wasn't really defined before. Also, the pictures and the guidelines got a lot better.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, to recommend to the City Council that the changes described in File No. 4-Z-13 are good and necessary and further the general welfare of the community. The motion carried

G. New Business. There was no new business to discuss.

H. Unfinished Business.

1. The Inn at Nye Beach. Tokos noted that the Inn at Nye Beach is in the process of getting their building permits; and through that they have elected to make some changes. He brought Jim Patrick in as the Commission Chair to talk about them to make sure that the changes they were making were not material to the Planning Commission's decision and could thus just be signed off as opposed to bringing it back before the Commission. The changes they elected to make were to the elevation facing the ocean. So, you cannot see the changes from the street, the north, or the south elevations; just the west elevation, and they're actually concealed from view from the bluff. What they elected to do was their driveway that goes into the site, which is part of this project, would be underneath the addition. That driveway as approved was at a 7.5% grade. They elected to drop to a 15% grade, which they can do; it's not an emergency access. What that allowed them to do was put in a couple of additional units and some additional parking on the lowest elevation. That is the nature of the change. In the packet, he included the approved plans and the modified plans so the Commissioners can see the nature of the changes. Tokos and Patrick talked about it because Tokos wanted Patrick's take on whether he felt the change was something that materially impacted what was presented to the Planning Commission. He felt that that wasn't the case. They agreed to advise the owner of the Inn at Nye Beach to proceed with this with just a note in the file. But Tokos wanted to make sure to share this information with the balance of the Commission so that you had the benefit of that whole dialog. Croteau asked if it's appropriate for the Commission to just record their agreement with this; and Tokos said that would be fine.

MOTION was made by Commissioner Croteau, seconded by Commissioner East, to agree with the Inn at Nye Beach's plan modification. Patrick said he thought it was kind of a give me and it wouldn't be hard to put it back. Croteau said he preferred to have it in the record that the Commission has heard it and agree to it. The motion carried unanimously in a voice vote.

2. Community Vision. Patrick said this committee is interesting. He said we seem to be headed down a path of greater community; so they want to do something like Yaquina River Watershed as part of the community visioning. He has some heartburn with that as a Planning Commission member because basically our jurisdiction ends at the end

of the Urban Growth Boundary. He kind of likes the idea of it, but just doesn't see how we enforce any of it; and he doesn't understand how we're supposed to do anything about Toledo, which is also inside that area. He said the committee's not doing the visioning; it's just trying to figure out how we want to do the visioning and what kind of parameters we want to set on it. Patrick said if the Commissioners had any input on that, he would be willing to take it back to the committee and pass it on.

Tokos shared that the group is fairly early. They've met twice. He explained that the group is basically trying to frame a recommendation to the City Council on how it would tackle visioning outreach effort for our community. So, kind of framing what that could look like and what the key elements should be. Some discussion has been had in terms of when you do a visioning effort who's your audience. Is it strictly the City as it's structured now, or should it include outlying areas that orient towards Newport? As Patrick noted, watershed was discussed. Pulling in some satellite areas was discussed. A recommendation will be made in that respect. That's one of many issues that have been discussed up to this point and are being hashed through. He does get the sense that there will be a recommendation to the Council to do some sort of visioning process; that the recommendation will not be that it's not timely. But what that looks like is still being worked through at this point.

Patrick said, having set through some of the South Beach stuff that we did, Coho/Brant and all of that stuff, there was a lot of good stuff out of that. He's looking forward to doing the same thing with community visioning. We also have the caveats that have been pointed out, you've had the Glick Study and several other studies. They gave them a whole book of the different studies to review.

Berman asked what the timeframe is for something to the Council. Tokos said there will probably be a couple more meetings. It's going to be relatively quick; within the next couple of months.

3. New North Side and McLean Point Urban Renewal Areas. Tokos explained that McLean Point is the one that involves the Port property. There are two plans. Berman asked if there are now two separate Urban Renewal Districts being contemplated. Tokos confirmed that. He said there's a small one, about 40 acres, that involves just the industrial property next to the Port Terminal that's being considered concurrently. It's a separate plan. Berman asked how it's going to raise any money if it's only 40 acres. Tokos said those properties currently aren't taxed because the Port leases one from a private entity. Then the other property, which is Port-owned, would be leased by Teevin Brothers for their log yard; which means if they create the Urban Renewal District and the Port lifts its lease off, that private property then becomes fully taxable and the entire taxable amount becomes part of the increment. Berman said, so the frozen base is zero. Tokos confirmed that and said that's a relatively valuable piece of property. They have looked at it. You're talking about \$2 million over a 20-year period; so it's not inconsequential even though it's only about 40 acres. Patrick said that was news to him as well. Croteau said it came in late. Tokos said yes, it was a proposal from the Port actually.

Croteau noted that the advisory committee has had several meetings. He thought things are moving along quite well. There's been a general consensus on the large plan. Some concept of cost and time. They've worked mainly on process; how do you get from the big things down to specific projects. Everyone is pretty much in agreement that something needs to be done up in the Agate Beach area and something needs to be done about the downtown area. The idea is how to get from the big picture down to specific projects. At this point, he thought everybody wants to talk about projects; but they're really not there. There are the big conceptual ideas, and you plan the process of how you get from those big ideas down to things that are really going to work or are practical and reasonable in cost. He thought the committee is moving in the right direction in looking at the big picture.

Tokos explained that Urban Renewal is a funding mechanism. It takes part of the existing taxes people pay to various taxing entities and redirects it or reserves it for re-investing in the community in some capacity. There was an initial public open house, which was well attended. A lot of that was Urban Renewal 101; covering what is Urban Renewal and what's being discussed at this point in time. The projects are very general in nature but are defined enough that they do get discussion going. Talking about transportation improvements for the city center area; a potential couplet being one of a series of different potential solutions, gets people either excited or upset. He explained that what we're trying to do is describe in enough detail so that we meet our statutory obligation for putting this type of program together, that the funding be over a 30-year period, and that early in the process we're going to engage in some detailed planning of the city center area and in Agate Beach to figure out specifically what the right solutions are and then fit those projects in under the larger umbrella, more general project categories we're creating right now. He said it's a

challenge explaining that conceptually; but we're working on that. We have a second public open house coming up on August 31st. It will be at the new health education center in conference rooms B and C he believes at 6:00 p.m. We'll be getting a notice out on that shortly. The Planning Commission would then hold a hearing in September, he believes on the 14th, with the City Council following suit on September 21st. We'll be getting notices for that out here shortly. Tokos is planning on scheduling a work session with the Planning Commission at your next meeting in August to go over these issues in a little bit more detail so that you have some more information before you hold public hearing.

Croteau mentioned that the Planning Commission will play a major role in advising on Urban Renewal. The group agreed that the Planning Commission should be part of the deal. The other thing is, following Urban Renewal 101, pretty much everyone in the room got it; the understanding of how it works, that it's not an increase in taxes, and it is a way to finance improvements for a large number of people and a large number of organizations. He thought our consultant did a very good job in the outreach part of it. He thought that the citizenry that attended came away with a pretty positive impression of where this would go.

4. Local Improvement District (LID) Implementation. Hardy noted that the committee has had one introductory meeting so far. That was kind of an introduction to the concept of using LIDs to improve community components pointing out that people who purchase property typically sign agreements to participate. You could say that they sign agreements to not object to participating in LIDs. There's been discussion back and forth in terms of how you sell the idea essentially if you're going to charge individuals in a particular limited community for improvements that are going to occur in and around their properties, not on their properties; what is the real benefit to the properties versus the benefit to the general population of the city? There was some disagreement in terms of what was really a valid way to look at that. It did involve some participation from the Assessor's office. She thinks it will take a look at relative impacts on values and perhaps projecting impacts on property tax rates. The comments were leaning towards let's convince property owners that they're going to benefit and nobody else is going to benefit if they get curbing and sidewalks and wider streets. The difference of opinion was that everybody benefits from that. She said it will be interesting to see what the consultant comes back with. He was looking for creative ways to package the deal. She prefers clarity to creativity sometimes. She said it will be an interesting discussion. She thinks it's a tool that could be positively used if it's wisely used. She noted that the committee's next meeting is in September. Tokos said these meetings are spaced out a little bit more than some of the other groups. Hardy said there are some small areas in town, small discrete neighborhoods, which were developed at a different time and place and didn't have to meet the standards that new developments have to meet today. Therein lies the problem; there's an inequity there. So, how do you make them equal?

Tokos added that this is an effort that we have received some state grant funding for to not only address our need to come up with a local LID code that makes sense and is something that can be explained to the public and when there's interest actually implement it in an effective way; but also to provide the state with a model code that can be shared with other jurisdictions; particularly the smaller ones. It's one thing for Portland to implement some of this stuff; it's something entirely different for a smaller jurisdiction. Particularly on the funding side if the city's up-fronting funds to do a project and is getting paid back, and the management of that becomes challenging. So, we'll see where the consultant goes with that, and we can start to poke at it and meld it to meet our needs.

I. Director Comments. Tokos had nothing further to add at this point.

J. Commissioner Comments. Croteau mentioned that the Commission is pretty short on our citizen advisory committee. He thought in looking toward the future, if we can recruit people who will help us in the Urban Renewal context that might be productive. Tokos agreed that we need to get a recruitment out on that. Patrick agreed with that because he said that's been our "farm team" in the past.

K. Adjournment. Having no further business to discuss, the meeting adjourned at 8:00 p.m.

Respectfully submitted,

Wanda Haney, Executive Assistant

Draft MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Conference Room A
August 24, 2015
6:00 p.m.

Planning Commissioners Present: Jim Patrick, Lee Hardy, Mike Franklin, and Bob Berman.

Planning Commissioners Absent: Rod Croteau and Bill Branigan (*both excused*), and Gary East.

PC Citizens Advisory Committee Members Absent: Dustin Capri (*excused*).

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

Chair Patrick called the Planning Commission work session to order at 6:01 p.m. and turned the meeting over to CDD Tokos.

A. Unfinished Business.

1. Review Draft Newport Northside and McLean Point Urban Renewal Plans. Tokos said that the Urban Renewal work is moving ahead. He noted that Rod Croteau is the Planning Commission liaison on that advisory committee and has been attending all of the meetings. Tokos said this work session is an opportunity to chat about the two plans as they're coming together. The advisory committee will look at these drafts on September 1st. On August 31st this will be part of a joint Town Hall meeting held at the new Samaritan Center for Health Education. Coming out of that, the Urban Renewal Agency will review these drafts on September 8th and will forward the plans for adoption. The Planning Commission hearing will be on September 14th. The Commission's primary role is to find if the plans are consistent with the Comprehensive Plan. If you find that they are, then it goes to the City Council on September 21st, and they will decide whether they want to adopt them or not. There will be a notice sent out with the utility bills, which is a method that is allowed by statute. Otherwise, we would have to notify every citizen by a separate notice. That notice will be going out with the billing at the end of the month. They should hit the mailboxes in early September. Tokos said we will double up on notices. We are already sending notices to everyone in the proposed boundaries. We'll be doing it with the utility billings citywide, so they will get two notices. Berman asked about the notice for the open house. Tokos said that notice was already mailed on the 17th. He expects a good turnout at the open house. At the prior open house, we had a few people show up. Most of the concern to date has been about the couplet concept and that it will go through their properties and be acquired by the City. Franklin asked if that route has been established. Tokos said it's a concept in the Comprehensive Plan that a couplet option on 7th Street or 9th Street be evaluated for viability. That was in the 2008 timeframe as part of the planning outreach process with ODOT and the community at that time. Hardy asked who put that out there. Tokos didn't know all of the particulars, but it was discussed at the outreach meetings back then. Tokos explained that if it's 7th Street, it's basically taking the southbound traffic and routing it onto 7th, and 101 would remain the northbound traffic. He doesn't know what it would look like, but there is right-of-way potential in place for that. The flip side would be the northbound traffic on 9th Street and the southbound on 101. It would branch off by the hospital where 9th Street currently branches off and go up to somewhere like Highway 20 and Benton. It would involve straightening curves and would have to take some properties out.

Tokos said Urban Renewal is a funding mechanism for doing a number of infrastructure improvements in the community over the next thirty years; not "x," "y," and "z" projects. Right now we don't know that. That's what he's trying to convey to folks. We know there are issues with the transportation network north of the bridge. The existing traffic flow in the core city center is not working now. Changes need to be made. It will take three to five years over the life of the plan to sort that out. We have \$100 thousand set aside for refinement plans. ODOT Region two has funds reserved for this work as well in FY 2016-17. It would be a partnership. He noted that the transportation system plan in South Beach took a few years to get sorted out. He expects the same for the Northside to figure it out. If it's a couplet, then where; or widening the existing right-of-way. What works the best for the community will be sorted out in that process. It isn't coming to bear until 2027-34. We're not identifying the solutions, but where we're targeting funds. That's what an Urban Renewal Plan is. We want to be clear enough to communicate how it would benefit the economic viability of the community, but not pin ourselves down. You should put funds in for planning purposes; and that's what we did. The refinement plans are focusing on the Northside Plan (shown in blue on the map); one for the Agate Beach Neighborhood and one for the commercial core area. Berman said that whatever planning is needed in Agate Beach probably won't be as expensive as for the central core; but the numbers are the same right now. Tokos said that \$100 thousand is our contribution; ODOT will be bringing another \$100 thousand as well. The total cost could increase; but he chose not to because with ODOT it's a guessing game. He will ask Terry with ODOT. Berman said maybe they shouldn't be the same amount just to show the difference in planning those two.

Berman asked what the reason was for making two districts. Tokos said timeframe is one reason, and they are different in terms of objectives. We would have had to make them contiguous to have one plan. Legally they don't have to be; but our consultant is of the opinion that we would have to have a very good reason not to have them contiguous. The fact that the one plan will ramp up and shut down in sixteen years is reason enough to have two. Also, the advisory committees will be different. It's the Port Commission on the McLean Point Plan. He said they are different enough to have two. Berman said that Agate Beach could have been separate, but the money doesn't work out if you don't tie it in.

Tokos said he will touch on the Plan and the rationale for how it's consistent with the Comp Plan. First he referred the Commission to page 26 of the Report for the Northside Urban Renewal Plan. Table 11 shows basically how phasing would work for the projects. It shows four phases across the life of the Plan. They are in four-year increments. Phase 0 is the first two years where you're just building increment and includes no borrowing. It's fairly substantial; about \$800 thousand. The estimate we're using, 4.5%, assumes some growth. If that doesn't occur, then it will be less than that. It's a significant amount though. Franklin asked if in Phase 0 there's no construction. Tokos said there are street improvements probably out of the Agate Beach Plan. Very similar to Coho/Brant, there's a 12-month period that gives us what areas need to be improved. We prioritize those. Then we come back and amend the plans for specific projects. Tokos said you have a number of different projects that are very similar to what you were already aware of. There are not a lot of changes there. He noted that there are some additional funds we were able to program in for storefront façades; so that's bumped up a little. That's because in part, the administrative costs were held at 4%. That's a flat 4% for administrative costs. Berman asked if that's more than a full-time person. Tokos said those costs are over a four-year period. Phase 4 for example is for four years and is \$412 thousand; that's about \$100 thousand a year, which is an FTE. By the time we get to Phases 2-4 we're funding an FTE. We will need it for program administration. Where that position is housed would be determined; if in our department, or a combination of that and engineering.

Tokos said basically we're anticipating the fairgrounds building in Phase 1, 2019-22. This is our best guess for when these pieces land. The thought process is that in Phases 1 and 2, most of Agate Beach would be finished by Phase 2. Then work would be in the commercial core area. That's where the bigger expenses would occur, with ODOT taking three to five years to sort out their right-of-way acquisitions. For the state with funding issues, they will need until 2027-34 for them to be a meaningful funding partner.

Hardy asked if some projects need to go hand in hand to eliminate duplication of work; for instance street improvements and undergrounding utilities. Tokos said we have the flexibility to pool those if both types of improvements are in a project. If drainage is needed to make it happen when doing undergrounding, we can use both. If we're doing line undergrounding and can do some other enhancement such as widening sidewalks, we can pool both sets of funds. We'd be harder pressed to do that when doing utility undergrounding if there are no improvements to the right-of-way; like where there's a roadside ditch or something to bury utilities and there's no other improvement to the right-of-way. Hardy said she was meaning that if there's right-of-way improvements and undergrounding and maybe something else; it makes sense to do the undergrounding and then improve the right-of-way. Tokos said exactly, and we would have the ability to pool those funds. It's a minor amendment typically. We could be doing line undergrounding for 101. We would tell the City Council here's the preliminary cost, these are the pools of categories we're drawing from; and the Council would look and say if it's a priority, or not to that level. Franklin wondered if it would affect the way projects go out to bid; a combination if you're doing waterline and undergrounding. Tokos said we try to parse it out as logically as we can. We try to group things if they're in the same area and have it go out at once. It's more competitive that way.

Berman asked what waterline capacity upgrades for \$600 thousand in Phase 1 means. Patrick said north of town there is a substandard line that can't supply enough water for any increase up that way. Tokos confirmed that we have a main line that needs to be upsized on 101 in the vicinity of the golf course. He said he has been talking to City Engineer Tim Gross, and this may be changed to "water/sewer capacity upgrades and/or relocation." They think it may make more sense to pay for waterline upgrade through some bonding through the utility rates. Then use these funds instead to relocate the lift station that is right out on the edge of the bluff in Agate Beach. Hardy asked if you can't coordinate Urban Renewal with another funding source coming from somewhere else. Tokos said we can use both. But this is waterline upgrades; and if it says water, it can't be used for sewer. Berman said that's a case where specific naming could get you in trouble down the road.

Berman asked if the Planning Commission is the advisory committee for the Northside; and does it say that in the Plan. Tokos said the Planning Commission does serve in that capacity. Tokos noted that on page 20 of the Northside Plan under Future Amendments, there are three kinds of amendments. There is the statutory substantial amendments, which are listed there. Those are when you're adding more than 1% of the existing area of the Urban Renewal Area or if you increase the maximum amount of indebtedness. The process is essentially as the Planning Commission is involved in now. The next category is major amendments; and the Planning Commission along with an ad hoc committee would be reviewing and addressing those. Those include an increase in the duration of the life of the plan. We're setting a 25-year limit. If we get to year 22 and still have projects that we haven't dealt with and there's a hefty increment and we feel that we could accomplish some of those in a few more years; we could do a major amendment, and the Planning Commission would be involved. He noted that we did that in South Beach. He wouldn't be shocked if we end up being short on this one because we can have under-levies. If the City Council or the County

says they can't handle a loss in any given year, we can do an under-levy. There will have to be a conversation about what projects get scrapped or delayed. Towards the end we could still have a number of projects we want to do. This will document that; we'll have a paper trail. He noted that under-levies weren't around statutorily when the South Beach Plan was put together. The ability to under-levy was added in 2009. Berman asked if it's correct that a taxing entity can't demand that; they would just request. Tokos confirmed they can't demand it; and there's a formal process in this document for how that would work. He continued that the other major amendments are if there's deletion of more than 1% of the existing area, and if there's the addition of a project with a cost over \$500 thousand. He said that everything else is a minor amendment, where the Planning Commission isn't formally involved; but he has tried to keep the Commission apprised on the minor amendment front. He noted that any zoning or Comp Plan changes that are done are incorporated automatically to this document without any separate action. But we would have to be cognizant that if we make changes of that nature, they could affect our ability to do some of these projects.

Tokos noted that the Plan contains the goals and objectives and a summary of major project categories we're going through. Then it gets into the future amendments, duration of the plan, and fiscal stewardship. He noted that on page 27 is the relationship to local objectives where it discusses about the consistencies with the Comp Plan. These include energy conservation, housing goals, economy, infrastructure and public facilities. The Peninsula Urban Design Plan and the Newport Economic Opportunity Analysis are also pulled in here. The applicable policies under the Economy goal are encouraging growth of tourism-related employment and better use of underutilized and/or blighted commercial sites. The infrastructure goal is making investments in infrastructure to support targeted industries. Hardy asked what a blighted area is. Tokos said it's an area that lacks adequate infrastructure, lacks paved streets, sidewalk, lighting, or access. Franklin said you are describing Newport as a blighted area. Tokos said that is a statutory requirement. It's a statewide definition. He said it was discussed in print somewhat when we did the Economic Opportunity Analysis. We have poorly-operating commercial sites on 101. Hardy asked if that can't have anything to do with location. Tokos said poor access can be because of existing conditions of infrastructure. He said that the intersection at 6th Street and 101 with that dog-leg is a good example. You can have stuff that is aged commercial of limited value with high vacancy rates as opposed to newer redevelopment that is favorable commercially. Hardy said that in '95 she took a tour and counted about 25% vacancies in commercial locations. Since then she doesn't think it has improved much. Shortly after that a lot of commercial construction began, and there's still a fairly high vacancy rate compared to less than 1% residential vacancies. Tokos said if you look at the downtown between Highway 20 and the bridge, there are poor buildings, bad access, and poor conditions. Hardy thought that the commercial demand is lower than you think. Tokos said in the Economic Opportunity Analysis discussed in this report, it has to do with the improvement to land value ratio. When the land is worth more than the improvements, it's ripe for redevelopment. Hardy said you can quantify actual demand for commercial space; what people are looking for what. She's found in the last years, it has been fairly low. If you encourage redevelopment with the thought that it might encourage more commercial inflow. Tokos said that may be something that needs to be looked at as part of a refinement plan. It's justified by the Economic Analysis to create the Plan. There are issues with the age of buildings, access, and poor circulation. There are also issues with the viability of the lot. We also have excessive parcelization. We don't have larger parcels. Whether we can create those through this, he's not sure. Large companies that have contacted us can't find sites.

Franklin thought there should be a lot of thought given to this. A lot of the commercial is run down. There's these storefront façade loans of \$1.5 million from Urban Renewal. He wondered if we're just putting lipstick on a pig. A lot of those buildings need to be torn down. He wondered if there's going to be abuse of this program. Tokos said we have to have a program in place before we give money out. There's already been the discussion in the advisory committee that other things need to happen before this program needs to be funded. We need to find out what will stay. We don't want to give a storefront grant and then have to turn around and buy the building because it needs to be removed. He said that is an important piece of it. But something like that could be very useful for some businesses. Franklin wondered if it's not enough that we're just offering them a better streetscape. That's already an improvement; it's more desirable. Hardy said you need to have a conversation with leasing agents that handle that kind of business. Tokos said this is a funding framework over 25 years. These are the project categories. How that plays out within 25 years, we can't say right now. It's very reasonable to come to a discussion about whether that type of project can address in a supportive way what we have on the ground. He said this is a living document. We have to mesh it out as best we can and put in projects that reasonably address the conditions we have talked about. He doesn't anticipate seeing that fund at all until after the refinement plans. Franklin thought maybe there should be a discussion about having a delay on that because he worries about people taking that for older buildings where it's not needed and then the money's all gone. Tokos said it's hitting in 2023. Well after Phase 2 those funds will be made available. Patrick said that ties into why we want ODOT to pin down the location of a new bridge. Tokos said there will be that discussion as part of the revitalization program; ODOT bringing that to the table. There's no funding for a future bridge at this point. As far as it would go is doing something to extend the life of this bridge and increase capacity by adding two lanes to the bridge without detracting from the historic character. They would have to flesh that out conceptually as part of this transportation work. Tokos envisions two lanes added to the outside and pinned to the existing structure. There would also have to be a bike and pedestrian lane. Hardy said there was talk in the 90s about moving the bridge. Patrick said adding right-of-way would cost almost as much as what's there now. He doesn't see that happening. Berman wondered where else you would put a bridge. Patrick said up the bay. It wouldn't have to be as high because you'd have only fishing; not commercial ships. Hardy wondered if they can't afford to replace the bridge now, how they can if there's an earthquake.

Tokos said essentially the reason he put this packet together for this work session is that the Commission will have a hearing on September 14th where you will see these documents cleaned up. The Commission will be asked to find that the plan is consistent with the Comprehensive Plan. He said the key thing in this document on the Agate Beach side is that there are at least two undeveloped properties upwards of 35-40 acres a piece that with modest infrastructure investment would be viable for development; and that falls under increasing the supply of housing in the Comp Plan. As would enhancing the viability of housing, improving storm water and accesses to existing residences; and some projects would fit on the commercial side, such as cleaning up some of that access where Szabo's is. As far as US 20 and 101 and the fairgrounds, it's not a reach to say these types of infrastructure for the vitality of the fairgrounds and the adjoining commercial and provide better access, if it's done right, can further our supply of commercial and industrial. That is as far as we are going right now. We have Comprehensive Plan policies, and the question is if these are in line with those objectives. On the transportation projects that are called out for discussion, they are in the Transportation System Plan. They're identified as needing to happen; such things as improving signaling, which would help improve traffic flow. Projects shut down in 2034. You can only imagine what the traffic will be like then. The question is how this syncs up with the Comprehensive Plan. Does it fit, or is there some glaring piece that doesn't. Tokos doesn't see that there is. That is what he is looking for from the Commission so he can tweak it in advance of the hearing. He said if any of the Commissioners see anything that looks amiss, to drop him a note off line; don't copy everybody. He will share that with the advisory committee at their last meeting.

Looking at the McLean Point Plan, Tokos noted that this is a small plan with \$2 million maximum indebtedness. He began with a discussion of the Report to the Plan. Berman asked why the LNG plant wasn't included in the Urban Renewal Area so we could capture some of that money. Tokos didn't believe it's taxed; it's a utility. Franklin asked about the main road coming down by Yaquina View School to Bay Blvd. and why that isn't included. Tokos said the intersection of John Moore Road and Highway 20 is in the district; but the road past the intersection is not. And the City is already funding a project at the bottom of Moore Drive and Bay Blvd. We're fixing storm drainage on Moore and will fix the intersection at the bottom of the hill.

Tokos pointed out that on page 12 of the Report are the projects for the district. They are limited. The biggest is the sewer pump station. There's storm drainage and some other utilities; water, power, and fiber. There will be modest street improvements. The biggest Urban Renewal contribution is sewer. All of the property up on the slope east of Running Springs between Highway 20 and the bay that is inside the city and the Urban Growth Boundary would be able to develop. When we do that project, it will bring other funding sources to bear.

Tokos noted that on page 14, you will see that it's done at one time. We'll be able to do it in 2018-19. This district will shut down in sixteen years. The difference between this area and the other one is we assume 4.5% on the other one. In the green area (McLean Point), we only have a couple of key properties. It made sense to figure out exactly what and when to program in the likely tax increment generated. We figured when they will go on the tax rolls; they're not on the tax roll now. After the Plan is in place, all taxes become increment at that time. It goes from zero. In the blue area (the Northside), there's much more increment; 3% plus the growth that occurs. Sixteen acres from the Hall family is going in in FY 17-18; the first phase. The next phases would come in over a series of years after that. They would bring in 16 acres, then 12, and a final 12. That's how it goes on the tax rolls. The Port is looking for Teevin's lease in January 2017 for their log yard. Similarly with respect to the Hall family; they broke that down in terms of construction value of improvements by phase. Franklin asked if the Hall family will be building on their property. Tokos said they want an industrial building up and running. In the first phase, they want light industrial for fishermen to lease and marine research to lease (wave energy and that kind of thing). Berman wondered why nothing is on the tax rolls. Tokos explained that the Port leases from the Hall family; and because they're a governmental entity, there's no taxes. The Halls will release the Port from their lease in phases, and as each release occurs, that amount of acreage goes on the tax roll. If the Urban Renewal Plan is in place, all of it goes to that Urban Renewal Plan. The Port's lease goes out several years. Patrick said the Port used that property for storage for a while; and then they kept the lease but quit using it. Tokos said on the flip side, we need industrial development down there for it to be fully viable.

Tokos noted Table 7 on page 20 shows when the land would come back on the tax rolls. For tax lot 100 that is when the Port would exercise Teevin's lease option for the log yard. That would hit the tax roll in 2018. In Phases 1 and 2, would be the sixteen acres of the Hall family that hits in 2020. In Phases 3 and 4, the last twelve acres of the Hall property would be in 2023. Table 8 shows the development projections. Phase 1 will be in FY 2019, Phase 2 in 2021, Phase 3 is split with 3a in 2022 and 3b in 2023. Phase 4 shows "n/a", and Tokos will check on that. Phase 5 will be in 2029. Teevin Brothers is the last one listed; and there's not a building there to speak of. Patrick noted that tax lot 102 is Port property so that's why it's "n/a" for coming on the tax rolls. Tokos said, but if the property is leased by private entities, then those become taxable. He said he would take a look at that.

Tokos noted that under Table 9, you have the projected assessed values. He said the point being that on this area, they had to take a hard look at what was likely to happen. That's their best sense of it. If it doesn't happen, we don't get that increment and nothing happens. If so, in 2019-20 we'll leverage that \$2 million and other funds. We'd probably borrow from utilities borrowing and get a pump station at that time; not until Teevin and the first phase of the Hall property. Until then, it probably would get connected to Running Springs. Once Running Springs is at capacity, we would have to do something more for the other phasing.

Berman asked what if improvements don't happen on that schedule. Tokos said it's just delayed. Patrick thought waiting for funds on hand plus borrowing works. Tokos said the sewer pump station isn't needed for the first two phases. If it were to happen after that, then there's enough increment to move forward. Berman asked if extending utilities into the area would have to rely on land acquisition. Tokos said there would have to be easements provided. We'd have to extend waterlines and do a loop. That has to be public. We'd probably connect up to the existing system for the LNG tank. They've already had a discussion. This is the third location for the log yard at this point. He said there could be some land acquisition, but it would be minimal.

Berman asked about a waterline under the bay. Tokos said there's a real need. Whether it will happen in the future, he doesn't know. It would be a second line. Right now there's only one line to South Beach; and when it was damaged in a winter storm, they were in a world of hurt. That's on a list of things to do as funding becomes available. Occasionally the Federal government makes emergency funds available. But it's not part of the Urban Renewal Plan. Tokos said sewer is the problem right now. We have a tiny pump station designed for that residential development. Franklin asked if that will be taken over by the City; and Tokos said he thought that goes away.

Franklin asked about in Agate Beach to the south of the Agate Beach Motel where the stormwater is eroding the gully. Tokos said that is part of the Agate Beach Wayside project. That project is almost ready to go to bid. It's over budget; so they're trying to figure out how to fix it. That's one piece of the whole thing. It's now five years after the grant was submitted. It's hard to guess what all will be involved when you're five years down the road. Tokos noted that all of the South Beach projects came in under budget. Franklin said with the pool they didn't understand that the geo tech needed to be there. Tokos said that drove the costs up. They're reconfiguring everything to make it work. Also, the recovering economy made the bids come in higher.

Going back to McLean Point Plan, Tokos noted that we have the Comprehensive Plan purpose supporting it. He said it's very straightforward. The Economic section of the Comp Plan has policies that promote this. It was noted that on page 8, there's a misspelling on one of the bullet points where it says "strom" drainage instead of "storm." Tokos noted that the page numbering got mixed up as well; there are two page 8s.

Tokos said this is a 16-year plan. It's structured very similar to the other one. The Port Commission is the advisory body here; which is different than the other plan. The "Relationship to Local Objectives" is more about the Comprehensive Plan. That's on page 26 of the Plan. Policies under the Economic goal include facilitating growth in marine and ocean observing, coordinating with the Port on development objectives, encouraging growth of fishing and value-added seafood, and encouraging better use of blighted sites. Tokos said again he will talk to the consultant about having the definition of blight in here.

Berman asked Tokos to explain the 10% and 12.5% thing. Tokos noted that Page 22 of the Report talks about revenue sharing. He explained that by statute the threshold is a little over the eleventh year or the first year after the maximum indebtedness exceeds 10% of the maximum indebtedness if the plan. The 10% is met before the eleventh year, so it's not implemented; but the 12.5% is met before the eleventh year, so it is implemented. Berman asked if it caps the maximum you can take. Tokos said that's the threshold when revenue sharing is taken. Some portion has to be handed back to the taxing entities. The Plan is \$2 million, so it doesn't take very long; especially when you're going from zero to increment to hit revenue sharing. What you end up with is shown in Table 10b on Page 24. Berman said, so \$260 thousand is the limit, and everything else gets returned to all the taxing entities. Tokos said this district is a win/win because the taxing entities don't get hurt. Berman asked if Tokos had met with all of the taxing entities. Tokos confirmed that and noted that also every one of the taxing entities is represented on the advisory committee.

Tokos said that the Economic policies of the Comprehensive Plan and the Economic Opportunity Analysis line up very cleanly. This is the bread and butter of Urban Renewal work.

Berman asked what kind of objection Tokos anticipates; and Tokos said none. He said that some people see McLean Point as a wildlife area; so he addressed that in some of the Plan. He has explained that the Port had an estuary plan in the 80s, and the City had a piece of that. They identified areas in the bay that should be for natural and for conservation. Conservation for those that they are trying to return to a healthy state; and if it's natural and in good shape, leave it alone. Tokos said this is a development area. The whole area in front of the Terminal and McLean Point is development. Industrial uses are encouraged here. For those who argue that it's an ideal place for a natural area; it isn't. There are lots of other areas set aside for that purpose; McLean Point's purpose is for development. It is adjacent to the Terminal and is meant to provide industrial. Otherwise, we don't have the area needed to support the Terminal. And right now it's underutilized. The log yard and shipping take space. Tokos said there was some confusion about McLean Point, and people asked why you don't put "Port" there. He said no because then the public thinks it's the Port's plan. This will be the Urban Renewal Agency.

Berman asked how much of that area is currently classified as wetland. Tokos said we have them identified; but offhand he didn't know the area. Most of the undeveloped McLean Point site has scattered wetlands. He didn't know the acreage. The proposal is that they have to mitigate them. They were formed in and around fill. They're not high quality. The Port, Teevin,

and the Hall family are aware of that. They are working on a plan and will have to work with DSL. That is part of the development scheme.

Tokos was asked about a larger map; and he said that he could email that. Tokos asked everyone if this all makes sense; and the general feeling was that it does.

Tokos noted that in the blue area (the Northside) up in Agate Beach, they added the Ernest Bloch House. Some people wanted that, and the advisory committee asked that that be added. Hopefully down the road, that's a project that would help that historic structure be a tourist-related venue. There's no specific project. We could accommodate getting that area into the boundary; so that's why it was done.

Tokos noted that the Planning Commission public hearing will be on September 14th.

2. Nye Beach Design Review. Franklin asked about the status of the Nye Beach Design Review, and Tokos said there will be a City Council hearing on September 8th.

3. Regulation of Recreational Marijuana. Tokos noted that the City Council has kicked recreational marijuana back to the Planning Commission. The City can impose land use regulations; basically time, place, and manner kinds of things. The Planning Commission will spend time on regulations. Generally agriculture is outside urban areas. It is wholesaling. We will look at the districts that could allow that use; C-3, I-1, and maybe C-1. Residential; no. There are some potential things to do land-use-wise, and the City Council is asking the Planning Commission to look if we need to do any of this in advance of OLCC's rules for the permanent stuff. Tokos said it will be the same exercise the Commission did with medical marijuana. We have to sort out the range of what is permissible. We may not have to do a whole lot. Our rules might be fine as they are. Our code covers setting up a greenhouse for wholesaling; basically in C-3, I-1, and C-1.

B. Adjournment. Having no further discussion, the meeting adjourned at 7:36 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant

Memorandum

To: Newport Planning Commission
From: Derrick Tokos, Community Development Director 
Date: September 10, 2015
Re: Newport Northside and McLean Point Urban Renewal Plans

Enclosed are copies of the Newport Northside and McLean Point Urban Renewal Plans. The Urban Renewal Advisory Committee, at its 9/1/15 meeting, voted unanimously to send the plans to the Newport Urban Renewal Agency for its consideration. The Agency met on 9/8/15 and forwarded the plans to the Commission, with minor revisions, so that it can review them for consistency with the Newport Comprehensive Plan and provide a recommendation to the City Council. Each plan includes analysis explaining how it satisfies policy objectives contained in the Comprehensive Plan.

If the Commission does not believe that one or both of the plans and reports conform to the Comprehensive Plan then it should identify the specific deficiencies so that they can be addressed. If the Commission finds that the plan and reports do conform, than it should state as much by motion. The following sample motions can be used.

Motion No. 1: "Based on the analysis in the plan and report presented this evening, the City of Newport Planning Commission finds that the McLean Point Urban Renewal Plan is in conformance with the Newport Comprehensive Plan."

Motion No. 2: "Based on the analysis in the plan and report presented this evening, the City of Newport Planning Commission finds that the Newport Northside Urban Renewal Plan is in conformance with the Newport Comprehensive Plan."

Notice of this hearing was mailed to all sewer and water utility customers on 8/31/15, consistent with ORS 457.120. The notice was also mailed to persons that own property within the boundaries of the proposed urban renewal plans.

Attachments

Notice of Public Hearing
Minutes from the 9/8/15 Newport Urban Renewal Agency Meeting
Summary of Public Comments from the 7/27/15 and 8/31/15 Outreach Meetings
Memo from Elaine Howard summarizing changes following 9/1/15 Advisory Committee Meeting
Newport Northside Urban Renewal Plan and Report
McLean Point Urban Renewal Plan and Report
Letter from Port of Newport in support of McLean Point Urban Renewal Plan

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**NOTICE OF PUBLIC HEARINGS
REGARDING THE PROPOSED
NEWPORT NORTHSIDE AND MCLEAN POINT
URBAN RENEWAL PLANS**

The Newport Urban Renewal Agency, Planning Commission and City Council will conduct public hearings to consider the proposed Newport Northside and McLean Point urban renewal plans (boundary map enclosed). All three hearings will be held in the Newport City Hall Council Chambers at 169 SW Coast Highway. The date and time for each hearing, along with a brief description of the actions that can be taken is listed below.

1. Newport Urban Renewal Agency

At 5:15 p.m. on September 8, 2015 the Newport Urban Renewal Agency will review the proposed urban renewal plans. The Newport City Council serves as the Agency and this hearing is an opportunity for the Council members to review the draft plans, take public testimony and offer recommended edits in advance of the Planning Commission and Council hearings.

2. Planning Commission

At 7:00 p.m. on September 14, 2015 the Newport Planning Commission will review the proposed urban renewal plans, including the relationship to the City Comprehensive Plan, and make a recommendation to the Newport City Council. The public will be afforded an opportunity to provide testimony, and the Commission will consider the testimony before providing a recommendation.

3. City Council

At 6:00 p.m. on September 21, 2015 the Newport City Council will hold a public hearing to consider an ordinance for the adoption of the proposed Newport Northside Urban Renewal Plan and an ordinance for the adoption of the proposed McLean Point Urban Renewal Plan. The City Council will take public testimony and, at the close of the hearing, may elect to adopt the plans.

The proposed maximum indebtedness for the Newport Northside Urban Renewal Plan is \$39,920,000. The proposed maximum indebtedness for the McLean Point Urban Renewal Plan is \$2,080,000. The ordinances, if approved, are subject to referendum. The adoption of the plans may impact property tax rates for general obligation bonds issued prior to 2001, however there are none of record in Lincoln County from that time period.

Copies of the ordinances, urban renewal plans, and accompanying reports can be obtained by contacting Derrick Tokos, Community Development Director, City of Newport, 169 Coast Highway, d.tokos@newportoregon.gov 541.574.0626.

The draft plans and reports are available on the City of Newport website at: <http://newportoregon.gov> under the heading "Latest News". Comments may be submitted via the web under the heading "Public Hearings," by mail, or in person. The draft ordinances will be available and posted to the website at least 7 days prior to the Council hearing.

Note: State law requires notice of the City Council hearing be provided city wide. Including the notice with utility bills satisfies this requirement. Notice is also being sent to landowners that have property within the proposed urban renewal areas, meaning that in some cases an individual or entity may receive two notices.

Newport Urban Renewal Proposed Boundary Options

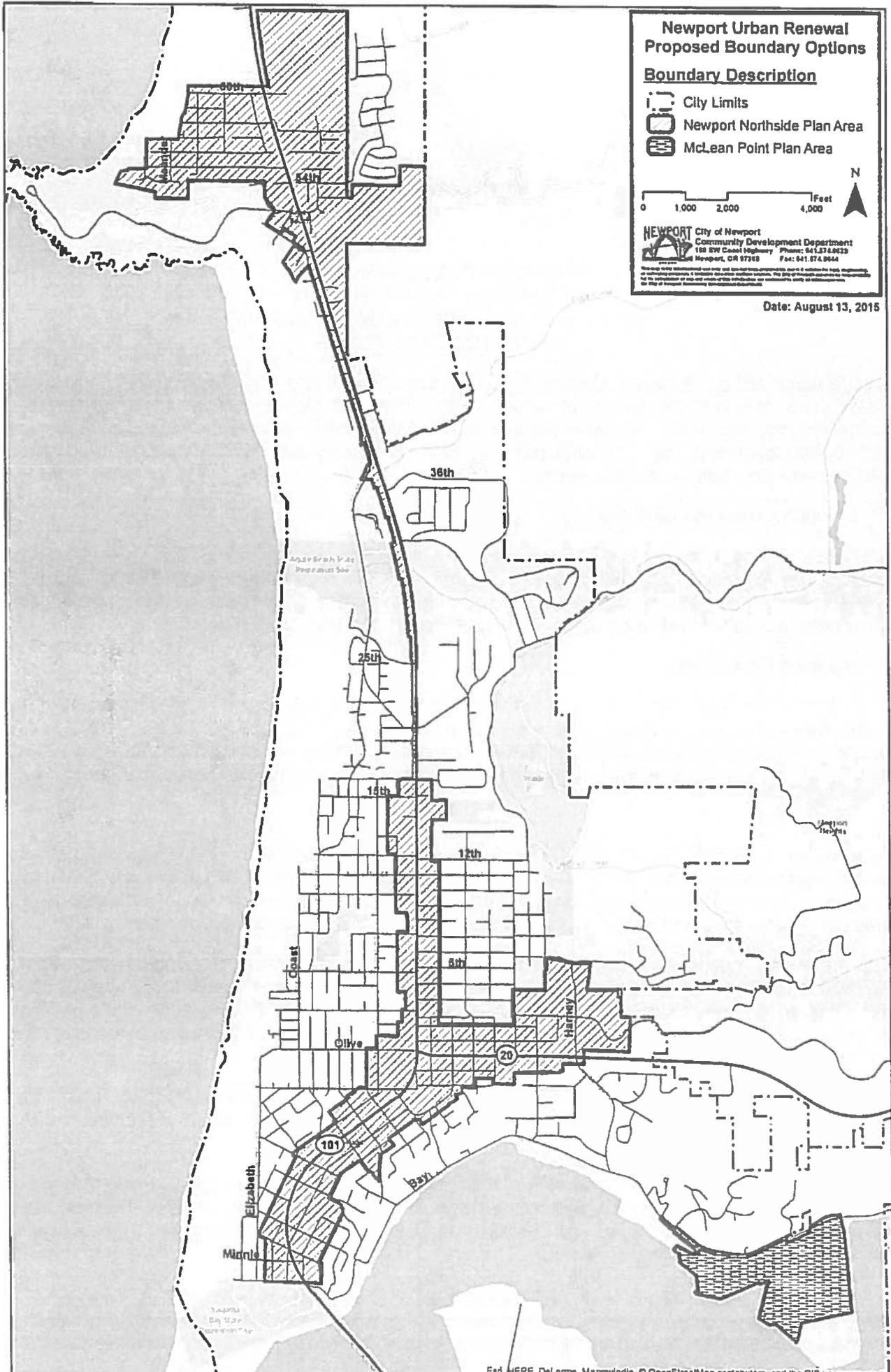
Boundary Description

-  City Limits
-  Newport Northside Plan Area
-  McLean Point Plan Area



NEWPORT City of Newport
 Community Development Department
 168 SW Coast Highway Phone: 541.274.9823
 Newport, OR 97138 Fax: 541.274.9664

Date: August 13, 2015



September 8, 2015
5:20 P.M.
Newport, Oregon

The Urban Renewal Agency and the Urban Renewal Advisory Committee of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Engler, Busby, Saelens, Swanson, Sawyer, and Roumagoux were present from the Urban Renewal Agency.

Staff present was City Manager Nebel, City Recorder Hawker, City Attorney Rich, and Community Development Director Tokos.

Also in attendance was Elaine Howard, urban renewal consultant.

CONSENT CALENDAR

The consent calendar consisted of the following item:

A. Approval of the minutes of the August 17, 2015 meeting.

MOTION was made by Busby, seconded by Engler, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

EXECUTIVE DIRECTOR REPORT

Presentation of Northside and McLean Point Urban Renewal Plans. Nebel reported that the City Council has authorized the development of Northside and McLean Point Urban Renewal Plans for the City of Newport. He stated that Council appointed an advisory committee that included representatives from the affected taxing districts and other key community stakeholders. He noted that the advisory committee met six times between June and September to assist the city and its consultant in preparing the Urban Renewal Plans. He added that as part of that effort, the committee held two public meetings to gather ideas, comments, and concerns regarding the plan. He stated that the packet contains a summary of the feedback received from the July 27, 2015 public meeting, and the August 31, 2015 town hall meeting. He noted that Council President Busby was the official City Council representative on the Urban Renewal Advisory Committee.

Nebel reported that the committee reviewed these comments, suggested certain modifications, and approved both the Northside and the McLean Point Urban Renewal Plans. He stated that both plans are now forwarded to the Urban Renewal Agency for review. He noted that the plans will be forwarded by the Agency to the Planning Commission for a review for consistency with the Comprehensive Plan, and then to the City Council, which is the decision-making body that has the authority to adopt the plans. He added that the Urban Renewal Agency can take public testimony and have deliberations on the plans.

Nebel reported that the McLean Point Urban Renewal Plan will provide up to \$2 million dollars in bonding and will generate a projected a tax increment of \$3.2 million

dollars over the sixteen year life of the plan. He stated that the Northside Urban Renewal Plan will allow for \$40 million dollars of bonded debt, and is projected to capture \$67 million dollars in tax increment financing over a 25-year period. He noted that these funds will be available for various improvements in each of the districts to increase the long-term tax base for the city and other taxing entities.

Nebel reported that Elaine Howard, the city's urban renewal consultant was in attendance this evening.

Nebel reported that urban renewal is an important tool, and noted that former City Attorney, Chris Minor, had stated that urban renewal is what has given Newport its flavor in the past. He reviewed a list of facilities and infrastructure projects made possible using urban renewal funding. He noted that urban renewal is still an important tool to continue going forward with. He stated that the city has involved the other taxing entities from the beginning of the process, including many representatives from the taxing entities as members of the Advisory Committee. He noted that there was a lot of input by the various taxing entities, and he added that he appreciates this input. He stated that, as a result, there is a plan that includes areas and types of projects that could be funded through the districts.

Nebel reported that it is important to remember that urban renewal districts do not create a new tax burden. He stated that the districts redirect revenue, but do not change individual property tax burdens. He reiterated that creating new urban renewal districts will not change individual tax bills, but will simply redirect funding to the urban renewal district to fund projects. He added that the Northside plan is a 25-year plan, and that it will take a number of years before sufficient taxes have been captured to fund any projects. He noted that the first actions, in both proposed districts, will be to develop refinement plans.

Allen suggested that audience members hear Howard and Tokos prior to commenting.

Tokos stated that his, and Howard's, role at this meeting is largely to respond to questions from Agency members. He noted that all Agency members had seen the full presentation at the recent Town Hall meeting. He reiterated what Nebel had said regarding the engagement of the taxing entities throughout the process. He stated that these are long-term plans, and that the Northside plan is a 25-year plan, and the McLean Point plan is a 20-year plan although it could be concluded in 16 years. He noted that the refinement plans will help define the types of improvements that need to happen. He added that the Agate Beach refinement plan will likely occur in the next 12 months, and that the Commercial Core refinement plan will likely take two or three years and involve the state. He noted that urban renewal plans are living documents, and will be revised and updated on an ongoing basis. He stated that administrative processes will be built in to ensure stakeholder group involvement. He added that there will be ample public outreach before any changes are adopted.

Howard stated that she was extremely impressed with the level of public involvement in Newport. She added that, other than McMinnville, Newport has had the most input at open houses that she has seen.

Swanson asked whether there was a way to add a project. She suggested the inclusion of fiber-optics in the plans. It was noted that this suggestion had been made at the last Advisory Committee meeting. Howard noted that she believed that it had been included in the plan, but may have been missed in a revision. Allen stated that

this would then not be an addition but a clarification. He suggested that once the revision is made that it be forwarded to the Urban Renewal Advisory Committee.

Engler asked whether moving the National Guard Armory to the airport could be considered as one of the redevelopment projects. Howard noted that the plan provides authorization but does not identify specific sites. Engler asked when it would be appropriate to contact the National Guard about this possibility. Tokos noted that the National Guard could be contacted at any time, and the Agency could discuss and prioritize a project of this nature after completion of the refinement plan. Howard noted that the actual projects could be further delineated with additional stakeholder input.

A discussion ensued regarding the suggested couplet for Highway 101 and how that project came up and fits into the overall plan. Howard noted that staff, in an effort to be transparent, included documents addressing transportation planning needs in that corridor, of which one solution is a couplet. She stated that no one has said that this is the solution for the area, but simply a potential solution that has been talked about. Howard added that there will be two refinement plans - one for Agate Beach, and one for the Commercial Core which will be done with ODOT. She noted that ODOT will identify problems and potential solutions, and that the community will have an opportunity to weigh in on the solutions. She stated that the couplet may be identified as the preferred solution, but it is possible that another solution will be identified. She added that the Commercial Core refinement plan will occur in two or three years.

Ellen Bristow stated that some small business owners do not believe there are represented by the Greater Newport Chamber of Commerce. She reported that she has spoken to a few people who were unaware that taxing entities have no vote on whether to create an urban renewal district. She suggested removing the comment, contained in the packet from the August 31 Open House containing 35 signatures of hospital staff related to opposition to the potential couplet. She asked why the City Council assumed the duties of the Urban Renewal Agency, and whether the Agency's ability to act as an adjudicator has been compromised, and whether this status will continue into the future.

Tonya Sauer withdrew her request to comment, but noted that she would address future projects at another time.

Allen paraphrased letter from Walter Chuck, representing the Port of Newport Port Commission, and supporting the proposed McLean Point district.

Allen addressed Bristow's question regarding the City Council acting as the Urban Renewal Agency. He noted that he had proposed the creation of an advisory committee to create checks and balances, and to provide additional input into the process. He stated that he wanted the advisory committee to help in Council in moving forward with projects. He added that the Planning Commission will be the ongoing advisory committee to the Agency, and suggested integrating the Planning Commission Advisory Committee into the process.

A discussion ensued regarding the advisory committee for McLean Point. It was noted that advisory committee members would include the Port of Newport and the Hall family. Allen suggested that this advisory committee have at least one at-large citizen member as there may be a bias with the property owner benefitting from the process.

Howard reported that the hospital comment occurred as there was a sign in the hospital break room asking people to sign if they were opposed to a potential couplet. She stated that the comment could be stricken from the record, but that the hospital had believed it important since they had a large number of employees opposed to the potential couplet. Allen suggested that text be added to clarify the context.

Nebel reported that his history with the city is not too long, and that he did not know what issues surrounded the elimination of the separate URA. He noted that, from a practical standpoint, the City Council, acting as the Urban Renewal Agency, has been able to deal with issues in an efficient manner. He added that the idea of using these groups as advisory committees is part of the process to ensure that more than just the Council is involved in the decision-making process. Tokos reported that at the time the Council took on the Agency responsibilities, the Northside District was winding down and had no projects, and that the South Beach District projects were clearly defined. He added that, in putting together new plans, advisory committee input is very important.

MOTION was made by Sawyer, seconded by Roumagoux, to forward the Newport Northside Urban Renewal Plan and Report to the Newport Planning Commission for review of the Plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for its consideration. The motion carried unanimously in a voice vote.

MOTION was made by Sawyer, seconded by Roumagoux, to forward the McLean Point Urban Renewal Plan and Report to the Newport Planning Commission for review of the Plan for conformance with the Newport Comprehensive Plan and to the Newport City Council for their consideration. The motion carried unanimously in a voice vote.

ADJOURNMENT

Having no further business, the meeting adjourned at 6:00 P.M.

Margaret M. Hawker, City Recorder

David N. Allen, Chair

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Summary of community feedback received on comment cards from July 27, 2015 public meeting on proposed urban renewal areas in Newport

10 forms turned in at the meeting, 6 forms and/or letters received after the meeting.
Compilation as of 8/19/2015.

Overall themes of comments:

- Support for work in Agate Beach
- Need for affordable, workforce housing
- Strong feelings about couplet concept both for and against
- General support for infrastructure improvements
- General support for economic improvements
- Need for parking in commercial core areas

What components of the draft urban renewal plans do you like?

- reserving judgment
- we need it all
- facelift for Newport, improved economics, utility undergrounding
- utility undergrounding, Agate Beach Neighborhood Plan
- storefront upgrades and use of all of the empty lots
- intersection alignment: US 101 and 6th, commercial core areas highway/street upgrades (e.g. couplet, widening etc.)
- create economic opportunity, neighborhood planning
- investing in the community, citizen input
- support for economic opportunity, removal of urban blight, paved streets in Agate Beach
- Improving the look (beauty)... not removing blight. 101 looks like concrete and metal, we need more trees and grass areas like Walgreens has.
- Communication needs to be more than lip service since Agate Beach is footing part of the bill, it should have some say.
- Improving the "downtown" area
- Do not like any components
- Addressing blight, addressing lack of affordable housing, emphasis on development of affordable housing options in the central core area.

What 3 projects do you feel are most important?

- Agate Beach: Infrastructure repair/replace (existing) first. Sidewalks, storm sewer, paving. Infrastructure new/needed second, transportation to/from north to city center
- pedestrian and bicycle improvements
- signage and streetscape improvements
- utilities - and infrastructure and undergrounding
- parking improvements
- storm drainage
- intersection realignment
- local street right away improvements
- couplet/highway upgrades
- storm drainage improvements
- intersection realignment(e.g. US 101 and 6th Street
- commercial core area highway/street upgrades
- parking improvements
- planning efforts to determine infrastructure upgrades
- housing, identify all city properties that could be used
- remove parking on 101 downtown
- police station on 101 downtown
- buy and create more downtown parking on ninth and behind Pier 101
- Agate Beach neighborhood storm sewers and street repair before all of the spending on public art, benches, storefront facades, etc.
- Descriptions too vague to form an opinion
- None of the projects are important
- Benches to encourage use of public spaces, heavy emphasis on development of public spaces
- Major renovation of most buildings in downtown
- Incorporating ways to beautify the city along Highway 101 (discourage parking lots that face highway, increase multi-use boutique stores on ground floor, affordable housing on upper floors

Are there other projects that should be considered?

City staff responses show in italics. There are several references to “refinement plans.” Two such planning efforts are proposed. Each will require substantial public outreach. One of the plans would focus on Agate Beach and the other on the City’s Commercial Core Areas along US 101 and US 20. The plans will identify specific projects that would fall under the broader project categories identified in the urban renewal plans.

- revitalize the movie theater
 - *This could be eligible for funding through the storefront loan program.*
- pedestrian and bicycle improvements
 - *There could be funding in street improvement projects if directed in one of the refinement plans.*
- Ernest Bloch Heritage Center
 - *The boundary of the plan area has been amended to include the property. This could be eligible for funding through the storefront loan program.*
- parks and beach improvement
 - *The beach is not in the urban renewal area, so improvements along the beach would not be eligible for funding. There could be funding allocated to small parks if directed in one of the refinement plans.*
- continued improvement in crosswalks
 - *There could be funding in street improvement projects if directed in one of the refinement plans.*
- add sidewalk and lighting improvements on 101 between Best Western in Agate Beach and Walmart
 - *There could be funding in street improvement projects if directed in the refinement plan.*
- landscape mitigation in west Agate Beach
 - *There could be funding in street improvement projects if directed in the refinement plan.*
- invest in the human capital as much as the economics
 - *Urban renewal eligible projects are defined in the Oregon Revised Statutes. They include capital projects and administration to support the capital projects. Projects for human capital must be funded through other sources.*
- without adequate workforce housing economic responses will be difficult. Plan needs to do more than just funding infrastructure.
 - *Construction of affordable housing could be a component of one of the redevelopment projects, but no funding is specifically identified for housing.*

Infrastructure improvements in Agate Beach would facilitate new housing construction, which would increase the City's housing supply.

- move National Guard Armory off 101 to airport- a dead inactive use
 - *This property could be considered for one of the redevelopment projects.*
- more housing
 - *Housing could be one of the redevelopment projects, but no funding is specifically identified for housing.*
- replace National Guard property with a farmers market multipurpose building or aquatic center
 - *This property could be considered for one of the redevelopment projects.*
- work with hospital district
 - *There will be coordination with the Hospital District*
- police station on 101 downtown
 - *This could be one of the redevelopment projects if a police station were a component of the new project (e.g. space in a commercial redevelopment site). At this time, funding for a new police station is not a specific project in the Plan.*
- clean up the Deco district, make it one way with plantings, storefront requirements of owners, etc.
 - *Portions of the Deco district that are in the urban renewal area would be eligible for improvements under the programs identified in the Plan, including storefront improvements and street improvements.*
- the lack of landscaped businesses on US 101 is distressing. All you can see is storefronts and concrete.
 - *Funding for street tree and landscape island enhancements are included in the Plan. Also, street improvements are a project, and if identified in one of the refinement plans as a priority, landscaping could be considered in this area. Funding is programmed for utility undergrounding, which would reduce visual clutter along the highways.*
- an earthquake resistant fire station would be important
 - *Creating an earthquake resistant fire station is not included in the Plan. The City has obtained funding from the State of Oregon to seismically upgrade the main fire station and that work is underway.*
- making it possible for people to walk and bike safely from north Newport into town for jobs, schools shopping, library etc.
 - *There could be funding in street improvement projects if directed in the refinement plan.*

- construct a bypass starting at NE 73rd to enable traffic to Route 20 to bypass Newport.
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. The Agate Beach refinement plan will also address transportation solutions.*
- Create a noise abatement plan to protect people in north Newport from low flying aircraft.
 - *This is not a project in the Plan. The City is in the process of updating its Airport Master Plan. Noise abatement is an issue that will be covered in that Plan. The project lead for that effort is Melissa Roman. She can be reached at 541-574-3377.*
- Issue to be considered: Avoid couplet as solution to traffic in downtown - destroys businesses and hampers pedestrian use
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport, including whether or not a couplet is viable and appropriate within the community. There will be substantial public outreach as part of that planning effort.*

Is there any other element of the plans on which you would like to provide input?

- no more cute signs or ugly concrete arches less paving, more trees
- the couplet is an exceedingly terrible idea and is not needed traffic on 101 will be improved by removing parking on 101 downtown spend the money on more parking off 101 and removing dreadful housing that should be condemned turn that into parking.
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- South Beach urban renewal comments, contact person who submitted questionnaire
 - *Staff followed up.*
- what couplet could be a model for Newport? Put those on the website
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. Couplets, highway widening projects and other transportation solutions implemented in comparable communities will be evaluated at that time.*
- not all economic development is sustainable or beneficial what kind of economic development are you seeking? Clean community oriented locally owned
- no couplet of US 101

- *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- Agate Beach neighborhood plan
- using 7th or 9th Street as couplet for 101 is a bad idea. Dangerous to run a highway through a hospital campus, terrible for church on Ninth Street, terrible for shuttling people through the business District - missing one half businesses on Newport by giving up north south traffic
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport.*
- why waste one half million dollars on removing billboards
 - *Billboard removal will likely be required for some commercial redevelopment projects. Refinement plans may also identify the removal of certain billboards to enhance the streetscape*
- keep the public better informed
 - *The urban renewal advisory committee meetings have been open to the public. Property owners within the proposed urban renewal plan areas received direct mail notice of the June 27th and August 31st open houses, as well as upcoming hearings on September 8th, 14th and 21st. This amounted to over 7,000 individual pieces of mail over four separate mailings. The project has also been advertised on the radio and in the News-Times. Information is available of the main page of the City website and all of the upcoming meetings are open to the public with opportunities to comment.*
- plan for affordable housing, don't push housing costs up
 - *Housing could be one of the redevelopment projects and infrastructure investments should help to increase the city's housing supply; however, no funding is specifically identified for housing.*
- how much is being spent on consulting, management, administration etc. these costs are not included
 - *The cost to administer the urban renewal program is factored into the plans at 4% of the total maximum indebtedness. The consultant contract for the Newport Northside plan is \$27,000 and is being paid for by the City. The contract for the McLean Point plan is \$16,000 and is being paid for by the Port of Newport. It is common for local governments to ask consultants to assist them in preparing these types of plans given the complexity of the statutes and the desire of impacted taxing entities in having the financial data prepared by an independent party.*

- the three lots at the city is giving to Habitat should be used for the pool or parking or perhaps to move the senior center but not given to Habitat. Other properties away from downtown would serve them better.
 - *The City has entered into a contract with Habitat for the construction of affordable housing on these properties, which are located on the opposite side of Benton Street from the Recreation Center. The viability of the lots for parking was evaluated as part of the design process for the aquatic facility and it was determined that they are not suitable for that purpose, because they would create an unsafe crossing of high volume collector roadway (Benton Street) and they would not provide a meaningful number of spaces at reasonable cost due to engineering considerations.*
- The movie theater is the only real Deco building in the Deco district. (revitalize it)
 - *This could be considered for one of the redevelopment projects.*
- Any changes to 101 need to be voted on by all of Lincoln County residents
 - *The refinement plan for commercial core areas will include public outreach and hearings before the Planning Commission and City Council. It is not being considered for a public vote of all Lincoln County residents. It is also important to understand that US 101 is a state highway, not a city road, so any changes would also have to be acceptable to the Oregon Department of Transportation.*
- Would like to see priority stated, i.e. how much tax money will come from Agate Beach versus from the US 101 Corridor
 - *Residential zoning accounts for 35.7% of the parcels. This includes residential areas other than Agate Beach. Specific projects will be defined and prioritized as part of the refinement plans which will be initiated as part of the first phase of the Newport Northside urban renewal plan.*
- Need input on any restructuring of traffic flow
 - *The commercial core refinement plan will study alternatives to traffic flow in Newport. This will include public input.*
- The shape of the Urban Renewal district makes no sense... grouping doesn't make sense, geographically, historically or logically. Businesses should pay for themselves , recycle food waste
 - *The boundary of the Newport Northside district has been carefully tailored to include commercial zoned lands along US 101 and US 20 identified as prime candidates for redevelopment as part of a detailed economic study performed in 2012, the fairgrounds, areas adjacent to the hospital that will be redeveloping, and land (primarily residential) in Agate Beach that lacks adequate public services.*

- Need more information about the planned development of McLean Point. - Concern about wildlife nesting, wetlands, NWNG holding tank. - concerned about how the plans relate to comp plan goals for Yaquina Bay.
 - *The management objective for this portion of the estuary is to promote port development and the development of other water dependent uses in keeping with the scenic, historic, and unique characteristics of the area. The urban renewal plan furthers this objective by providing funding to cover the cost of infrastructure needed to support water dependent industrial development at the recently reconstructed international Terminal and adjacent undeveloped land at McLean Point.*

Relevant portions of the Estuary Management Plan, along with detailed explanations of the Estuarine Management Units and their associated management objectives have been incorporated into the City of Newport's Comprehensive Plan and Zoning Ordinance. Water dependent zoned land within the urban renewal plan area prioritize uses and prohibit development that does not need contact with or use of water for transportation, recreation, energy production or water supply consistent with Yaquina Bay and Estuary Policies 3, 7, and 8. The urban renewal plan does not include projects that would preclude the disposal of dredge material in upland areas, as provided in Policy 5, and lands subject to the plan have not been designated as mitigation or restoration sites as outlined in Policy 6. The Newport Zoning Ordinance requires impact assessments for in-water development, consistent with Policy 10, in the event that infrastructure that is to be funded with this plan extends into the estuary.

Heavy industrial zoned lands within the urban renewal plan are not adjacent to the estuary and are not subject to the Yaquina Bay and Estuary Goal. The City of Newport Comprehensive Plan contains policies that are relevant to natural and conservation estuarine management units. Those policies are not listed in this plan because the management units are not present within the urban renewal area.

August 31 open public meeting Newport Urban Renewal

Station 1-Project list and 3 projects for input

Lay conduit for fiber optics for citizens of Newport at same time undergrounding of utilities

Replace 4 blocks of city center with planned community development

Project list shows equal funding for commercial development and Agate Beach. July public meeting was 99.9% presentation on commercial development. Portent of things to come, spending to come? RE: Per captions "actions speak louder than words".

I feel the couplet would be a huge mistake. Please consider removing parking along 101 instead. Cheaper and makes more sense.

No couplet.

Larger amount of \$\$ for commercial core revitalization

No fairground monies

Board with 3 projects for consideration:

Forget the aquatic center. That expansion just adds to the parking mess.

I want to see public spaces and green spaces play a significant part of development

Yes, support aquatic center

The NE 73rd light would make the neighborhood safer, extend to NE 73rd for the signal

Station 2 - Agate Beach

Have heard nothing about reliable water lines to Agate Beach.

Feels like Agate Beach held ransom for adequate water lines, paving, etc. we must pay for commercial development in Newport central.

Include project to include railroad right of way on west side of 101 for bike and pedestrian path to Yaquina Head.

I am concerned regarding existing structures: foliage and water system close to street which I would be required to remove (if the street is paved)

Use the old RR bed for a pathway!

Concerned about paving and right of way issues along NE 56th Street. Great increase in NE 56th up to 10 cars on the gravel road in 3 minutes...narrow

NE 56th Street: Would be lovely and economical to just continue the pavement from the bottom to the pavement at the top of the hill. It may not seem like much, but ½ of the neighborhood showed up tonight because of it. To prove our point, set up a traffic count at the bottom of the hill to document our pain.

Create access to Longview Hills via 52nd Street

NE 56th Street, Lucky Gap and NE 57th Street: are over stressed and due to dramatic increase in traffic over the past decade. Needs to be paved or ongoing grading and dust control.

Station 3 - Commercial Core

Large sheet of paper hung up which says: We are against routing northbound traffic on 9th Street sign this post-it if you are against \$12,500 re-routing - 35 signatures - some of the below post its are duplicate names from the large poster. (confirmed with Jon on our committee that the large sheet of paper was from hospital employees)

Only Shakespeare should deal with couplets

I'm OK with the couplet

Against re-routing 101 – (Samaritan Hospital employee identifies self) plus 26 other post its

No Couplet! 2

No Couplet, take parking off 101

Opposed to the couplet

No couplet, keep pour patients and staff safe

Please do not re-route using 9th Street

Station 4 - McLean Point

None

Station 5 – Financials and Schedule

Parity: Based on 2014 what is the ratio of revenue to be derived from the Agate Beach neighborhood and the commercial zones included in the urban renewal plan?

MEMO

TO: Newport Urban Renewal Advisory Committee

FROM: Elaine Howard

RE: Revised Urban Renewal Plans and Reports

DATE: September 2, 2015

The revised Newport Northside Urban Renewal Plan and Report and McLean Point Urban Renewal Plan and Report are attached. The following changes were made:

Newport Northside Urban Renewal Plan

1. Added the city recorder on the initial page.
2. Added blight to the definitions. (p. 4)
3. Introduction: Added more information in the introduction on the two public meetings and a summary of the advisory committee meetings. Added information on the meeting with the Newport Port Commission and the Lincoln County Commission. (p. 6,7)
4. In the goals and objectives, clarified mixed-use under commercial core areas in the economy goal. (p. 10)
5. In the project section added language to clarify utilities saying “water, sewer and other utility line relocation and capacity upgrades”. (p. 15)
6. Added Table 1 to show relationship of projects to goals and objectives. (p. 17)
7. Added “the ad hoc committee will include a representative from the Agate Beach area and from the commercial core area” to the major amendments, (p. 21)

Newport Northside Urban Renewal Report

1. Updated some of the information on existing conditions after review with Derrick.
2. In the project section added language to clarify utilities saying “water, sewer and other utility line relocation and capacity upgrades”. (p. 23)
3. Updated all financial tables due to need to not have an ending balance on Table 11. Minor updates to tables that do not impact timing or year to end district.
4. Due to number three above, updated total amount of tax increment revenues required to service the maximum indebtedness to \$56,380,863. (p. 28, 34)

McLean Point Urban Renewal Plan

1. Added the city recorder on the initial page.
2. Added blight to the definitions. (p. 4)
3. Introduction: Added more information in the introduction on the two public meetings and a summary of the advisory committee meetings. Added information on the meeting with the Newport Port Commission and the Lincoln County Commission. (p. 6,7)
4. Added Table 1 to show relationship of projects to goals and objectives. (p. 12)
5. Specified duration of the Plan as 20 years. (p. 8, 20)

McLean Point Urban Renewal Report

No changes.

Newport Northside Urban Renewal Plan

Adopted by the City of Newport
Date
Ordinance No.

Elaine Howard Consulting, LLC
ECONorthwest
Jeannette Launer

List of Participants

Mayor: Sandra Roumagoux
City Council: Ralph Busby, President
David Allen
Wendy Engler
Mark Saelens
Dean Sawyer
Laura Swanson
Planning Commission: Jim Patrick, Chair
Bob Berman
William Branigan
Rod Croteau
Gary East
Michael Franklin
Lee Hardy
City Manager: Spencer Nebel
City Recorder: Peggy Hawker
Community Development Director: Derrick Tokos
Executive Assistant: Wanda Haney

Urban Renewal Advisory Committee:
Ralph Busby, City Council Member
Rod Croteau, Planning Commission and Agate Beach resident
Caroline Bauman, Yaquina Bay Economic Foundation
Wayne Belmont, Lincoln County
Ken Brown, Port of Newport
Chris Chandler, Central Lincoln Public Utility District
Lorna Davis, Greater Newport Chamber of Commerce
Frank Geltner, City Center Newport Association
Don Huster, Newport Budget Committee
Tim Kaufman, Lincoln County School District
Don Mann, Lincoln County
Robert McAfee, Citizen at large
Bill Posner, Citizen at large
Birgitte Ryslinge, Oregon Coast Community College
Ralph Breitenstein, Pacific Communities Hospital Health District
Jon Conner (alternate), Pacific Communities Hospital Health District
Chuck Forinash (alternate,) Newport Budget Committee

Consultant Team: Elaine Howard Consulting LLC, Elaine Howard
ECONorthwest, Nick Popenuk, Rob Wyman
Jeannette Launer, Legal Counsel

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I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the city of Newport.

“Commercial Core Areas” means the commercial areas that provide services within the Area. These will be further defined in the commercial core areas revitalization plan.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Legislative process” is a public process where the planning commission or city council is acting as a legislator, making new law. Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance) provides procedures for legislative processes.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The Newport Northside Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for attendees to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room. The majority of the comments received were in response to the potential of traffic solutions in the commercial core. All but one of those comments were against any couplet as a solution to traffic problems. It was noted by staff that the issue of traffic in the commercial core will be addressed in the Commercial Core Refinement Plan which is anticipated to be a two to three-year process, including substantial community input. The Commercial Core Refinement Plan will be one of the two first projects completed within the Plan, and will identify specific projects under the general categories allowed within the urban renewal plan. The Commercial Core Refinement Plan will be based on substantial data gathered about traffic problems in the area with different alternative solutions identified and studied. Whether or not a couplet will be one of the

recommended solutions is unknown at this time. However, staff consistently stated their desire for transparency that all options will be discussed and vetted in the refinement plan process. The second area of concern was surrounding the proposed projects in Agate Beach. There was concern about whether they were getting a fair share of funding and about the specifics of what improvements would be completed. Staff reiterated that those decisions would be made in the Agate Beach Refinement Plan, one of the first projects to be funded in the urban renewal plan.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning Commission (Planning Commission) meeting, and the City Council meeting.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 17, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

The Plan contains goals, objectives, and projects for the development of the Newport Northside Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The Area has infrastructure needs, including street and utility upgrades, lacks adequate streetscape and parking, and would benefit from a program for assistance to business owners. Those needs are specifically cited in the Report accompanying the Newport Northside Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban

renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 545.9 total acres: 396.3 acres of land in parcels and 149.6 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the Plan must be approved by the City Council, as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 23 years to implement. The duration of the Plan is set at 25 years to allow for changes in the economy and opportunities for a potential under-levy at some point in the life of the Plan. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$39,920,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number, type of amendment (substantial, major or minor) and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Planning Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation and to provide input on Major Amendments as identified in the Amendments section of the Plan.
3. Utilize ad hoc advisory committees to review Major Amendments that include changes in the Plan as identified in the Amendments section of the Plan.

Goal 2: *ECONOMY*

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. US 101/US 20 Streetscape
 - a. Assist in the financing and provision of transportation improvements for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving

- pedestrian and bicycle connections, right of way acquisition and parking improvements.
 - b. Improve overall aesthetics, for example: landscaping, utility undergrounding, wayfinding, and billboard removal.
 - c. Work with property owners to promote development and redevelopment of properties within the Area including but not limited to site prep for re-use, property consolidation, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
2. Commercial Core Areas
- a. Complete a Refinement Plan for the commercial core areas, including identifying a boundary.
 - b. Assist in the financing and provision of transportation improvements to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
 - c. Help create and enhance a district identity through the provision of amenities including but not limited to benches, public art, public spaces, street and landscape island enhancements, wayfinding, utility undergrounding, and billboard removal.
 - d. Work with property owners to promote mixed use development and redevelopment of properties within the Area including but not limited to site prep for re-use, business assistance programs including façade improvement program and strategic site acquisition for economic development. Implement loan and grant programs.
3. Hospital Area
- a. Assist in the financing and provision of transportation improvements including access and parking.
 - b. Assist in financing and provision of utility infrastructure.
 - c. Provide improvements to help establish a gateway to the city.
4. Tourism/Fairgrounds Area
- a. Develop tourism related amenities and facilities including fairgrounds redevelopment.
 - b. Identify and make infrastructure investments on opportunity sites.
 - c. Assist in the improvement of the transportation system to support existing development and allow for future development.

- d. Facilitate redevelopment through assistance in parcel reconfiguration and potential public/private partnerships.
- e. Improve the visual appearance of the Highway 20 corridor through redevelopment, transportation improvements and streetscape improvements.

Goal 3: *HOUSING*

Support existing and potential new residential neighborhoods through upgrading utility and transportation infrastructure. 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.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Assist in provision of infrastructure to support existing development and allow for future housing development.
- 3. Assist in the improvement of the transportation system to support existing development and allow for future housing development.
- 4. Explore public and private partnerships to encourage housing development in the commercial core areas.

Goal 4: *INFRASTRUCTURE*

To assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. To provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. To provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

- 1. Complete a Refinement Plan for the Agate Beach area.
- 2. Complete a Refinement Plan for the commercial core areas.
- 3. Build utility infrastructure to accommodate growth in the Area.
- 4. Identify and make infrastructure investments on opportunity sites.
- 5. Coordinate with the Oregon Department of Transportation on transportation improvements, including street, sidewalk and bridge improvements, in the Area.
- 6. Assist in the improvement of the transportation system to support existing development and allow for future development.

7. Assist in the financing and provision of transportation improvements for US 101 and US 20 for improving traffic flow and traffic patterns, reconfiguring intersections, installing or upgrading traffic signals, improving pedestrian and bicycle connections, right of way acquisition and parking improvements.
8. Assist in the financing and provision of transportation improvements in the commercial core areas to ease congestion, spread out traffic, enhance pedestrian experience, and facilitate redevelopment.
9. Assist in the provision of telecommunications infrastructure.

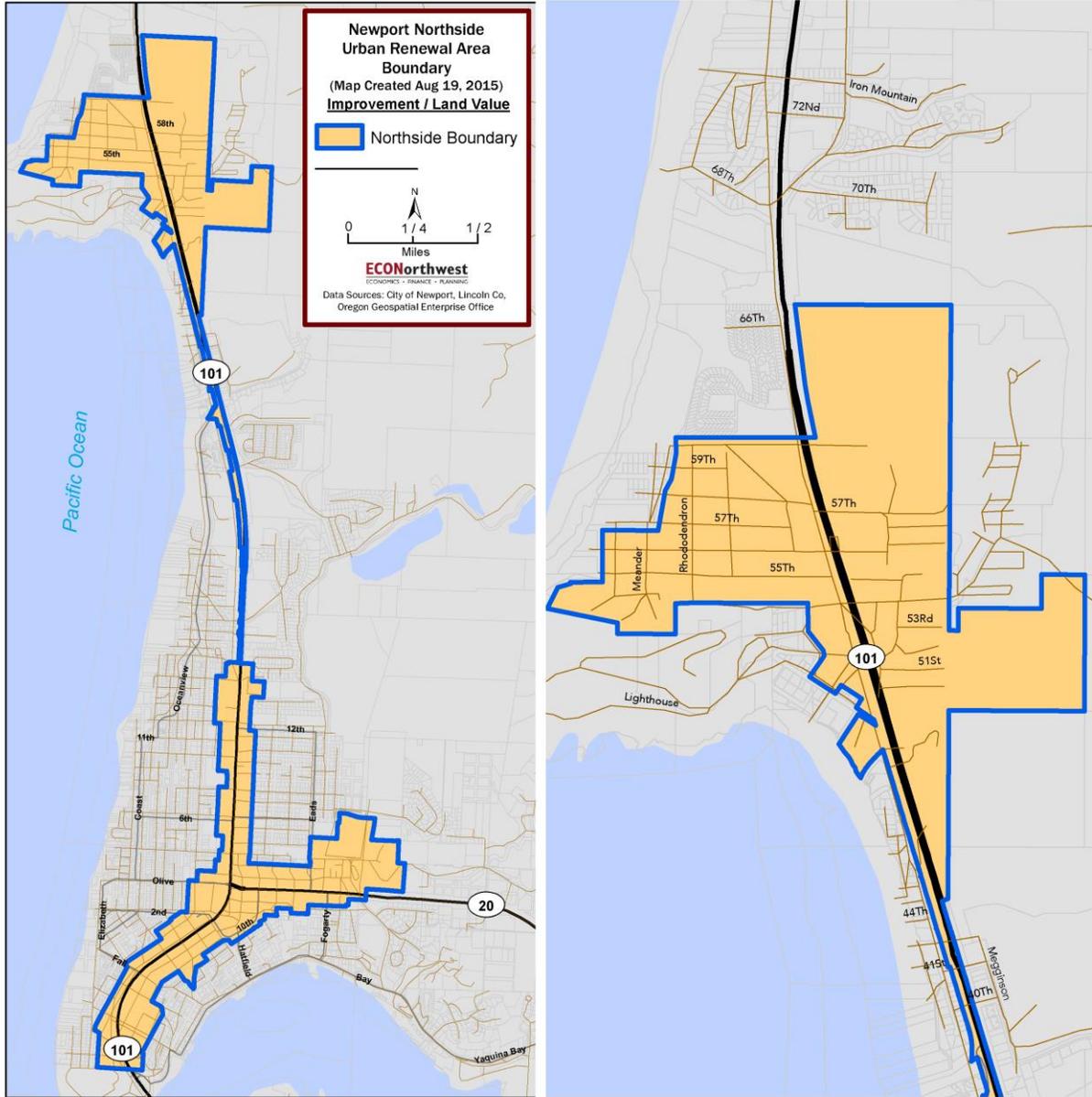
Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Identify process for evaluating an under-levy request.
4. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – Urban Renewal Area Boundary



IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

- *Refinement Plans*
- *Public Buildings*
- *Transportation and Utility Enhancements*
- *Economic Development*
- *Planning and development assistance programs*
- *Debt service and plan administration*
- *Property acquisition*

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including streets and utilities to encourage development, and economic assistance to developers. These projects are consistent with the Newport Transportation Systems Plan (TSP), The Newport Economic Development Strategy and the Newport Public Infrastructure System Development Charges methodology, all adopted by the Newport City Council. The projects are in conformance with the Newport Comprehensive Plan as detailed in Section XII of this Plan.

As shown in the Report, urban renewal funds will be combined with existing and other future sources of funding to finance project costs. At this time, these project categories are general in nature. They will be further defined as a result of the two refinement plans that are initial projects in the Area. Once these projects are further defined, the Plan will be amended to include specifics on the projects. Each specific project will be itemized under the project category listed below. Projects authorized by the Plan are:

A. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation and infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those

enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation and infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan. The CCARP will be completed using a legislative process as defined in Chapter 14.52 of the Newport Municipal Code (Zoning Ordinance).

B. *Public Buildings*

Lincoln County is developing plans to redevelop the fairgrounds property, including the potential addition of multipurpose building. Redevelopment of the fairgrounds in a manner that provides for the property to be more heavily used year round could be a catalyst for redevelopment of adjoining underdeveloped public and commercially zoned lands between the fairgrounds site and US 20. This project would provide funding for support infrastructure and strategic site acquisition to assist with reconfiguration of the fairgrounds to facilitate redevelopment and to ensure that water, sewer, street, parking and related services are adequate to serve the new uses. The project will be further defined as the County moves through the process of planning for that area.

C. *Transportation and Utility Enhancements*

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, transportation improvements as defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades, including fiber optics lines. The exact location and further definition of these transportation enhancements will come as a result of the CCARP in addition to the Transportation System Plan and the r city utility master plans.

D. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding, including fiber optics, and billboard removal. Priority projects may be identified in the Agate Beach and Commercial Core Area refinement plans.

E. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

Project Name	Goals and Objectives Number
Newport Northside Urban Renewal Plan	
Infrastructure Refinement Plans	
Commercial Core Area Revitalization Plan	Goal 1, Obj. 1; Goal 2, Obj. 2; Goal 4, Obj. 2
Agate Beach Neighborhood Plan	Goal 1, Obj. 1; Goal 3, Obj. 1; Goal 4, Obj 1
Public Buildings	
Multi-purpose building (includes supporting infrastructure)	Goal 2, Obj. 4
Transportation System Enhancements	
Commercial core area highway/street upgrades	Goal 2, Obj. 1,2,3, Goal 4, Obj. 5,6,7,8,9
Intersection realignment	Goal 2, Obj. 1,2
Local street right-of-way improvements	Goal 3, Obj. 3
Parking improvements	Goal 2, Obj. 1
Right-of-way acquisition	Goal 2, Obj. 1
Signal installation or adjustment	Goal 2, Obj. 1
Storm drainage improvements	Goal 4, Ob. 3; Goal 3, Obj. 2
Water,sewer, utility line relocation and capacity upgrades	Goal 2, Obj. 3; Goal 4, Ob. 3; Goal 3, Obj. 2; Goal 4, Obj. 3,4
Economic Development	
Benches, public art, gateway	Goal 2, Obj. 2, Gaol 2, Obj. 3
Billboard removal	Goal 2, Obj. 1,2
Site prep for reuse	Goal 2, Obj. 1,2
Storefront façade loans/grants	Goal 2, Obj. 1,2
Strategic site acquisition for economic development; Redevelopment	Goal 2, Obj. 1, 2; Goal 3, Obj. 4
Street tree and landscape island enhancements	Goal 2, Obj. 1,2
Wayfinding improvements	Goal 2, Obj. 1, 2
Utility undergrounding	Goal 2, Obj. 1,2
Administration	Goal 5, Objectives 1,2,3,4
Total	

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$39,920,000 (thirty nine million nine hundred and twenty thousand dollars and no cents). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

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IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require approval by the Agency by resolution. Major amendments will be reviewed by the Newport Planning Commission and by an ad hoc advisory committee, both of whom will send an advisory recommendation to the Agency. The ad hoc committee will include a representative from the Agate Beach area and from the commercial core area.

Major amendments are amendments that:

1. Increase the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.
3. Add any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the Newport Northside Urban Renewal Plan or any subsequent Report for a Substantial Amendment, whichever is most current. A new

project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

C. Minor Amendments

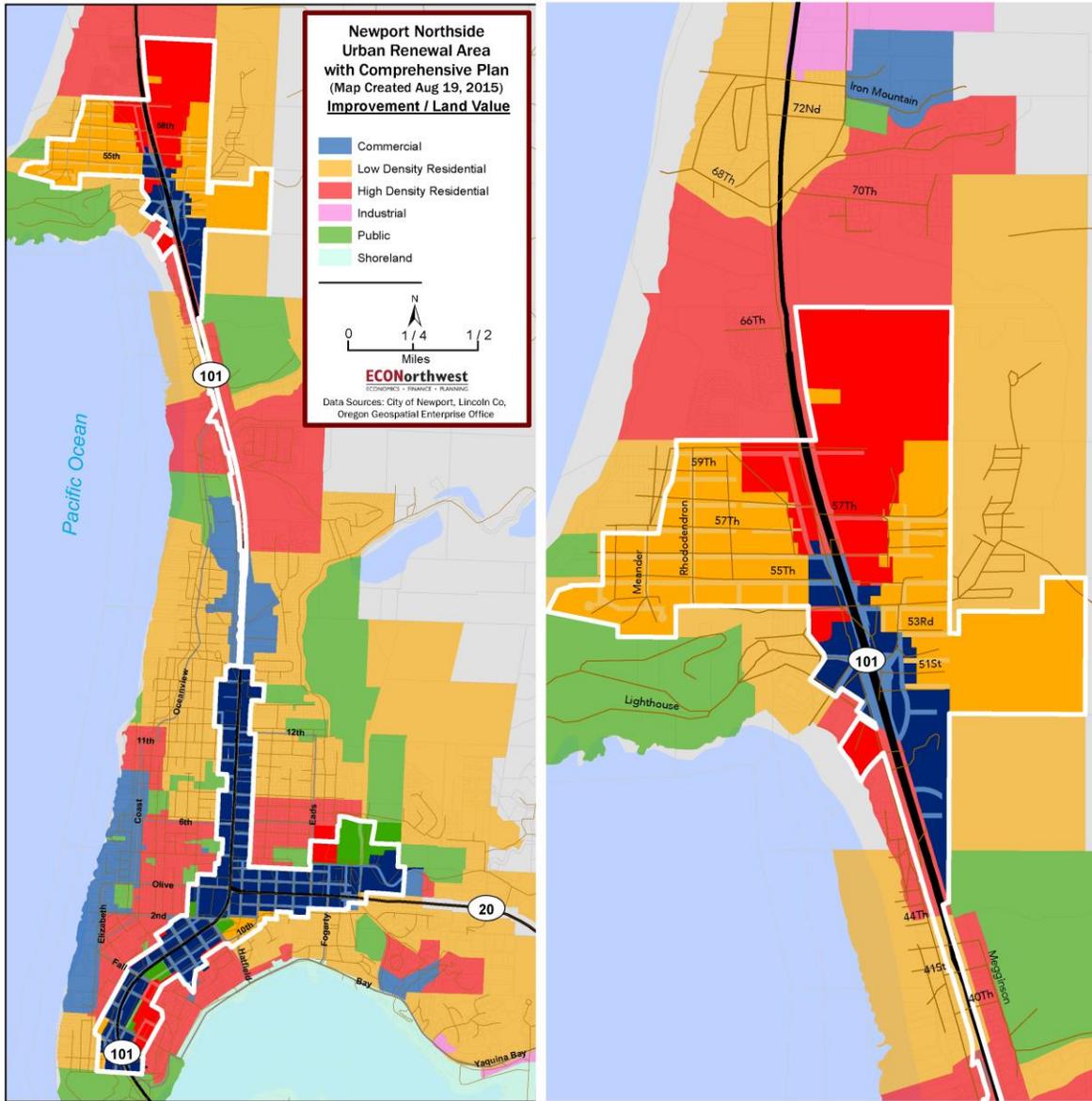
Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. They require approval by the Agency by resolution.

D. Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

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Figure 2 – Comprehensive Plan Designations



X. DURATION OF THE PLAN

This Plan will not exceed 25 years from the date of adoption. The financial analysis projects a 23 year plan. The duration of the Plan was extended to allow for a potential under-levy at some point in the Plan and for slight variations in assessed value projections. Since overall maximum indebtedness remains the same, the impacts on taxing jurisdictions would vary only slightly if the district were extended beyond twenty three years. This variance would be increased costs of interest on debt. Since debt issuance is not guaranteed, nor is an under-levy, the impacts on taxing jurisdictions is predicated on the financial analysis of a 23 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions. The annual report will include a statement of the remaining maximum indebtedness of the Plan.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. If ORS 457.470 is amended, this section is amended accordingly. The analysis will include the projected timing of revenue sharing. Revenue sharing commences by statute as detailed in ORS 457.470, but generally described as when the annual tax increment equals 10% of the initial maximum indebtedness of the Plan. When the annual tax increment equals 12.5% of the initial maximum indebtedness, the increment to the Agency is capped at this amount and any excess is shared by the impacted taxing jurisdictions on a pro rata share equal to their tax rate.

C. Under-levy

Under-levy provisions are allowed under ORS 457.455. If ORS 457.455 is amended, this section is amended accordingly. An under-levy is when the Agency asks for less urban renewal tax increment than the total amount for which the Area qualifies. To cause an under-levy, the Agency notifies the county assessor on Form UR-50 by July 15 of the year when the under-levy is desired (ORS 457.440). The amount of increment that is under-levied is returned to the impacted taxing jurisdictions on a pro rata share equal to their tax rate. The Agency must consult and confer with the taxing jurisdictions as there might be

unexpected consequences of an under-levy, especially to local option taxes for education. The specific steps in evaluating an under-levy request are:

1. The taxing jurisdiction will send a formal under-levy request to the Agency. The taxing jurisdiction sending the request will be responsible for any costs associated with the evaluation of the under-levy.
2. The Agency will, within 30 days of the under-levy request, determine whether or not to review the under-levy request. The initial review will be based on whether there is sufficient revenue to under-levy given either current debt requirements or the requirements for the anticipated imminent issuance of debt. If the Agency determines to proceed with review of the under-levy, the Agency will determine the cost to review an under-levy request and notify the requesting taxing jurisdiction of the cost. The cost will include a financial evaluation. It will also include staff time to
 - a) Review bond documents for any bond covenants that may impact an under-levy.
 - b) Consult and confer with all taxing jurisdictions as required by ORS 457.455.
 - c) Participate in meetings required to evaluate the proposal.

D. *Administration*

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Energy Conservation

To conserve energy.

Policy 3: The city will encourage the use of forms of transportation (e.g. bicycles in mass transit) that are more energy efficient.

Policy 4: The city will encourage neighborhood commercial areas in order to conserve energy.

Policy 5: The city shall encourage the location of high density residential areas near high-capacity transportation corridors in order to achieve greater energy efficiency.

The Plan conforms to the Energy Conservation goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan also contains projects that will assist in upgrading of neighborhood commercial areas including streetscape improvements and loans and grants to businesses to upgrade storefront façades, and development and redevelopment assistance programs. The development and redevelopment assistance programs could include high density residential components.

Goal: Housing Goals, Policies, and Implementation Measures

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.

To provide adequate housing that is affordable to Newport workers at all wage levels.

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.

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

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.

The Plan conforms to the Housing Goals, Policies, and Implementation Measures as it contains projects that will assist in the development of new housing in the Agate Beach residential area as well as programs that will be available for the development and redevelopment of property that could include residential uses. In addition, infrastructure improvements will help increase the livability in the Agate Beach neighborhood. The Plan also provides projects that will provide infrastructure improvements throughout the Area, which will support future residential development.

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 2. The city shall encourage growth of tourism-related employment.

Policy 6. The city shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall insure an adequate supply of commercial and industrial sites

The Plan conforms to the Economy goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation infrastructure in the Area. The Plan contains projects to upgrade the utility

infrastructure, to support existing business and allow for development of new businesses to create jobs, including potential redevelopment of the fairgrounds site. The Plan provides for site aggregation and demolition to facilitate new development. The Plan provides for assistance to property owners in the form of storefront grants or loans. The Plan provides for streetscape improvements and utility undergrounding, both of which help support existing business and attract new businesses in the Area.

In addition, the ability to provide new housing in the Area will help support businesses within the Area by both bringing in new residents and providing potential affordable housing for the workforce.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will complete refinement plans for both the Agate Beach neighborhood and the Commercial Core Areas that will help define projects and project priorities to improve the transportation and utility infrastructure in the Area. The Plan also has a project to assist in the redevelopment of the fairgrounds area, a public facility.

B. Newport Peninsula Urban Design Plan

Policies:

- 3. Improve the vehicular and pedestrian networks in order to improve safety, efficiency, continuity, and relationships connecting the peninsula neighborhoods.*
- 4. Coordinate with the Oregon Department of Transportation (ODOT) highway projects which are compatible with and responsive to these policy objectives and design districts implementing said policies.*
- 6. Preserve and strengthen the ability of peninsula institutions to continue as centers of employment.*
- 7. Improve the built environment in order to strengthen the visual appearance and attractiveness of developed areas.*
- 8. Strengthen the peninsula's economic vitality by improving its desirability through improved appearance, function, and efficiency.*
- 9. Preserve and enhance existing housing supply. Encourage the increase of affordable housing in Newport.*

The Plan conforms to the Newport Peninsula Urban Design Plan as it has projects that will help implement policies within the Newport Peninsula Urban Design Plan. These projects include transportation improvements, utility upgrades, programs to assist

existing and new businesses, programs to help promote new commercial and residential development, streetscape and utility undergrounding projects, and billboard removal.

C. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the Newport Comprehensive Plan, identified above.

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XIII. APPENDIX A: LEGAL DESCRIPTION

**INSERT TEXT LEGAL DESCRIPTION OF URBAN RENEWAL DISTRICT
BOUNDARY THAT IS CONSISTENT WITH THE ENCLOSED MAP**

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REPORT ACCOMPANYING NEWPORT NORTHSIDE
URBAN RENEWAL PLAN

Adopted by the City of Newport

September 21, 2015

Ordinance No. ____

Newport Northside Urban Renewal Area

Elaine Howard Consulting, LLC

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ECONorthwest

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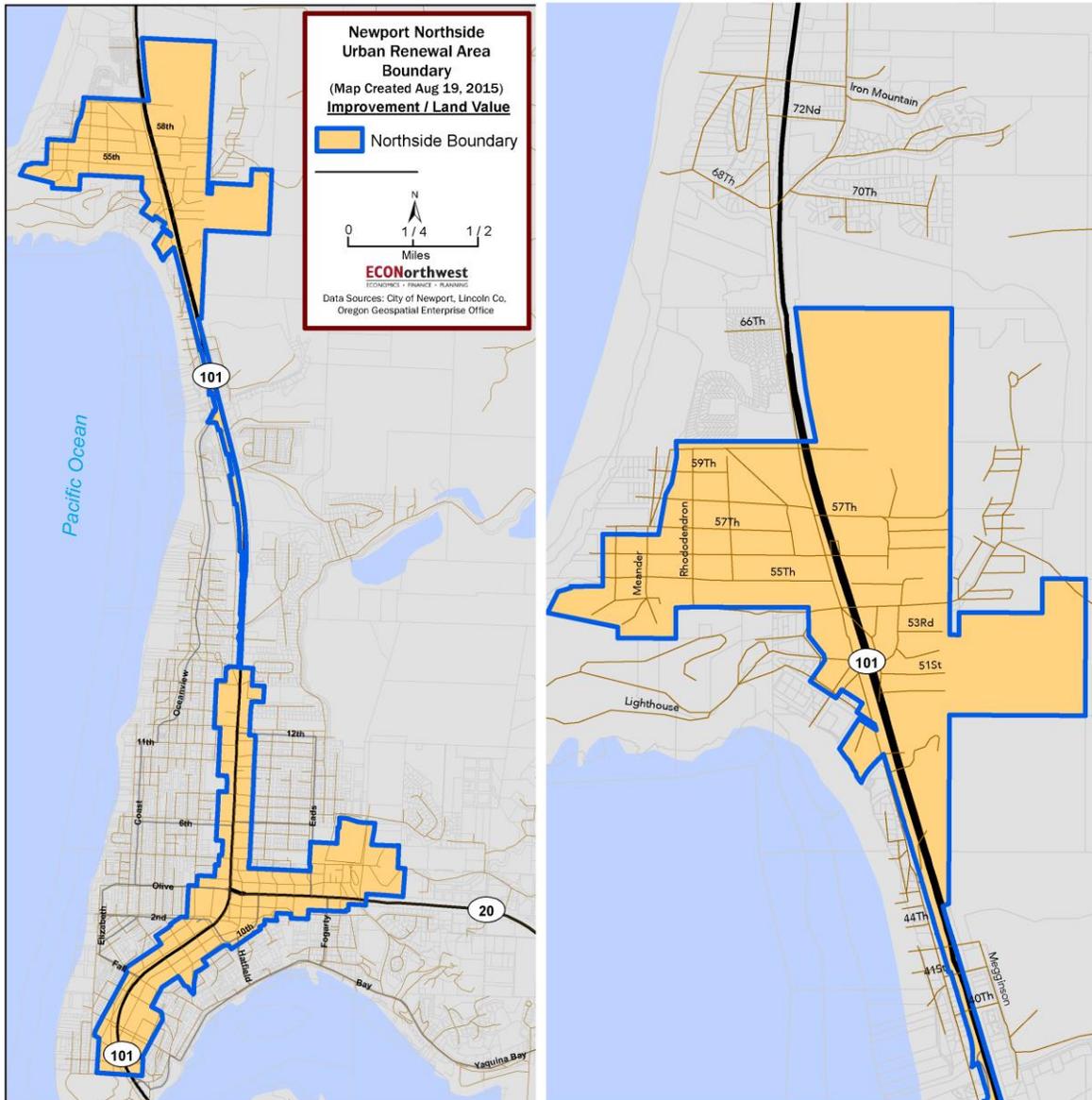
II. INTRODUCTION

The Report on the Newport Northside Urban Renewal Plan (Report) contains background information and project details that pertain to the Newport Northside Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of its approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the Newport Northside Urban Renewal Area (Area).

However, the Report provides only guidance on how reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – Newport Northside Urban Renewal Plan Area Boundary



III. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the Newport Northside Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 1,243 parcels and consists of 396.3 acres in parcels and 149.6 acres of public right-of-way, for a total size of 545.9 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land by acreage is Commercial (28% of total acreage). The second largest use by acreage is Single-family Residential (26%).

Table 1 – Existing Land Use of Area

Land Use	Acres		Parcels	
	Number	Percent	Number	Percent
Condominium	0.5	0.10%	10	0.80%
Single-family residential	101.8	25.70%	524	42.20%
Multi-family residential	9.6	2.40%	17	1.40%
Commercial	111.2	28.10%	398	32.00%
Industrial	8.8	2.20%	24	1.90%
Rural / Ag / Farm	33.2	8.40%	2	0.20%
Public / Exempt	55.7	14.10%	81	6.50%
Vacant	74.8	18.90%	187	15.00%
Other	0.7	0.20%	0	0.00%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts. Medium Density Single-family Residential zoning accounts for 38% of the acreage in the Area. Retail and Service Commercial accounts for 23% of the acreage in the Area.

Table 2a – Existing Zoning Plan Designations of Area

Zone Designation	Acres		Parcels	
	Number	Percent	Number	Percent
Medium Density Single -family Residential	150.6	38.00%	423	34.00%
Retail and Service Commercial	92.5	23.30%	397	31.90%
Heavy Commercial	69.6	17.60%	250	20.10%
Exempt/Institutional	41.4	10.50%	41	3.30%
High Density Multi- family Residential	35.3	8.90%	121	9.70%
Single Family/Multi-family	2.6	0.70%	2	0.20%
Commercial/Multi- family	1.8	0.40%	2	0.20%
Commercial/Single- family	1.5	0.40%	2	0.20%
Low Density Single -family	0.9	0.20%	3	0.20%
Medium Density Multi-family	0.1	0.00%	2	0.20%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

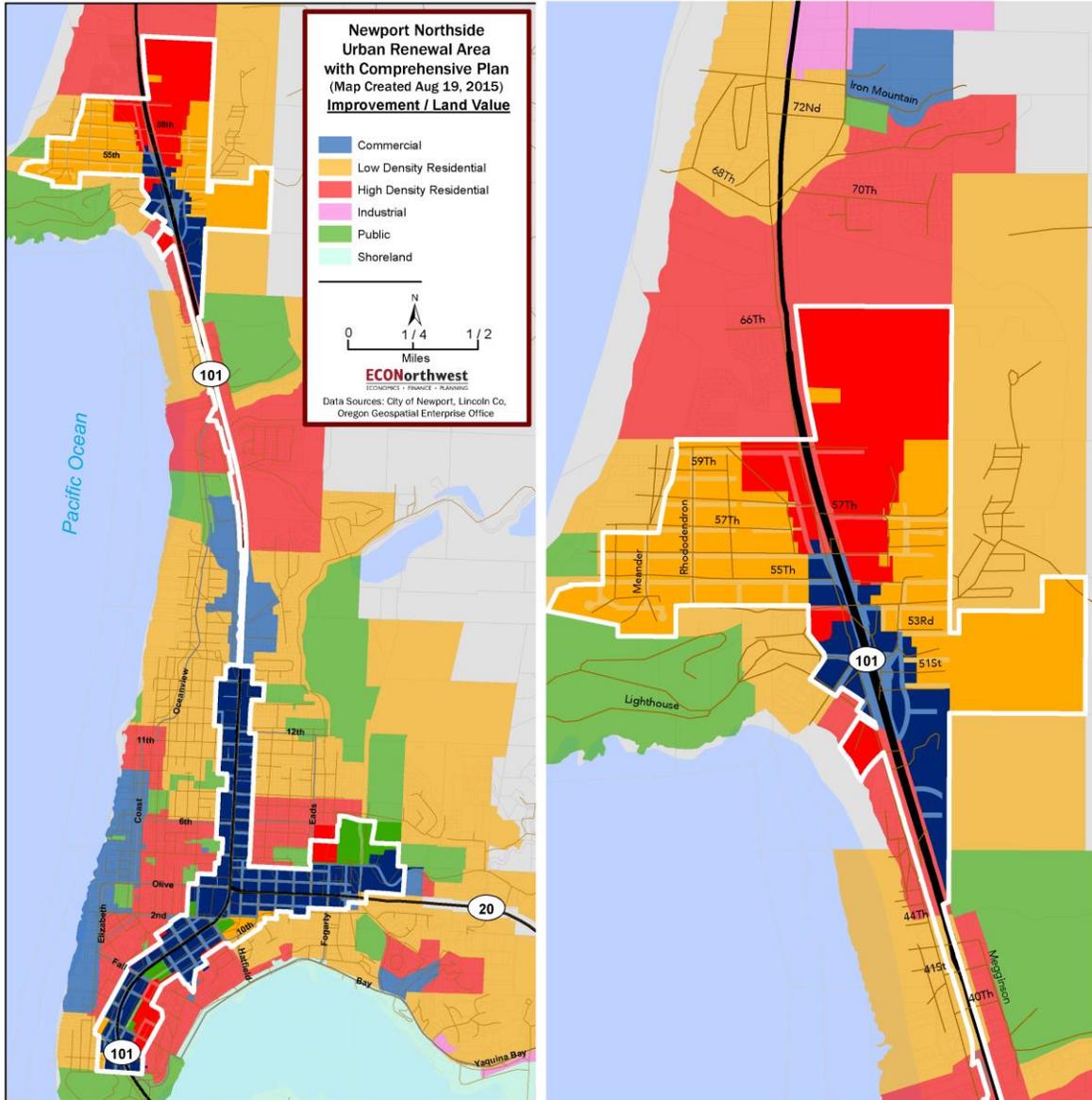
As illustrated in Table 2b, 44% of the acreage is designated as commercial in the comprehensive plan. Low Density Residential accounts for 25% of the acreage by comprehensive plan designation.

Table 2b – Existing Comprehensive Plan Designations of Area

Comprehensive Plan Designation	Acres		Parcels	
	Number	Percent	Number	Percent
Commercial	175.1	44.20%	669	53.80%
Low Density Residential	111.3	28.10%	405	32.60%
High Density Residential	88.2	22.30%	149	12.00%
Public	21.8	5.50%	20	1.60%
Total	396.3	100%	1,243	100%

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



B. Infrastructure: Existing Conditions

Existing conditions are examined within an urban renewal area to help identify blighting conditions in the urban renewal area. **This does not mean that a project has been identified in the urban renewal plan to address each deficiency, this is solely to identify conditions that are deficient within the Area, as required by statute.**

1. Infrastructure

This section of the study identifies the existing deficiencies in the infrastructure in the Area. The street conditions information is from the Newport Transportation Systems Plan (TSP), the Newport Comprehensive Plan and the Newport Public Infrastructure System Development Charge Methodology.

a) Streets

The following improvements are identified in the TSP.

Widen US 101 to five lanes (NE 31st Street to North City Limits)

Widen US 20 to five lanes (John Moore Road to US 101)

Improve to 3-Lane urban standard NE 1st Street from US 101 US 20 to provide westbound two northbound bypass of US 101 and US 20 intersection

b) Transportation Management System Improvements

US 101 revisions (between OR 20 and Yaquina Bay Bridge)

NE 52nd Street area improvements - improve Northeast Lucky Gap between NE. 52nd Street in North E. 54th Street; provide access from Longview Hills to North E. 52nd Street

NW 56th Street improvement area – Eliminate Old Highway Loop between NW 55th Street and NW 58th Street, extend NW 56th Street to US 101, improve NW Gladys Street between NW 56th Street and NW 60th Street as a frontage road.

Surface parking lots for US 101 business

NE 57th - eliminate US 101 access; cul-de-sac NE. 57th Street on its western terminus; connect NE Hazel Court to NE 60th Street

US 101/US 20 - signal revisions/improvements; realign E Olive Street

US 101 at NW 11th Street - realign intersection to eliminate slight offset. Consider need for additional east/west turning lanes and/or signalization improvements.

US 101 at NW 6th Street - realign intersection to eliminate offset. Consider need for added east/west turning lanes and/or improved signal to address congestion problem.

US 101, US 20 North to NW 12th Street - evaluate opportunities for driveway and/or minor street closures or consolidation.

US 101 at US 20 - add second southbound left turn lane. Widen eastbound US 22 received two lanes of traffic, transition to one lane east of US 101.

US 20 at NE Coos Street - add signal and improve intersection to encourage North/S. Local St. alternative to US 101. Signal could help relieve congestion at NE Eads Street.

c) Traffic Signals

US 101 at Northeast 36th Street

d) Pedestrian and Bicycle Facility Improvements

US 101 crossings:

NW 68th Undercrossing - an undercrossing at US 101 at Northwest 68th Street midblock between 16th and 17th streets - add median, raised stop bars, appropriate signage, and striped continental crosswalk

e) Sidewalks

There are numerous sidewalk deficiencies throughout the Area.

Avery Street - US 101 to end of street

NE 3rd Street – NE Eads to NE Harney

NE 2nd Street – US 01 to NE Eads Street

f) Sidewalks and Bike Lanes

NE Harney Street - US 20 to NE 3rd Street

US 20 NE Harney Street/SE Moore Drive to US 101 intersection

g) Bicycle System Improvements

NE Eads Street – NE 12th Street to NE 3rd Street – provide a bike route

NE 3rd Street – Eads Street to Harney Road – provide a bike route

h) Shared roadways/bicycle boulevards

NE Eads Street – US 20 to NE 12th Street

i) Water

The City of Newport Water Master Plan, prepared in October 2008, identifies the following projects in the Capital Improvement Project summary.

Agate Beach lower storage tank

Agate Beach upper storage tank

Highway 101 Northeast 36 to North East 40th water line

Highway 101 N. East 40th to circle way water line

j) Storm Water

The city of Newport is currently developing a Storm Water Master plan.

Agate Way Storm Drainage Improvements. The project is to include approximately 500-lf of 18-inch storm drainage piping. The project is needed to correct existing deficiencies but components should be doubled in size to provide additional capacity for potential future development.

k) Sanitary Sewer

48th Street Lift Station Upgrade. The 48th Street pump station is located near 48th Street and Highway 101. The 1996 Facilities Plan recommends that the station be upgraded to a firm pumping capacity of around 3 MGD (2,100 gpm). The station will require significant upgrades with only minor station components being adequate to be reused as part of the upgrade. The project includes approximately 1,500 lf of 12-inch diameter force main that is to be installed through a pipe bursting technique.

l) Parks

West Agate Beach Park Development Located in the northern portion of the City, this existing park is only partially developed and capable of limited service to park users. Under this project, the existing park would be improved to provide a higher level of service and increase the ability of the park to accommodate additional users.

C. Social Conditions

An analysis of the social conditions of the area was compiled using data from the U.S. Census Bureau, 2013 update and Social Explorer. The data was retrieved from block group summaries that roughly correspond to the Agate Beach residential area and then block group summaries that correspond to the city of Newport as a whole in order to also include the other residential neighborhood surrounding US 20 that is also within the urban renewal area. The charts include the Agate Beach information and the information for the city of Newport as a whole.

2. Age

The age distribution of the Area is shown in Table 3. The majority of the population in the Area is between the ages of 25 and 74.

Table 3 – Age Distribution of Area

Age	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
0 to 4 Years	412	6%	622	6%
5 to 9 Years	282	4%	570	5%
10 to 14 Years	313	5%	566	5%
15 to 17 Years	162	2%	364	3%
18 to 24 Years	425	7%	695	7%
25 to 34 Years	811	12%	1,306	12%
35 to 44 Years	773	12%	1,225	11%
45 to 54 Years	838	13%	1,399	13%
55 to 64 Years	1,115	17%	1,846	17%
65 to 74 Years	776	12%	1,187	11%
75 to 84 Years	388	6%	585	5%
85 Years and over	198	3%	310	3%
Total	6,493	100%	10,675	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

3. Race

The racial characteristics of the Area are shown in Table 4. The majority of people (88%) identify themselves as white and the second largest group (4% in the Agate beach area and 3% in Newport as a whole) that people identify with is “some other race.” The U.S. Census does not provide a breakout on race that includes Hispanic in their definitions, Hispanic are those people who classify themselves in one of the specific Spanish, Hispanic, or Latino categories listed in the U.S. Census questionnaire. Hispanic or Latino of any race in Newport is 15.3% of the population.

Table 4 – Racial Characteristics of the Area

Race	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
White Alone	5,724	88%	9,346	88%
Black or African American Alone	39	1%	59	1%
American Indian and Alaska Native Alone	124	2%	186	2%
Asian Alone	31	0%	117	1%
Native Hawaiian and Other Pacific Islander Alone	120	2%	161	2%
Some Other Race Alone	249	4%	319	3%
Two or More races	206	3%	487	5%
Total	6,493	100%	10,675	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

4. Educational Attainment

Thirty five percent of the residents in the Agate Beach area and 37% of Newport as a whole have some college. An additional 17% of Agate Beach area and 19% of Newport as a whole have a Bachelor’s degree, 7% of both areas have a Master’s degree.

Table 5 – Educational Attainment of the Area

Educational Attainment	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Less Than High School	550	11%	737	9%
High School Graduate (includes equivalency)	1,313	27%	1,978	25%
Some college	1,718	35%	2,878	37%
Bachelor's degree	839	17%	1,468	19%
Master's degree	358	7%	589	7%
Professional school degree	28	1%	55	1%
Doctorate degree	93	2%	153	2%
Total	4,899	100%	7,858	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

5. Travel time to work

Forty-one percent of the residents of the Agate Beach area and 43% of Newport as a whole travel less than 10 minutes to work. Another 29% of the Agate Beach area and 28% of Newport as a whole travel less than 20 minutes.

Table 6 – Travel Time to Work in the Area

Travel Time to Work	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Less than 10 minutes	1,105	41%	1,990	43%
10 to 19 minutes	785	29%	1,301	28%
20 to 29 minutes	223	8%	347	8%
30 to 39 minutes	318	12%	510	11%
40 to 59 minutes	107	4%	139	3%
60 to 89 minutes	14	1%	50	1%
90 or More minutes	64	2%	76	2%
Worked at home	55	2%	200	4%
Total	2,671	100%	4,613	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

6. Means of Transportation to Work

Seventy-three percent of the residents of Agate Beach and 74% of Newport as a whole drove alone to work. Fifteen percent of the residents of Agate Beach and 14% of Newport as a whole carpooled.

Table 7 – Means of Transportation to Work in the Area

Means of Transportation to Work	Total Agate Beach Areas		Total Newport	
	Number	Percent	Number	Percent
Drove Alone	1,957	73%	3,427	74%
Carpooled	392	15%	628	14%
Public transportation (Includes Taxicab)	98	4%	115	2%
Motorcycle	-	0%	0	0%
Bicycle	4	0%	9	0%
Walked	131	5%	200	4%
Other means	34	1%	34	1%
Worked at home	55	2%	200	4%
Total	2,671	100%	4,613	100%

Source: U.S. Census Bureau, ACS 2009-2013; Social Explorer

7. Population

In the last few years, Newport has remained stable in population. There are annual projections performed by the Portland State University Population and Research Center after reviewing the 2010 Census data. The overall population of Newport in the 2014 adjustment by Portland State University was 10,095 people, and the 2010 data indicates Newport had 10,030 people.

D. Economic Conditions

1. Taxable Value of Property Within the Area

The estimated 2014/2015 total assessed value of the real property in the Area is \$210,510,678. The total estimated assessed value, including all real, personal, and utility properties, is \$237,000,136. This data is summarized in Table 8.

Table 8 – Total Estimated Assessed Value

Property Type	Urban Renewal Area
Real	\$210,510,678
Personal	15,386,790
Manufactured	1,004,350
Utility	10,098,308
Total	\$237,000,136

Source: Lincoln County Assessor's data

If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be

¹ Data from Lincoln County Assessor's 20114/15 tax roll summary

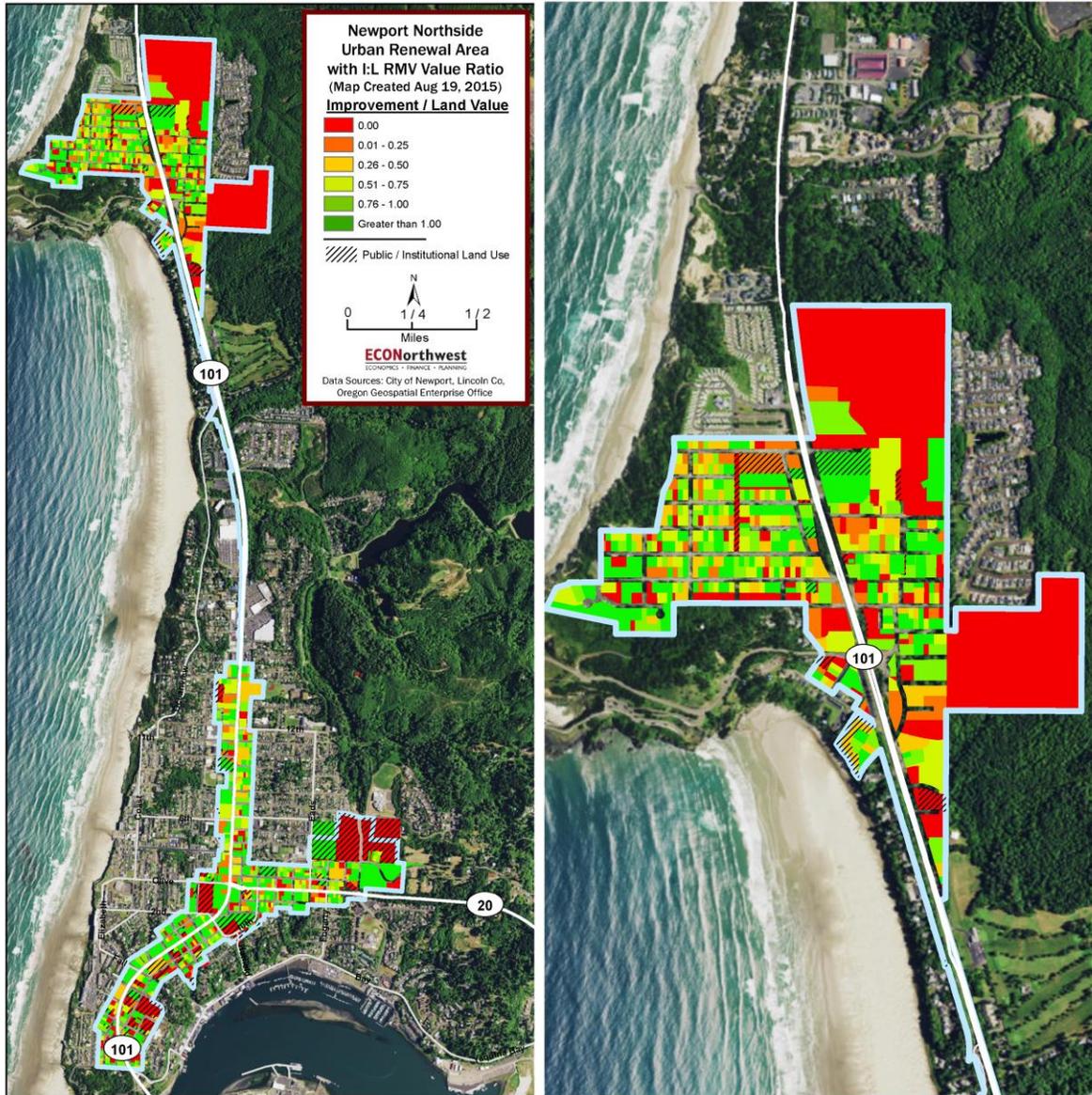
used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more, for both residential and commercial properties. Non-taxable parcels account for 17% of the total acreage. Properties with no improvements account for 27% of the total acreage. An additional 49% of the acreage is below the 2:1 threshold. Many of the properties in the Area are under-utilized and or underdeveloped.

Table 9 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
Not Taxable	115	69.91	17.34%
No Improvements	194	110.14	27.31%
No land value	61	4.25	1.05%
0.01 - 0.50	197	48.64	12.06%
0.51 - 1.00	311	75.03	18.60%
1.01 - 1.50	171	40.02	9.92%
1.51 - 2.00	98	23.45	5.81%
2.01 – 2.51	43	11.79	2.92%
2.51 – 3.00	22	10.05	2.49%
>3.01	31	10.01	2.48%
Total	1,243	403.29	100.00%

Source: Lincoln County Assessor Real Market Value data The acreage total number is different from the total acreage number due to some double counts on parcels in the GIS system. This double count is very minor and does not impact the analysis of the data.

Figure 3 – Improvement to Land Ratios



E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in the Section on Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are primarily district identity/transportation, business improvement/development, and public facilities projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds and system development charges funds to make these improvements.

It is anticipated that these improvements will catalyze development on the adjacent undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by providing transportation funding for vital connections to Newport and major parcels of undeveloped and underdeveloped land. This land will provide future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

IV. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

V. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. The projects are listed in no particular order.

1. *Refinement Plans*

a) Commercial Core Areas Revitalization Plan

The Commercial Core Areas Revitalization Plan (CCARP) will analyze key transportation infrastructure issues within the commercial core areas in the Plan. The CCARP boundary for the study will be defined at the point that the plan is undertaken. It will study key transportation issues including traffic flow, safety, and parking issues within the study area. The CCARP will help define the transportation system enhancements and the priority of implementation of those enhancements that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the commercial core areas. The Oregon Department of Transportation has indicated a desire to study transportation issues in the Area, but requires a match for part of the funding. There is a need to identify solutions to traffic flow, safety and parking issues within the area.

b) Agate Beach Neighborhood Plan

The Agate Beach Neighborhood Plan (ABNP) will analyze key transportation infrastructure issues within the Agate Beach neighborhood. The ABNP will help define the transportation system enhancements and infrastructure needs and the priority of implementation of those enhancements and needs that are undertaken as projects in this Plan.

Existing Conditions:

There is no revitalization plan for the Agate Beach area. There is a need to identify define and prioritize the needed transportation and infrastructure system enhancements in Agate Beach.

2. Public Buildings

The fairgrounds property has future renovation potential as a multipurpose building. This project would incorporate supporting infrastructure to the site and potential funding for the structure. The project will be further defined as the county moves through the process of planning for that area.

Existing Conditions:

The existing fairgrounds area is underutilized and underdeveloped. The area has capacity to attract new uses for both existing residents and tourists to the area, expanding the economy through the provision of business and recreational activities in Newport.

3. Transportation and Utility Enhancements

Transportation system enhancements include enhancements to the commercial core areas as well as to US 101 and US 20. These enhancements could include street upgrades, potential couplet if defined in the CCARP, widening, intersection realignments, local street right-of-way improvements, parking improvements right-of-way acquisition, signal installation or adjustment, storm drainage improvements, and water, sewer and other utility line relocation and capacity upgrades, including fiber-optics. The exact location and further definition of these transportation enhancements will come as a result of the CCAARP in addition to the Transportation System Plan and the other city utility master plans.

Existing Conditions:

There is a need to identify solutions to traffic flow, safety and parking issues within the area. In addition to those transportation needs, there are storm drainage and water line capacity deficiencies in the area.

4. Economic Development

Economic development projects include but are not limited to site preparation for reuse including demolition and lot aggregation, storefront façade loans and grants, strategic site acquisition for economic development, including potential mixed use development, street tree and landscape island enhancements, benches, public art, public spaces, wayfinding improvements, utility undergrounding including fiber-optics and billboard removal.

Existing Conditions:

There are properties within the area that are underdeveloped and underutilized. There are properties that are in need of façade improvements. The streetscape within

the area is deficient and can be enhanced through the provision of street tree and landscape island enhancements, benches, public art, public spaces wayfinding improvements, utility undergrounding and billboard removal.

5. Debt service and project administration

This project will allow for the repayment of costs associated with the implementation of the Newport Northside Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

Existing Conditions:

As there is currently no urban renewal program for this area, these activities do not exist.

VI. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 8. The sources of funds are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include system development charge funds (SDC) grant funds, general funds, state funding, or other sources of funding the City may identify, including private developer contributions.

These figures are in **total dollars to be spent on the projects through the life of the urban renewal area**. The Agency will be able to review the allocations on an annual basis when they prepare their budgets.

Table 10 – Projects to be Completed Using Urban Renewal Area Funds

Project Name	Urban Renewal Share	Total Cost
<u>Newport Northside Urban Renewal Plan</u>		
Infrastructure Refinement Plans		
Commercial Core Area Revitalization Plan	\$100,000	\$100,000
Agate Beach Neighborhood Plan	\$100,000	\$100,000
Public Buildings		
Multi-purpose building (includes supporting infrastructure)	\$3,000,000	\$9,000,000
Transportation System Enhancements		
Commercial core area highway/street upgrades	\$12,500,000	\$25,000,000
Intersection realignment	\$2,000,000	\$4,500,000
Local street right-of-way improvements	\$2,000,000	\$3,000,000
Parking improvements	\$800,000	\$1,500,000
Right-of-way acquisition	\$600,000	\$1,200,000
Signal installation or adjustment	\$500,000	\$1,000,000
Storm drainage improvements	\$1,500,000	\$2,000,000
Water,sewer, utility line relocation and capacity upgrades	\$600,000	\$1,200,000
Economic Development		
Benches, public art	\$250,000	\$250,000
Billboard removal	\$450,000	\$500,000
Site prep for reuse	\$2,500,000	\$2,500,000
Storefront façade loans/grants	\$1,500,000	\$1,000,000
Strategic site acquisition for economic development	\$5,000,000	\$5,000,000
Street tree and landscape island enhancements	\$250,000	\$250,000
Wayfinding improvements	\$200,000	\$200,000
Utility undergrounding	\$4,000,000	\$8,000,000
Total	\$37,850,000	\$66,300,000

Source: City of Newport with ECONorthwest

VII. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The projects will be scheduled as shown in the financing plan in Table 11. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The projects are set up in five phases. The first phase is using “pay as you go” from the annual increment. The next four phases are predicated on bond placements and additional “pay as you go” tax increment proceeds.. They are allocated in four year intervals. The table shows the earliest that the bond issue could be placed, but the Agency will determine actual placement depending on financial and project considerations at the time. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

The inflation rate for project costs is not a factor in this Plan as the project costs were set at a “not to exceed” amount in the direction from the city council for a not to exceed maximum indebtedness of \$39,920,000 for this Plan. For the purposes of calculating the maximum indebtedness in the future, an inflation percentage of 3% should be used. Administration is allocated at approximately 4% of the total project/programs costs.

Table 11 – Projects and Costs in Year of Expenditure Dollars

	Phase 0 2017 to 2018	Phase 1 2019 to 2022	Phase 2 2023 to 2026	Phase 3 2027 to 2030	Phase 4 2031 to 2034*	Total
Revenues						
Total TIF Revenue	\$ 799,857	\$ 3,779,305	\$ 7,148,287	\$ 11,165,859	\$ 33,487,555	\$ 56,380,863
Debt Service	\$ -	-\$ 1,765,336	-\$ 3,851,644	-\$ 6,339,164	-\$ 32,578,496	-\$ 44,534,640
Pay as you go	\$ 799,857	\$ 2,013,969	\$ 3,296,643	\$ 4,826,695	\$ 1,179,836	\$ 12,117,000
Bond/Loan proceeds	\$ -	\$ 5,500,000	\$ 6,500,000	\$ 7,750,000	\$ 8,000,000	\$ 27,750,000
Interest earnings	\$ 500	\$ 3,400	\$ 7,900	\$ 11,100	\$ 30,100	\$ 53,000
Total Revenue for Projects	\$ 800,357	\$ 7,517,369	\$ 9,804,543	\$ 12,587,795	\$ 9,209,936	\$ 39,920,000
Expenditures						
Finance Fees	\$ -	\$ 110,000	\$ 130,000	\$ 155,000	\$ 160,000	\$ 555,000
Admin Costs	\$ 50,000	\$ 312,000	\$ 347,000	\$ 394,000	\$ 412,000	\$ 1,515,000
Amount available for projects	\$ 750,357	\$ 7,095,369	\$ 9,327,543	\$ 12,038,795	\$ 8,637,936	\$ 37,850,000
Total Expenditures	\$ 800,357	\$ 7,517,369	\$ 9,804,543	\$ 12,587,795	\$ 9,209,936	\$ 39,920,000
Project Detail						
Downtown Revitalization Plan	\$ 100,000					\$ 100,000
Agate Beach Neighborhood Plan	\$ 100,000					\$ 100,000
Multi-purpose building (and infrastructure)		\$ 3,000,000				\$ 3,000,000
Downtown highway/street upgrades			\$ 2,000,000	\$ 4,500,000	\$ 6,000,000	\$ 12,500,000
Intersection realignment		\$ 250,000	\$ 250,000	\$ 500,000	\$ 1,000,000	\$ 2,000,000
Local street ROW improvements	\$ 300,000	\$ 1,000,000	\$ 500,000	\$ 200,000		\$ 2,000,000
Parking improvements			\$ 500,000	\$ 300,000		\$ 800,000
ROW acquisition	\$ 100,000	\$ 100,000	\$ 200,000	\$ 200,000		\$ 600,000
Signal installation or adjustment		\$ 250,000	\$ 250,000			\$ 500,000
Storm drainage improvements		\$ 1,000,000	\$ 500,000			\$ 1,500,000
Water line capacity upgrades		\$ 600,000				\$ 600,000
Benches, public art			\$ 100,000	\$ 150,000		\$ 250,000
Billboard removal			\$ 100,000	\$ 150,000	\$ 200,000	\$ 450,000
Site prep for reuse			\$ 1,500,000	\$ 500,000	\$ 500,000	\$ 2,500,000
Storefront façade loans/grants			\$ 1,000,000	\$ 500,000		\$ 1,500,000
Strategic site acquisition for ec dev		\$ 500,000	\$ 1,500,000	\$ 1,500,000	\$ 1,500,000	\$ 5,000,000
Street tree and landscape island enhancement				\$ 100,000	\$ 150,000	\$ 250,000
Wayfinding improvements			\$ 100,000	\$ 100,000		\$ 200,000
Utility undergrounding		\$ 500,000	\$ 500,000	\$ 1,000,000	\$ 2,000,000	\$ 4,000,000
Total	\$ 600,000	\$ 7,200,000	\$ 9,000,000	\$ 9,700,000	\$ 11,350,000	\$ 37,850,000
Ending Balance	\$ 150,357	\$ 45,726	\$ 373,269	\$ 2,712,064	\$ -	\$ -

Source: City of Newport with ECONorthwest

VIII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 12 shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY2038/39 (any outstanding bonds will be defeased). The maximum indebtedness is \$39,920,000 (thirty nine million nine hundred twenty thousand dollars and no cents).

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$39,920,000 is \$56,380,863.

The interest rate for the bonds is estimated at 5% and the terms of the bonds are varied, depending on time of issuance. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 12a – Tax Increment Revenues and Allocations to Debt Service

	Total	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance		\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$56,380,863	\$315,650	\$484,207	\$660,348	\$844,416	\$1,036,767	\$1,237,774	\$1,447,826
Total Resources	\$56,380,863	\$315,650	\$484,207	\$660,348	\$844,416	\$1,036,767	\$1,237,774	\$1,447,826
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$8,826,680			-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334
New Loan 2023	-\$10,431,540							-\$521,577
New Loan 2027	-\$12,437,600							
New Loan 2031	-\$12,838,820							
Total Debt Service	-\$44,534,640	\$0	\$0	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$962,911
Coverage Ratio		0.00	0.00	1.50	1.91	2.35	2.80	1.50
<i>Transfer to D/S Reserve Fund</i>	<i>-\$68,624,964</i>	<i>-\$315,650</i>	<i>-\$484,207</i>	<i>-\$219,014</i>	<i>-\$403,082</i>	<i>-\$595,433</i>	<i>-\$796,440</i>	<i>-\$484,915</i>
Total Expenditures	-\$113,159,604	-\$315,650	-\$484,207	-\$660,348	-\$844,416	-\$1,036,767	-\$1,237,774	-\$1,447,826
Ending Fund Balance		\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

	2023-24	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$1,667,331	\$1,896,713	\$2,136,417	\$2,386,908	\$2,648,671	\$2,922,214	\$3,208,066	\$3,506,781
Total Resources	\$1,667,331	\$1,896,713	\$2,136,417	\$2,386,908	\$2,648,671	\$2,922,214	\$3,208,066	\$3,506,781
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334
New Loan 2023	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2027				-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2031								-\$641,941
Total Debt Service	-\$962,911	-\$962,911	-\$962,911	-\$1,584,791	-\$1,584,791	-\$1,584,791	-\$1,584,791	-\$2,226,732
Coverage Ratio	1.73	1.97	2.22	1.51	1.67	1.84	2.0	1.6
<i>Transfer to D/S Reserve Fund</i>	-\$704,420	-\$933,802	-\$1,173,506	-\$802,117	-\$1,063,880	-\$1,337,423	-\$1,623,275	-\$1,280,049
Total Expenditures	-\$1,667,331	-\$1,896,713	-\$2,136,417	-\$2,386,908	-\$2,648,671	-\$2,922,214	-\$3,208,066	-\$3,506,781
Ending Fund Balance	\$ -							

Source: ECONorthwest

Table 12a – Tax Increment Revenues and Allocations to Debt Service, continued

	2031-32	2032-33	2033-34	2034-35	2035-36	2036-37	2037-38	2038-39
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TIF for URA	\$3,818,938	\$4,145,143	\$4,115,507	\$4,204,563	\$4,297,626	\$4,394,877	\$4,496,505	\$507,616
Total Resources	\$3,818,938	\$4,145,143	\$4,115,507	\$4,204,563	\$4,297,626	\$4,394,877	\$4,496,505	\$507,616
Expenditures								
<i>Debt Service</i>								
New Loan 2019	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	-\$441,334	
New Loan 2023	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577	-\$521,577
New Loan 2027	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880	-\$621,880
New Loan 2031	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941	-\$641,941
Total Debt Service	-\$2,226,732	-\$1,785,398						
Coverage Ratio	1.7	1.9	1.8	1.9	1.9	2.0	2.0	0.3
<i>Transfer to D/S Reserve Fund</i>	-\$1,592,206	-\$1,918,411	-\$1,888,775	-\$1,977,831	-\$2,070,894	-\$2,168,145	-\$2,269,773	\$1,277,782
Total Expenditures	-\$3,818,938	-\$4,145,143	-\$4,115,507	-\$4,204,563	-\$4,297,626	-\$4,394,877	-\$4,496,505	-\$507,616

Source: ECONorthwest

Note: The debt service ratio in FY 2038/39 is .3. This is because the financial assumptions show that not all tax increment revenues will be necessary in this year and the debt will be defeased.

Table 12b – Projected Annual Debt Service Schedule

FYE	Debt Service				Total D/S	Total TIF	Debt Service Coverage	Remaining after D/S
	2019	2023	2027	2031				
2016	\$0	\$0	\$0	\$0	\$0	\$0	0.00	\$0
2017	\$0	\$0	\$0	\$0	\$0	\$315,650	0.00	\$315,650
2018	\$0	\$0	\$0	\$0	\$0	\$484,207	0.00	\$484,207
2019	-\$441,334	\$0	\$0	\$0	-\$441,334	\$660,348	-1.50	\$219,014
2020	-\$441,334	\$0	\$0	\$0	-\$441,334	\$844,416	-1.91	\$403,082
2021	-\$441,334	\$0	\$0	\$0	-\$441,334	\$1,036,767	-2.35	\$595,433
2022	-\$441,334	\$0	\$0	\$0	-\$441,334	\$1,237,774	-2.80	\$796,440
2023	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,447,826	-1.50	\$484,915
2024	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,667,331	-1.73	\$704,420
2025	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$1,896,713	-1.97	\$933,802
2026	-\$441,334	-\$521,577	\$0	\$0	-\$962,911	\$2,136,417	-2.22	\$1,173,506
2027	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,386,908	-1.51	\$802,117
2028	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,648,671	-1.67	\$1,063,880
2029	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$2,922,214	-1.84	\$1,337,423
2030	-\$441,334	-\$521,577	-\$621,880	\$0	-\$1,584,791	\$3,208,066	-2.02	\$1,623,275
2031	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$3,506,781	-1.57	\$1,280,049
2032	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$3,818,938	-1.72	\$1,592,206
2033	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,145,143	-1.86	\$1,918,411
2034	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,115,507	-1.85	\$1,888,775
2035	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,204,563	-1.89	\$1,977,831
2036	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,297,626	-1.93	\$2,070,894
2037	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,394,877	-1.97	\$2,168,145
2038	-\$441,334	-\$521,577	-\$621,880	-\$641,941	-\$2,226,732	\$4,496,505	-2.02	\$2,269,773
2039	\$0	-\$521,577	-\$621,880	-\$641,941	-\$1,785,398	\$507,616	-0.28	-\$1,277,782

Source: ECONorthwest

IX. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2038/39, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include assessed value growth rates at 4.5%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 13 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Tables 11 and 12. Revenue sharing is projected to be a feature of this urban renewal plan in FY 2033/34. However, if growth occurs at a faster pace, the Area will commence revenue sharing at the time required by the statute, the year after the tax increment proceeds equal 10% of the initial maximum indebtedness. At the point that tax increment revenues equal 12.5% of the initial maximum indebtedness, the annual increment is capped at that number and the remaining increment is divided among the taxing jurisdictions. This is not anticipated as shown in the following table.

Note the revenues to the urban renewal area in FYE 3039 are lower than the prior year, anticipating an under-levy in that year as all of the available tax revenues would not be needed to pay off the remaining debt.

Table 13a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2015	\$236,886,829	\$236,886,829	\$0	14.4797	\$0
2016	\$247,546,737	\$236,886,829	\$0	14.4797	\$0
2017	\$258,686,341	\$236,886,829	\$21,799,512	14.4797	\$315,650
2018	\$270,327,226	\$236,886,829	\$33,440,397	14.4797	\$484,207
2019	\$282,491,952	\$236,886,829	\$45,605,123	14.4797	\$660,348
2020	\$295,204,091	\$236,886,829	\$58,317,262	14.4797	\$844,416
2021	\$308,488,275	\$236,886,829	\$71,601,446	14.4797	\$1,036,767
2022	\$322,370,247	\$236,886,829	\$85,483,418	14.4797	\$1,237,774
2023	\$336,876,907	\$236,886,829	\$99,990,078	14.4797	\$1,447,826
2024	\$352,036,368	\$236,886,829	\$115,149,539	14.4797	\$1,667,331
2025	\$367,878,005	\$236,886,829	\$130,991,176	14.4797	\$1,896,713
2026	\$384,432,516	\$236,886,829	\$147,545,687	14.4797	\$2,136,417
2027	\$401,731,979	\$236,886,829	\$164,845,150	14.4797	\$2,386,908
2028	\$419,809,918	\$236,886,829	\$182,923,089	14.4797	\$2,648,671
2029	\$438,701,364	\$236,886,829	\$201,814,535	14.4797	\$2,922,214
2030	\$458,442,926	\$236,886,829	\$221,556,097	14.4797	\$3,208,066
2031	\$479,072,858	\$236,886,829	\$242,186,029	14.4797	\$3,506,781
2032	\$500,631,136	\$236,886,829	\$263,744,307	14.4797	\$3,818,938
2033	\$523,159,538	\$236,886,829	\$286,272,709	14.4797	\$4,145,143
2034	\$546,701,717	\$236,886,829	\$309,814,888	14.4797	\$4,486,027
2035	\$571,303,294	\$236,886,829	\$334,416,465	14.4797	\$4,842,250
2036	\$597,011,942	\$236,886,829	\$360,125,113	14.4797	\$5,214,504
2037	\$623,877,479	\$236,886,829	\$386,990,650	14.4797	\$5,603,509
2038	\$651,951,966	\$236,886,829	\$415,065,137	14.4797	\$6,010,019
2039	\$681,289,804	\$236,886,829	\$444,402,975	14.4797	\$6,434,822
Total					\$66,955,301

Source: ECONorthwest

Table 13b – Projected Revenue Sharing

FYE	TIF		
	Total	for URA	Shared
2015	\$0	\$0	\$0
2016	\$0	\$0	\$0
2017	\$315,650	\$315,650	\$0
2018	\$484,207	\$484,207	\$0
2019	\$660,348	\$660,348	\$0
2020	\$844,416	\$844,416	\$0
2021	\$1,036,767	\$1,036,767	\$0
2022	\$1,237,774	\$1,237,774	\$0
2023	\$1,447,826	\$1,447,826	\$0
2024	\$1,667,331	\$1,667,331	\$0
2025	\$1,896,713	\$1,896,713	\$0
2026	\$2,136,417	\$2,136,417	\$0
2027	\$2,386,908	\$2,386,908	\$0
2028	\$2,648,671	\$2,648,671	\$0
2029	\$2,922,214	\$2,922,214	\$0
2030	\$3,208,066	\$3,208,066	\$0
2031	\$3,506,781	\$3,506,781	\$0
2032	\$3,818,938	\$3,818,938	\$0
2033	\$4,145,143	\$4,145,143	\$0
2034	\$4,486,027	\$4,115,507	\$370,520
2035	\$4,842,250	\$4,204,563	\$637,688
2036	\$5,214,504	\$4,297,626	\$916,878
2037	\$5,603,509	\$4,394,877	\$1,208,632
2038	\$6,010,019	\$4,496,505	\$1,513,514
2039	\$6,434,822	\$507,616	\$5,927,206
Total	\$66,955,301	\$56,380,863	\$10,574,438

Source: ECONorthwest

X. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FY 2038/39, and are shown in Tables 14a and 14b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, however the projections do not estimate this threshold is met. Revenue sharing is projected to commence during the final year of the 25-year life of tax increment proceeds of the Plan. Note that the total impact to taxing jurisdictions equals the total amount to the Agency in Table 12b above, \$56,380,863.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Dedicating efforts to maintaining a healthy downtown is one variable in a livable city. These efforts will produce spin-off economic benefits in terms of increased economic development in the area, increased jobs, and expected increases in overall populations, including the student populations in the schools. These increases in the schools' populations will bring in more funding to the schools through the per pupil funding formula.

Tables 14a and 14b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. The table is based on fiscal year end (FYE) impacts. It assumes the growth as projected in the other tables in this Report, a 4.5% average annual growth rate in assessed value. Table 14a shows the general government levies and Table 14b shows the education levies.

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Table 14a – Projected Impact on Taxing District Permanent Rate Levies General Government

FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIE S HEALTH	SUBTOTAL
2015	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
2017	(\$61,479)	(\$2,398)	(\$983)	(\$2,123)	(\$1,328)	(\$121,942)	(\$7,902)	(\$198,155)
2018	(\$94,309)	(\$3,678)	(\$1,508)	(\$3,257)	(\$2,037)	(\$187,059)	(\$12,122)	(\$303,970)
2019	(\$128,615)	(\$5,017)	(\$2,057)	(\$4,442)	(\$2,777)	(\$255,106)	(\$16,532)	(\$414,546)
2020	(\$164,466)	(\$6,415)	(\$2,630)	(\$5,680)	(\$3,552)	(\$326,215)	(\$21,140)	(\$530,098)
2021	(\$201,930)	(\$7,876)	(\$3,229)	(\$6,974)	(\$4,361)	(\$400,524)	(\$25,956)	(\$650,850)
2022	(\$241,080)	(\$9,403)	(\$3,855)	(\$8,326)	(\$5,206)	(\$478,177)	(\$30,988)	(\$777,036)
2023	(\$281,992)	(\$10,999)	(\$4,510)	(\$9,739)	(\$6,089)	(\$559,324)	(\$36,246)	(\$908,900)
2024	(\$324,745)	(\$12,666)	(\$5,193)	(\$11,216)	(\$7,013)	(\$644,124)	(\$41,742)	(\$1,046,698)
2025	(\$369,421)	(\$14,409)	(\$5,908)	(\$12,759)	(\$7,977)	(\$732,738)	(\$47,484)	(\$1,190,697)
2026	(\$416,108)	(\$16,230)	(\$6,654)	(\$14,371)	(\$8,986)	(\$825,341)	(\$53,485)	(\$1,341,175)
2027	(\$464,896)	(\$18,133)	(\$7,435)	(\$16,056)	(\$10,039)	(\$922,111)	(\$59,756)	(\$1,498,426)
2028	(\$515,880)	(\$20,122)	(\$8,250)	(\$17,817)	(\$11,140)	(\$1,023,235)	(\$66,310)	(\$1,662,752)
2029	(\$569,157)	(\$22,200)	(\$9,102)	(\$19,657)	(\$12,291)	(\$1,128,910)	(\$73,158)	(\$1,834,474)
2030	(\$624,833)	(\$24,371)	(\$9,992)	(\$21,580)	(\$13,493)	(\$1,239,341)	(\$80,314)	(\$2,013,923)
2031	(\$683,013)	(\$26,640)	(\$10,923)	(\$23,589)	(\$14,749)	(\$1,354,740)	(\$87,792)	(\$2,201,447)
2032	(\$743,812)	(\$29,012)	(\$11,895)	(\$25,689)	(\$16,062)	(\$1,475,333)	(\$95,607)	(\$2,397,409)
2033	(\$807,346)	(\$31,490)	(\$12,911)	(\$27,883)	(\$17,434)	(\$1,601,352)	(\$103,774)	(\$2,602,190)
2034	(\$801,574)	(\$31,265)	(\$12,819)	(\$27,684)	(\$17,309)	(\$1,589,903)	(\$103,032)	(\$2,583,586)
2035	(\$818,919)	(\$31,941)	(\$13,096)	(\$28,283)	(\$17,684)	(\$1,624,307)	(\$105,261)	(\$2,639,492)
2036	(\$837,045)	(\$32,648)	(\$13,386)	(\$28,909)	(\$18,075)	(\$1,660,260)	(\$107,591)	(\$2,697,914)
2037	(\$855,987)	(\$33,387)	(\$13,689)	(\$29,563)	(\$18,484)	(\$1,697,830)	(\$110,026)	(\$2,758,966)
2038	(\$875,781)	(\$34,159)	(\$14,005)	(\$30,246)	(\$18,912)	(\$1,737,090)	(\$112,570)	(\$2,822,764)
2039	(\$98,868)	(\$3,856)	(\$1,581)	(\$3,415)	(\$2,135)	(\$196,102)	(\$12,708)	(\$318,665)
Total	(\$10,981,256)	(\$428,315)	(\$175,611)	(\$379,258)	(\$237,133)	(\$21,781,064)	(\$1,411,496)	(\$35,394,133)

Table 14b – Projected Impact on Taxing District Permanent Rate Levies Education

FYE	LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	LINN-BENTON ESD	SUBTOTAL	TOTAL
2015	\$0	\$0	\$0	\$0	\$0
2016	\$0	\$0	\$0	\$0	\$0
2017	(\$107,018)	(\$3,830)	(\$6,647)	(\$117,495)	(\$315,650)
2018	(\$164,166)	(\$5,875)	(\$10,196)	(\$180,237)	(\$484,207)
2019	(\$223,885)	(\$8,013)	(\$13,905)	(\$245,802)	(\$660,348)
2020	(\$286,291)	(\$10,246)	(\$17,781)	(\$314,318)	(\$844,416)
2021	(\$351,506)	(\$12,580)	(\$21,831)	(\$385,917)	(\$1,036,767)
2022	(\$419,655)	(\$15,019)	(\$26,064)	(\$460,738)	(\$1,237,774)
2023	(\$490,871)	(\$17,568)	(\$30,487)	(\$538,926)	(\$1,447,826)
2024	(\$565,292)	(\$20,232)	(\$35,109)	(\$620,633)	(\$1,667,331)
2025	(\$643,062)	(\$23,015)	(\$39,939)	(\$706,016)	(\$1,896,713)
2026	(\$724,331)	(\$25,924)	(\$44,987)	(\$795,242)	(\$2,136,417)
2027	(\$809,258)	(\$28,963)	(\$50,261)	(\$888,482)	(\$2,386,908)
2028	(\$898,006)	(\$32,140)	(\$55,773)	(\$985,919)	(\$2,648,671)
2029	(\$990,748)	(\$35,459)	(\$61,533)	(\$1,087,740)	(\$2,922,214)
2030	(\$1,087,663)	(\$38,927)	(\$67,552)	(\$1,194,143)	(\$3,208,066)
2031	(\$1,188,940)	(\$42,552)	(\$73,843)	(\$1,305,334)	(\$3,506,781)
2032	(\$1,294,773)	(\$46,340)	(\$80,416)	(\$1,421,529)	(\$3,818,938)
2033	(\$1,405,370)	(\$50,298)	(\$87,285)	(\$1,542,953)	(\$4,145,143)
2034	(\$1,395,322)	(\$49,939)	(\$86,660)	(\$1,531,921)	(\$4,115,507)
2035	(\$1,425,516)	(\$51,019)	(\$88,536)	(\$1,565,070)	(\$4,204,562)
2036	(\$1,457,068)	(\$52,148)	(\$90,495)	(\$1,599,712)	(\$4,297,626)
2037	(\$1,490,040)	(\$53,328)	(\$92,543)	(\$1,635,912)	(\$4,394,878)
2038	(\$1,524,496)	(\$54,562)	(\$94,683)	(\$1,673,741)	(\$4,496,505)
2039	(\$172,102)	(\$6,160)	(\$10,689)	(\$188,951)	(\$507,616)
Total	(\$19,115,379)	(\$684,137)	(\$1,187,215)	(\$20,986,731)	(\$56,380,863)

Source: ECONorthwest Please refer to the explanation of the schools funding in the preceding section

Table 15 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2040.

Table 15 – Projected Revenue to Taxing Jurisdictions after Termination of Urban Renewal

Tax District Name	Tax Rate	Tax Revenue in FYE 2040 (year after expiration)		
		From Frozen	From Excess	Total
		Base	Value	
General Government				
Lincoln County	\$2.8202	\$668,068	\$1,339,767	\$2,007,835
Lincoln County - Animal Service	\$0.1100	\$26,058	\$52,257	\$78,315
Lincoln County Extension	\$0.0451	\$10,684	\$21,425	\$32,109
Lincoln County Transportation	\$0.0974	\$23,073	\$46,271	\$69,344
Port of Newport	\$0.0609	\$14,426	\$28,931	\$43,357
City of Newport	\$5.5938	\$1,325,098	\$2,657,396	\$3,982,494
H-PAC Community Health	\$0.3625	\$85,871	\$172,210	\$258,081
Total General Government	\$9.0899	\$2,153,278	\$4,318,257	\$6,471,535
Education				
Lincoln County School	\$4.9092	\$1,162,925	\$2,332,170	\$3,495,095
Oregon Coast Community College	\$0.1757	\$41,621	\$83,468	\$125,089
ESD	\$0.3049	\$72,227	\$144,846	\$217,073
Total Education	\$5.3898	\$1,276,773	\$2,560,484	\$3,837,257
Total	\$14.4797	\$3,430,051	\$6,878,741	\$10,308,792

Source: ECONorthwest

XI. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality’s total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal manufactured, and utility properties in the Area, is projected to be \$236,886,829. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The total urban renewal assessed value is 23.4% of the total assessed value of the city, minus excess value, below the 25% maximum. The Urban Renewal Area has 545.9 acres, including right-of-way, and the City of Newport has 7,166.53 acres. Given the acreages of the exiting South Beach Plan and the McLean Point Plan, 24.96% of the City’s acreage is in an urban renewal area, below the 25% state limit.

Table 16 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
South Beach Urban Renewal Area	\$18,548,383	1,168.84
McLean Point Urban Renewal Area	\$3,514,349	73.79
Newport Northside Urban Renewal Area	\$236,886,829	545.9
Total in Urban Renewal	\$258,949,561	1,788.53
City of Newport	\$1,243,361,351	7,166.53
Excess AV in South Beach	\$136,869,617	
Percent of Newport Assessed Value in Urban Renewal	23.40%	
Percent of Newport Acreage in Urban Renewal		24.96%

Source: City of Newport, Lincoln County Assessor

XII. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

DRAFT

McLean Point Urban Renewal Plan

Adopted by the City of Newport

Date

Ordinance No.

Elaine Howard Consulting, LLC

ECONorthwest

Jeannette Launer

List of Participants

Mayor: Sandra Roumagoux
City Council: Ralph Busby, President
David Allen
Wendy Engler
Mark Saelens
Dean Sawyer
Laura Swanson
Planning Commission: Jim Patrick, Chair
Bob Berman
William Branigan
Rod Croteau
Gary East
Michael Franklin
Lee Hardy
City Manager: Spencer Nebel
City Recorder: Peggy Hawker
Community Development Director: Derrick Tokos
Executive Assistant: Wanda Haney
Urban Renewal Advisory Committee:
Ralph Busby, City Council Member
Rod Croteau, Planning Commission and Agate Beach resident
Caroline Bauman, Yaquina Bay Economic Foundation
Wayne Belmont, Lincoln County
Ken Brown, Port of Newport
Chris Chandler, Central Lincoln Public Utility District
Lorna Davis, Greater Newport Chamber of Commerce
Frank Geltner, City Center Newport Association
Don Huster, Newport Budget Committee
Tim Kaufman, Lincoln County School District
Don Mann, Lincoln County
Robert McAfee, Citizen at large
Bill Posner, Citizen at large
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I. DEFINITIONS

“Advisory Committee” means the committee composed of public officials and consultants to provide input on the McLean Point Urban Renewal Plan. Those members are identified on the acknowledgement page of the urban renewal plan.

“Agency” means the Newport Urban Renewal Agency. This Agency is responsible for administration of the urban renewal plan. In Newport, the Agency is the Newport City Council.

“Annual report” means annual report on impacts to taxing jurisdictions and former year and following year budgets as required in ORS 457.460.

“Area” means the properties and rights of way located with the McLean Point urban renewal boundary.

“Blight” is defined in ORS 457.010(1)(A-E) and identified in the ordinance adopting the urban renewal plan.

“City” means the city of Newport, Oregon.

“City Council” or “Council” means the City Council of the city of Newport.

“Comprehensive Plan” means the city of Newport comprehensive land use plan and its implementing ordinances, policies and standards.

“County” means Lincoln County.

“Fiscal year” means the year commencing on July 1 and closing on June 30.

“Frozen base” means the total assessed value including all real, personal, manufactured and utility values within an urban renewal area at the time of adoption. The county assessor certifies the assessed value after the adoption of an urban renewal plan.

“Increment” means that part of the assessed value of a taxing district attributable to any increase in the assessed value of the property located in an urban renewal area, or portion thereof, over the assessed value specified in the certified statement.

“Maximum indebtedness” means the amount of the principal of indebtedness included in a plan pursuant to ORS 457.190 and does not include indebtedness incurred to refund or refinance existing indebtedness.

“Newport Transportation Systems Plan (TSP)” means the transportation system plan adopted by the Newport City Council.

“ORS” means the Oregon revised statutes and specifically Chapter 457, which relates to urban renewal.

“Planning Commission” means the Newport Planning Commission.

“Revenue Sharing” means sharing tax increment proceeds as defined in ORS 457.470.

“Tax increment financing (TIF)” means the funds that are associated with the division of taxes accomplished through the adoption of an urban renewal plan.

“Tax increment revenues” means the funds allocated by the assessor to an urban renewal area due to increases in assessed value over the frozen base within the area.

“Under-levy” means taking less than the available tax increment in any year as defined in ORS 457.455.

“Urban renewal agency” or “Agency” means an urban renewal agency created under ORS 457.035 and 457.045. This agency is responsible for administration of the urban renewal plan.

“Urban renewal area” means a blighted area included in an urban renewal plan or an area included in an urban renewal plan under ORS 457.160.

“Urban renewal plan” or “Plan” means a plan, as it exists or is changed or modified from time to time, for one or more urban renewal areas, as provided in ORS 457.085, 457.095, 457.105, 457.115, 457.120, 457.125, 457.135 and 457.220.

“Urban renewal project” or “project” means any work or undertaking carried out under ORS 457.170 in an urban renewal area.

“Urban renewal report” or “Report” means the official report that accompanies the urban renewal plan pursuant to ORS 457.085(3).

II. INTRODUCTION

The McLean Point Urban Renewal Plan (Plan) has been developed for the Newport City Council (City Council) with the cooperative input of an Urban Renewal Advisory Committee (Advisory Committee) and community input from two urban renewal public meetings.

The Advisory Committee met six times to review components of the Plan and Report accompanying the Plan (Report), specifically the goals and objectives, projects, amendment procedures, duration of the Plan, under-levy provisions, socio-economic data, funding, and financial tables in the Report. The Advisory Committee also reviewed the input from the public meetings. The Advisory Committee voted unanimously of those present to forward the Plan and Report to the Newport Urban Renewal Agency for their consideration. There were representatives of the community at the majority of the Advisory Committee meetings.

The first public meeting was held on July 27, 2015 at which approximately 47 citizens participated. Staff and the consultant provided background information on urban renewal, the proposed plan and on the process for adoption of an urban renewal plan. Comment forms were available for interested parties to complete. The comments received were compiled and placed on the city of Newport website. In addition, where appropriate, responses to the comments were drafted and also posted to the website and distributed at the second open house and to the Newport Urban Renewal Agency as part of the staff report on the process of preparing the urban renewal plan.

The second public meeting was an urban renewal open house on August 31, 2015 at which 75 people signed in and others attended, but chose not to sign in. Staff provided general urban renewal information, background information on why to consider urban renewal at this time, an overview of the potential projects, and answered questions. Attendees were provided opportunities to provide input at 5 different stations in the room, one of which was for the McLean Point Urban Renewal Area. Although comments were received in writing at every other station, there were no comments received on the McLean Point Urban Renewal Plan.

In addition, the consultant and city staff briefed the Newport Port Commission on both urban renewal plans on August 18, 2015. Staff briefed the Lincoln County Commission on September 2, 2015.

There was also opportunity for public input at the Advisory Committee meetings, the Newport Urban Renewal Agency (Agency) meeting, the Newport Planning

Commission (Planning Commission) meeting, the Newport Port Commission meeting, and the City Council meeting.

The Plan contains goals, objectives, and projects for the development of the McLean Point Urban Renewal Area (Area). The overall purpose of the Plan is to use tax increment financing to overcome obstacles to the proper development of the Area.

The purpose of urban renewal is to improve specific areas of a city that are poorly developed or underdeveloped, called blighted areas in ORS 457. These areas can have old or deteriorated buildings, public spaces that need improvements, streets and utilities in poor condition, a complete lack of streets and utilities altogether, or other obstacles to development. The McLean Point Area has infrastructure needs as identified in the Report accompanying the McLean Point Urban Renewal Plan and specifically cited in the ordinance for adoption of the urban renewal plan.

Urban renewal allows for the use of tax increment financing (TIF), a financing source that is unique to urban renewal, to fund its projects. Tax increment revenues – the amount of property taxes generated by the increase in total assessed values in the urban renewal area from the time the urban renewal area is first established – are used to repay borrowed funds. The funds borrowed are used to pay for urban renewal projects.

In general, urban renewal projects can include construction or improvement of streets, utilities, and other public facilities; assistance for rehabilitation or redevelopment of property; acquisition and re-sale of property (site assembly) from willing sellers; and improvements to public spaces. The specific projects to be approved in this Plan are outlined in Sections IV and V.

Urban renewal is put into effect when the local government (the City of Newport, in this case) adopts an urban renewal plan. The urban renewal plan defines the urban renewal area, states goals and objectives for the area, lists projects and programs that can be undertaken, provides a dollar limit on the funds borrowed for urban renewal projects, and states how the plan may be changed in the future.

The Area, shown in Figure 1, consists of approximately 73.44 total acres: 66.93 acres of land in parcels and 6.54 acres of public right-of-way.

The Plan will be administered by the Newport Urban Renewal Agency (Agency), which was established by the Newport City Council as the City's Urban Renewal Agency. Substantial changes to the plan must be approved by the city Council. Major changes to the Plan, if necessary, must be approved by the City Council, after recommendation from an advisory committee comprised of the Newport Port Commission and a representative of property owners in the Area, as appointed by the City Council, and an

ad-hoc advisory committee as outlined in the Amendments Section, Section IX of this Plan.

The Plan is accompanied by an Urban Renewal Report (Report) that contains additional information, as required by ORS 457.085. The technical information in the Report includes:

- A description of the physical, social, and economic conditions in the area;
- Expected impact of the Plan, including fiscal impact in light of increased services;
- Reasons for selection of each Area in the Plan;
- The relationship between each project to be undertaken and the existing conditions;
- The total cost of each project and the source of funds to pay such costs;
- The estimated completion date of each project;
- The estimated amount of funds required in the Area, and the anticipated year in which the debt will be retired;
- A financial analysis of the Plan;
- A fiscal impact statement that estimates the impact of tax increment financing upon all entities levying taxes upon property in the urban renewal area; and
- A relocation report.

It is anticipated that the Plan will take 20 years to implement. The maximum amount of indebtedness (amount of tax increment financing for projects and programs) that may be issued for the Plan is \$2,080,000.

Future amendments will be listed numerically in this section of the Plan and then incorporated into the Plan document and noted by footnote as to amendment number and date adopted.

III. GOALS AND OBJECTIVES

The goals of the Plan represent the basic intents and purposes. Accompanying each goal are objectives, which generally describe how the Agency intends to achieve the goals. The urban renewal projects identified in Sections IV and V of the Plan are the specific means of meeting the objectives. The goals relate to adopted plans, as detailed in Section XII, and were developed with input from the Newport Urban Renewal Plan Advisory Committee. The goals and objectives will be pursued as economically as is feasible and at the discretion of the Agency. The goals and objectives are not ranked by priority.

Goal 1: *PUBLIC INVOLVEMENT*

Maintain a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the urban renewal implementation process.

Objectives:

1. Provide opportunities for public input throughout the implementation process.
2. Establish the Port Commission as the ongoing Citizens' Advisory Committee to assist the Urban Renewal Agency in decisions regarding plan implementation as identified in the Amendments section of the Plan. Provide for one member of the CAC to be a representative of the property owners within the Area, as appointed by the Agency.
3. Utilize ad hoc advisory committees to review major changes to projects, programs or goals and objectives in the Plan as identified in the Amendments section of the Plan.

Goal 2: *PUBLIC PARTNERSHIPS: PORT*

Coordinate with the Port of Newport on shared economic development objectives.

Objectives:

1. Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan.
2. Coordinate adequate infrastructure to facilitate development opportunities in the Area.
3. Coordinate provision of infrastructure to the International Terminal.

Goal 3: *ECONOMY*

Collaborate with the Port of Newport on the implementation of its Capital Improvement Plan. Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs. Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 4: *INFRASTRUCTURE*

Assure adequate planning for public facilities to meet the changing needs of the City of Newport urbanizable area. Provide a storm water drainage system, water system, wastewater collection and treatment system with sufficient capacity to meet the present and future needs of the Newport urbanizable area. Provide a safe and efficient multi-modal transportation system consistent with the Transportation System Plan.

Objectives:

1. Build utility infrastructure to accommodate growth in the Area.
2. Identify and make infrastructure investments on opportunity sites.
3. Assist in the improvement of transportation infrastructure to support existing development and allow for future development.

Goal 5: *FISCAL STEWARDSHIP*

Work with taxing jurisdictions to both inform them of the annual project and financial activities of the urban renewal area and to evaluate opportunities to share tax increment revenues.

Objectives:

1. Send a copy of the annual project and financial report to all taxing jurisdictions, informing them of the activities of the urban renewal area.
2. Notify taxing jurisdictions of revenue sharing responsibilities and the timing of those responsibilities.
3. Reimburse city for annual costs in administering the urban renewal area.

Figure 1 – McLean Point Urban Renewal Area Boundary



Newport McLean Point UR Option

-  Port_Option_7-7-15 : McLean Point Proposed Boundary
-  Parcel Boundaries

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IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES

The projects within the Area include:

Public infrastructure and transportation improvements

Debt Service and plan administration

V. URBAN RENEWAL PROJECTS

Urban renewal projects authorized by the Plan are described below. Public improvements authorized under the Plan include upgrading of infrastructure including transportation and utilities to encourage development.

A. *Infrastructure Improvements*

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains

Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

- Storm drainage improvements

A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

- Water line or other utility extensions and upgrades

Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban

renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber, and natural gas extensions to new industrial buildings are also necessary.

- Street improvements

Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

B. Debt Service and Plan Administration

This project will allow for the repayment of costs associated with the implementation of the McLean Point Urban Renewal Plan. It also includes ongoing administration and any financing costs associated with issuing long and short term debt, relocation costs and other administrative costs.

The way the projects relate to the goals and objectives is shown in Table 1.

Table 1 – Projects and Relationship to Goals and Objectives

Projects	Goals and Objectives
Sewer pump station and mains	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Storm drainage	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Other utility extensions/upgrades	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Street improvements	Goal 2, Obj. 1,2,3; Goal 3, Obj. 1,2; Goal 4, Obj. 1,2,3
Administration	Goal 1, Obj. 1,2,3; Goal 5, Obj. 1,2,3

VI. PROPERTY ACQUISITION AND DISPOSITION

The Plan authorizes the acquisition and disposition of property as described in this section. Property includes any and all interests in property, including fee simple ownership, lease, easements, licenses, or other rights to use.

A. Property acquisition for public improvements

The Agency may acquire any property within the Area for the public improvement projects undertaken pursuant to the Plan by all legal means, including use of eminent domain. Good faith negotiations for such acquisitions must occur prior to institution of eminent domain procedures.

B. Property acquisition – from willing sellers

The Plan authorizes Agency acquisition of any interest in property within the Area that the Agency finds is necessary to support private redevelopment, but only in those cases where the property owner wishes to convey such interest to the Agency. The Plan does not authorize the Agency to use the power of eminent domain to acquire property from a private party to transfer property to another private party for private redevelopment. Property acquisition from willing sellers may be required to support development of projects within the Area.

C. Land disposition

The Agency will dispose of property acquired for a public improvement project by conveyance to the appropriate public agency responsible for the construction and/or maintenance of the public improvement. The Agency may retain such property during the construction of the public improvement.

The Agency may dispose of property acquired under Subsection B of this Section VI by conveying any interest in property acquired. Property shall be conveyed at its fair reuse value. Fair reuse value is the value, whether expressed in terms of rental or capital price, at which the urban renewal agency, in its discretion, determines such land should be made available in order that it may be developed, redeveloped, cleared, conserved, or rehabilitated for the purposes specified in such plan. Because fair reuse value reflects limitations on the use of the property to those purposes specified in the Plan, the value may be lower than the property's fair market value.

Where land is sold or leased, the purchaser or lessee must agree to use the land for the purposes designated in the Plan and to begin and complete the building of its improvements within a period of time that the Agency determines is reasonable.

VII. RELOCATION METHODS

When the Agency acquires occupied property under the Plan, residential or commercial occupants of such property shall be offered relocation assistance, as required under applicable state law. Prior to such acquisition, the Agency shall adopt rules and regulations, as necessary, for the administration of relocation assistance.

VIII. TAX INCREMENT FINANCING OF PLAN

Tax increment financing consists of using annual tax increment revenues to make payments on loans, usually in the form of tax increment bonds. The proceeds of the bonds are used to finance the urban renewal projects authorized in the Plan. Bonds may be either long-term or short-term.

Tax increment revenues equal most of the annual property taxes imposed on the cumulative *increase* in assessed value within an urban renewal area over the total assessed value at the time an urban renewal plan is adopted. (Under current law, the property taxes for general obligation (GO) bonds and local option levies approved after October 6, 2001 are not part of the tax increment revenues.)

A. General description of the proposed financing methods

The Plan will be financed using a combination of revenue sources. These include:

- Tax increment revenues;
- Advances, loans, grants, and any other form of financial assistance from the federal, state, or local governments, or other public bodies;
- Loans, grants, dedications, or other contributions from private developers and property owners, including, but not limited to, assessment districts; and
- Any other public or private source.

Revenues obtained by the Agency will be used to pay or repay the costs, expenses, advancements, and indebtedness incurred in (1) planning or undertaking project activities, or (2) otherwise exercising any of the powers granted by ORS Chapter 457 in connection with the implementation of this Plan.

B. Tax increment financing and maximum indebtedness

The Plan may be financed, in whole or in part, by tax increment revenues allocated to the Agency, as provided in ORS Chapter 457. The ad valorem taxes, if any, levied by a taxing district in which all or a portion of the Area is located, shall be divided as provided in Section 1c, Article IX of the Oregon Constitution, and ORS 457.440. Amounts collected pursuant to ORS 457.440 shall be deposited into the unsegregated tax collections account and distributed to the Agency based upon the distribution schedule established under ORS 311.390.

The maximum amount of indebtedness that may be issued or incurred under the Plan, based upon good faith estimates of the scope and costs of projects in the Plan and the schedule for their completion is \$2,080,000 (two million and eighty thousand dollars). This amount is the principal of such indebtedness and does not include interest or indebtedness incurred to refund or refinance existing indebtedness or interest earned on bond proceeds. It does include initial bond financing fees and interest earned on tax increment proceeds, separate from interest on bond proceeds.

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IX. FUTURE AMENDMENTS TO PLAN

The Plan may be amended as described in this section.

A. Substantial Amendments

Substantial Amendments, in accordance with ORS 457.085(2)(i), shall require the same notice, hearing, and approval procedure required of the original Plan, under ORS 457.095, including public involvement, consultation with taxing districts, presentation to the Agency, the Planning Commission, and adoption by the City Council by non-emergency ordinance after a hearing. Notice of such hearing shall be provided to individuals or households within the City of Newport, as required by ORS 457.120. Notice of adoption of a Substantial Amendment shall be provided in accordance with ORS 457.095 and 457.115.

Substantial Amendments are amendments that:

1. Add land to the urban renewal area, except for an addition of land that totals not more than 1% of the existing area of the urban renewal area; or
2. Increase the maximum amount of indebtedness that can be issued or incurred under the Plan.

B. Major Amendments

Major amendments require adoption of a resolution by the Agency. Major amendments will be reviewed by an advisory committee comprised of the Newport Port Commission and a representative of property owners in the Area, as appointed by the City Council, and by an ad hoc advisory committee, both of whom will send an advisory recommendation to the Agency.

Major amendments are amendments that:

1. Increase in the duration of the timeframe for the urban renewal area. Any increase in the duration of the timeframe of the urban renewal area will also require consultation with affected taxing districts.
2. Deletion of land that totals more than 1% of the existing area of the urban renewal area.
3. Addition of any new project where the project cost is in excess of \$500,000 as indexed annually by the inflation rate used in the Report accompanying the adoption of the McLean Point Urban Renewal Plan or any subsequent Report for a Substantial Amendment, whichever is most current. A new

project is a project that is not already designated in the Plan or does not fall within one of the general categories of projects designated in the Plan.

C. *Minor Amendments*

Minor Amendments are amendments that are not Substantial Amendments as defined in this Plan and in ORS 457 and are not Major Amendments as defined in this Plan. Minor Amendments require approval by the Agency by resolution.

D. *Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance*

Amendments to the Newport Comprehensive Plan and/or Newport Zoning Ordinance that affect the Urban Renewal Plan and/or the Urban Renewal Area shall be incorporated automatically within the Urban Renewal Plan without any separate action required by the Agency or the City Council.

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Figure 2 – Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

- | | |
|--|--|
|  Commercial |  Industrial |
|  Low Density Residential |  Public |
|  High Density Residential |  Shore |

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X. DURATION OF THE PLAN

This Plan will not exceed 20 years from the date of adoption. The financial analysis projects a 16 year plan.

XI. FISCAL STEWARDSHIP

A. Annual Report

The Agency will prepare an annual report as required by ORS 457.460. In addition to the requirements stated therein, the Agency will send a copy of the annual project and financial report to all taxing jurisdictions.

B. Revenue Sharing

The Agency will notify the taxing jurisdictions of revenue sharing responsibilities of the Plan as defined in ORS 457.470 and as analyzed in the Report accompanying the Plan and any Substantial Amendment. The analysis will include the projected timing of revenue sharing.

C. Administration

The Agency is the body designated with implementation of the Plan. The Agency has no paid employees. Actual implementation of the Plan is done by City of Newport (City) employees. In order to ensure sufficient resources are available to efficiently administer the Plan, the cost of administration will be an eligible project of the Plan through reimbursement by the Agency of costs incurred by the City. The costs of administration allocated to the Plan will be evaluated and established in the annual budgeting process. After the annual budget is complete, an Order will be adopted by the Agency to memorialize the agreement between the Agency and the City as to the administrative costs to be incurred that year.

XII. RELATIONSHIP TO LOCAL OBJECTIVES

The Plan relates to local planning and development objectives contained within the City of Newport's Comprehensive Plan, Newport Municipal Code (Section 17: Zoning Ordinance), and the Transportation System Plan. The following section describes the purpose and intent of these plans, the particular goals and policies within each planning document to which the proposed Plan relates, and an explanation of how the Plan relates to these goals and policies. The numbering of the goals, policies, and implementation strategies will reflect the numbering that occurs in the original document. Italicized text is text that *has* been taken directly from an original planning document. The Zoning and Comprehensive Plan designations are shown in Figure 2. The maximum densities and building requirements are contained in the Newport Zoning Ordinance. The proposed land uses conform to Figure 2.

This is not a comprehensive list of all parts of the Newport Comprehensive Plan that are supported by this Plan. This list includes the major Goals and Policies from the Comprehensive Plan that are supported, however, there may be other Goals and Policies that are not listed, but are still supported by this Plan.

A. City of Newport Comprehensive Plan

Goal: Economy

Create conditions that are attractive to the growth of existing business and attract new businesses to Newport to create new jobs.

Provide an adequate number of sites of suitable sizes, types, and locations to accommodate a variety of economic opportunities over the planning period.

Policy 1. The City shall help facilitate growth of employment in the marine and ocean observing research and education cluster.

Policy 3. The City shall coordinate with the Port of Newport on shared economic development objectives.

Policy 4. The City shall encourage growth of businesses involved with fishing and value-added seafood.

Policy 6. The City shall encourage better use of underutilized and/or blighted commercial sites.

Action 6.1 Evaluate creation of urban renewal district north of Yaquina Bay

Policy 7. The city shall ensure an adequate supply of commercial and industrial support sites.

The Plan conforms to the Economy goal as it contains projects to upgrade the transportation and utility infrastructure, to support existing business and allow for development of new businesses to create jobs, utilizing underutilized and/or blighted sites. Those jobs could help facilitate the growth of the Marine and ocean observing research and education clusters, and encourage growth of businesses involved with fishing and value added seafood. The Plan conforms to the Economy goal as it coordinates with the Port of Newport on shared economic development objectives.

Goal: Infrastructure and Public Facilities

Make investments in infrastructure and public facilities to support the target industries.

Policy 8. Identify and make infrastructure investments on opportunity sites.

Action 8.2 Coordinate provision of infrastructure to the International Terminal.

Action 8.4 Develop infrastructure needed to support fishing and seafood processing.

The Plan conforms to the Infrastructure and Public Facilities goal as it contains projects that will upgrade the infrastructure in the area to allow for future development providing jobs in the area. This infrastructure includes infrastructure to the International Terminal and infrastructure needed to support fishing and seafood processing.

Goal: Yaquina Bay and Estuary

To recognize and balance the unique economic, social, and environmental values of the Yaquina Bay Estuary.

Policy 1. Balanced use of estuary. The City of Newport shall continue to ensure that the overall management of the Yaquina Bay estuary shall provide for the balance development, conservation, and natural preservation of the Yaquina Bay estuary as appropriate in various areas.

Policy 3. Use priorities. The general priorities (from highest to lowest) for management and use of Yaquina Bay estuary resources as implemented through the management unit designation and permissible use requirements listed below shall be:

a.) uses which maintain the integrity of the estuarine ecosystem;

- b.) *water dependent uses requiring S during location, as consistent with the overall Oregon Estuarine Classification;*
- c.) *water related uses which do not degrade or reduce the natural estuarine resources and values;*
- d.) *nondependent, nonrelated uses which do not alter, reduce, or degrade estuarine resources and values.*

Policy 5: Dredged Material Disposal Sites. Dredged material disposal sites identified in the Yaquina Bay and River Dredged Material Disposal Plan, which are located within the Newport urban growth boundary, shall be protected. Development that would preclude the future use of these sites for dredged material disposal shall not be allowed unless a demonstration can be made that adequate alternative disposal sites are available.

Policy 6. Protection of Mitigation Sites. The city shall work with Lincoln County, the Port of Newport, and state and federal agencies to assure that potential mitigation or restoration sites are protected from new uses of activities that would prevent their ultimate use for mitigation or restoration. No potential mitigation sites have been identified or designated within Newport urban growth boundary.

Policy 7. Bayfront Uses. The city shall encourage a mix of uses on the bayfront. Preferentially given to water dependent or water related uses for properties adjacent to the bay. Non-water dependent or related uses shall be encouraged to locate on upland properties.

Policy 8: Water Dependent Zoning Districts. Areas especially suited for water dependent development shall be protected for that development by the application of the W 1/"Water Dependent" zoning district. Temporary uses that involve minimal capital investment and no permanent structures shall be allowed, and uses in conjunction with and incidental to water dependent uses may be allowed.

Policy 10: Impact Assessment. Actions and estuary which-- by their size, duration, or location relative to important natural resources-- would potentially alter the estuarine ecosystem shall be preceded by a clear presentation of the impacts of the proposed alteration. Such activities include dredging, fill, in water structures, riprap, log storage, application of pesticides and herbicides, water intake or withdrawal and effluent discharge, slow lane disposal of dredge material, and other activities which could affect that estuaries physical processes or biological resources.

This urban renewal plan conforms to the Yaquina Bay and Estuary goal by facilitating the development of water dependent industrial uses in and around the Port of Newport's International Terminal consistent with the "development" designation given to the area in the Yaquina Bay Estuary Management Plan. As required by Statewide Planning Goal 16, and consistent with Policy 1 of this goal, the Yaquina Bay Estuary Management Plan classifies areas in the estuary and bay into natural, conservation, and development management units. Portions of the bay and estuary adjacent to this urban renewal plan fall within Estuarine Management Unit No. 5, which covers areas along the north shore of the bay from the Yaquina Bay Bridge to McLean Point. This estuarine management unit was given a "development" designation in the Estuary Management Plan because of the presence of port facilities and the water-dependent uses that exist along the waterfront. The management objective for this portion of the estuary is to promote port development and the development of other water dependent uses in keeping with the scenic, historic, and unique characteristics of the area. The urban renewal plan furthers this objective by providing funding to cover the cost of infrastructure needed to support water dependent industrial development at the recently reconstructed International Terminal and adjacent undeveloped land at McLean Point.

Relevant portions of the Estuary Management Plan, along with detailed explanations of the Estuarine Management Units and their associated management objectives have been incorporated into the City of Newport's Comprehensive Plan and Zoning Ordinance. Water dependent zoned land within the urban renewal plan area prioritize uses and prohibit development that does not need contact with or use of water for transportation, recreation, energy production or water supply consistent with Yaquina Bay and Estuary Policies 3, 7, and 8. The urban renewal plan does not include projects that would preclude the disposal of dredge material in upland areas, as provided in Policy 5, and lands subject to the plan have not been designated as mitigation or restoration sites as outlined in Policy 6. The Newport Zoning Ordinance requires impact assessments for in-water development, consistent with Policy 10, in the event that infrastructure that is to be funded with this plan extends into the estuary.

Heavy industrial zoned lands within the urban renewal plan are not adjacent to the estuary and are not subject to the Yaquina Bay and Estuary Goal. The City of Newport Comprehensive Plan contains policies that are relevant to natural and conservation estuarine management units. Those policies are not listed in this

plan because the management units are not present within the urban renewal area.

B. Newport Economic Opportunity Analysis

The Newport Economic Opportunity Analysis is incorporated under the Economy section of the comprehensive plan, identified above.

C. Port of Newport Capital Facilities Plan

The Port of Newport’s Strategic Business Plan establishes the vision of the future within the Port’s sphere of influence. It embodies what the Port wants to be at a chosen point in time. The determination of needed facility improvements, estimated project costs, and the scheduling over time of improvement implementation are the essential tasks of Capital Facilities Plan (CFP). The scheduling is based on a series of priorities according to need, desire, and importance, and to the Port’s ability to pay. Capital improvement planning provides the vital link between the Ports’ Strategic Plan and the actual construction of improvements. The CFP states when the improvements will be built and what they will cost.

Projects	
Pavement Reconstruction/Seal Coating	\$400,030
International Terminal Fire Water Line Loop	\$127,355

XIII. APPENDIX A: LEGAL DESCRIPTION

**INSERT TEXT LEGAL DESCRIPTION OF URBAN RENEWAL DISTRICT BOUNDARY
THAT IS CONSISTENT WITH THE ENCLOSED MAP**

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REPORT ACCOMPANYING MCLEAN POINT URBAN RENEWAL PLAN

Adopted by the City of Newport

DATE

Ordinance No. ____

McLean Point Urban Renewal Area

Elaine Howard Consulting, LLC

Elaine Howard

ECONorthwest

Nick Popunek

Rob Wyman

Ali Danko

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I. INTRODUCTION

The Report on the McLean Point Urban Renewal Plan (Report) contains background information and project details that pertain to the McLean Point Urban Renewal Plan (Plan). The Report is not a legal part of the Plan, but is intended to provide public information and a basis for the findings made by the City Council as part of the approval of the Plan.

The Report provides the analysis required to meet the standards of ORS 457.085(3), including financial feasibility. The format of the Report is based on this statute. The Report documents not only the proposed projects in the Plan, but also documents the existing conditions in the McLean Point Urban Renewal Area (Area).

However, the Report provides only guidance on how the urban renewal plan might be implemented. As the urban renewal agency reviews revenues and potential projects each year, they have the authority to make adjustments to the assumptions in this Report. They may allocate budgets differently, adjust the timing of the projects, decide to incur debt at different timeframes than projected in this Report, and make other changes, as allowed in the amendments section of the Plan.

Figure 1 – McLean Point Urban Renewal Plan Area Boundary



Newport McLean Point UR Option

 Port_Option_7-7-15 : McLean Point Proposed Boundary

 Parcel Boundaries

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II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES

This section of the Report describes existing conditions within the McLean Point Urban Renewal Area and documents the occurrence of “blighted areas,” as defined by ORS 457.010(1).

A. Physical Conditions

1. Land Use

According to data obtained from the City of Newport and Lincoln County Assessor’s office, the Area, shown in Figure 1 above, contains 6 parcels and consists of 66.9 acres in parcels and 6.54 acres of public right-of-way, for a total size of 73.44 acres.

An analysis of property classification data from the City of Newport and Lincoln County Assessment and Taxation database was used to determine the land use designation of parcels in the Area. Within the Area, the largest use of land is Exempt: Potential Development Improved (96% of total acreage).

Table 1 – Existing Land Use of Area

Land Use	Parcels	Acreage	% of Total Acreage
Exempt Potential Development Improved	4	64.1	95.7%
Industrial Improved	2	2.8	4.3%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

2. Zoning and Comprehensive Plan Designations

The zoning code establishes districts to control land use throughout the city and regulates development standards within these established use districts.

As illustrated in Table 2a, the large majority (62%) of the Area by acreage is zoned as I-3/“Heavy Industrial” and W-1/“Water Dependent”.

Table 2a – Existing Zoning Plan Designations of Area

Zoning	Parcels	Acreage	% of Total Acreage
Heavy Industrial/Water Dependent	1	41.3	61.7%
Water Dependent	2	13.2	19.7%
Heavy Industrial	2	12.4	18.5%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

As illustrated in Table 2b, 62% of the acreage is both Industrial and Shoreland in the Comprehensive Plan. This is the largest parcel, and the comprehensive plan designations are split on this parcel. These can be seen in Figure 2.

Table 2b – Existing Comprehensive Plan Designations of Area

Comprehensive Plan	Parcels	Acreage	% of Total Acreage
Industrial and Shoreland	1	41.3	61.7%
Shoreland	2	13.2	19.7%
Industrial	3	12.4	18.6%
Total	6	66.9	100%

Source: Lincoln County Assessor Data

Figure 2 – Area Comprehensive Plan Designations



Newport McLean Point UR - Comprehensive Plan Designations

- | | |
|--|--|
|  Commercial |  Industrial |
|  Low Density Residential |  Public |
|  High Density Residential |  Shore |

0 500 ft

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B. Infrastructure

1. Streets

The streets within the Area do not have turn lanes and require other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. There are not sufficient internal streets to allow for development of the Area.

2. Water

Water service is available from Bay Boulevard. There are not sufficient extensions of the water service into the Area to allow for development of the Area.

3. Storm Water

The storm water system in the Area needs significant improvement. As this is a low lying area, McLean Point is on the receiving end of upslope drainage. A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

4. Sanitary Sewer

The Area requires installation of a pump station to facilitate development. The pump station would replace a smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve upslope residential development. The Area also requires a sewer main from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard.

5. Other Utilities

Electrical, fiber, and natural gas services are available, but will need to be extended into the area to support development.

C. Social Conditions

There are no residential properties in the Area.

D. Economic Conditions

1. Taxable Value of Property within the Area

The total taxable property in the Area is estimated at \$3,514,349. If an urban renewal plan is adopted, the Lincoln County Assessor will calculate the frozen base using tax accounts for all of the real, personal, manufactured, and utility properties in the Area. The total assessed value of the City of Newport is \$1,243,361,351.¹

2. Building to Land Value Ratio

An analysis of property values can be used to evaluate the economic condition of real estate investments in a given area. The relationship of a property's improvement value (the value of buildings and other improvements to the property) to its land value is generally an accurate indicator of the condition of real estate investments. This relationship is referred to as the "Improvement to Land Ratio," or "I:L." The values used are real market values. In urban renewal areas, the I:L may be used to measure the intensity of development or the extent to which an area has achieved its short- and long-term development objectives. A healthy condition of real estate investment in the Area would be 2:1 or more. Seventy-nine percent of the properties are underdeveloped according to the I:L ratios. The majority of the properties are presently exempt from taxation. The area, as a whole, is underdeveloped and not contributing to the tax base in Newport.

Table 3 – I:L Ratio of Parcels in the Area

I:L Ratio	Parcels	Acreage	% of Total Acreage
No Improvements	1	8.79	13.13%
0.00 - 0.50	2	44.46	66.43%
0.51 - 1.00	2	2.85	4.26%
>5.0	1	10.83	16.18%
Total	6	66.93	100.00%

Source: Lincoln County Assessor Real Market Value data

¹ Data from Lincoln County Assessor's 2014-15 tax roll summary

E. Impact on Municipal Services

The fiscal impact of tax increment financing on taxing districts that levy taxes within the Area (affected taxing districts) is described in Section IX Impact of Tax Increment Financing of this Report. This subsection discusses the fiscal impacts resulting from potential increases in demand for municipal services.

The projects being considered for future use of urban renewal are utility and transportation projects. The use of urban renewal funding for these projects allows the City to match other funding sources to actually construct the improvements. It also allows the City to tap a different funding source besides the City of Newport's general funds or system development charge (SDC) funds to make these improvements.

It is anticipated that these improvements will catalyze development on the undeveloped and underdeveloped parcels. This development will require city services. However, since the property is within the city limits, the city has anticipated the need to provide infrastructure to the Area. As the development will be new construction or redevelopment, it will be up to current building code and will aid in any fire protection needs.

These impacts will be countered by, in the future, placing property back on the property tax rolls and providing future jobs to the Newport area and future increased tax base for all taxing jurisdictions.

III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN

The reason for selecting the Area is to provide the ability to fund improvements necessary to cure blight within the Area.

IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA

The projects identified for the Area are described below, including how they relate to the existing conditions in the Area. McLean Point is an underdeveloped, low lying peninsula that is ideally situated for industrial use that complements the nearby Port of Newport International terminal. The property lacks sewer and water service and includes a number of wetlands that would need to be mitigated and or managed in order for the area to be fully developed.

The projects are listed in no particular order.

A. Infrastructure Improvements

1. Upgrade/provide infrastructure as necessary to allow for the development or redevelopment of parcels within and adjacent to the urban renewal area. The specific projects include:

- Sewer pump station and mains
Install a sewer pump station, which will likely be situated at the northeast corner of the Area, adjacent to Bay Boulevard. This pump station would replace the smaller facility at the intersection of Running Springs and Bay Boulevard that is undersized and was constructed to serve the upslope residential development. A sewer main would be constructed from the new pump station west along Bay Boulevard to tie into the City's existing gravity main just west of the intersection of SE Vista Drive and Bay Boulevard. Planning level design requirements will be included in the sewer master plan that the City of Newport is preparing.

Existing conditions: The Area lacks sewer service and is therefore undevelopable.

- Storm drainage improvements
A storm drainage system will be constructed to collect and manage the run-off. Drainage improvements will also be needed to manage run-off attributed to the reconfiguration or mitigation of on-site wetlands so that the site can reach its industrial development potential.

Existing conditions: The Area is a low lying area, on the receiving end of upslope drainage with some wetlands onsite. The storm drainage system is inadequate in the Area.

- Water line or other utility extensions and upgrades
Water service is available from Bay Boulevard; however, public mains will need to be extended into the site to support industrial uses. Mains will need to be extended in a manner that will allow a future, under bay crossing. The under bay crossing would be a separate project that is not part of the urban renewal project scope, but is likely to be needed so that the city has a second redundant line for providing water to portions of the city south of the bay. Electrical, fiber and natural gas extensions to new industrial buildings are also necessary.

Existing conditions: The Area lacks adequate water service to support industrial uses. There are no electrical extensions to allow for hook up to new industrial buildings.

- Street improvements
Street improvements may include turn lanes and other traffic management improvements at access points onto Bay Boulevard to ensure safe points of ingress and egress for industrial users. A public or private street might also be extended into the Area to serve development.

Existing conditions: The Area lacks street improvements to support industrial uses within the Area and lacks adequate transportation infrastructure to tie into the existing transportation network outside of the Area.

B. Debt Service and Administration

This project will allow for the repayment of costs associated with financing costs associated with issuing long or short-term debt and other administrative costs in administering the Plan.

Existing Conditions: As there is currently no urban renewal program, these activities do not exist.

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V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS

The costs of the projects are shown in Table 4. The sources of funds in the urban renewal column are tax increment revenues. There will be other funding sources sought to leverage urban renewal funds. These sources include Port of Newport funds, city of Newport general funds, system development funds, state funding, or other sources of funding the City may identify, including private developer contributions.

The allocations are the best estimates of expenditures at the time of preparation of the urban renewal plan. The Agency will be able to review the allocations on an annual basis when they prepare the budget.

Table 4 – Projects to be Completed Using Urban Renewal Area Funds

Projects	Urban Renewal	Estimated total cost
Sewer pump station and mains	\$1,000,000	\$3,000,000
Storm drainage	\$500,000	\$1,000,000
Other utility extensions/upgrades	\$250,000	\$500,000
Street improvements	\$250,000	\$500,000
Total	\$2,000,000	\$5,000,000

Source: City of Newport/Newport Port

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT

The infrastructure projects will be scheduled as development requires the infrastructure. The projects will be ongoing and will be completed as directed by the Urban Renewal Agency (Agency). The assumptions on the finance plan are that the initial phase of development could proceed with limited public infrastructure. As that development comes on the tax rolls, there would be sufficient revenue to pay for the projects in the Plan. There is also potential that infrastructure projects to allow for development to proceed would be paid for by a source outside of urban renewal, potential the State of Oregon Infrastructure fund or the city of Newport, or other sources, with repayment coming from the urban renewal area in FY 2018/19. The Area is anticipated to go through FY 2030/31. The projections in the financial model are all based on assumptions provided by the developers and their assumptions include assumptions that the economy is strong and development occurs on schedule.

Projected project dates are in Table 5a. The Agency may change the completion dates in their annual budgeting process or as project decisions are made in administering the urban renewal plan.

A phasing plan is shown in Table 5b.

Table 5a – Projects and Costs in Year of Expenditure Dollars

	Total	2016-17	2017-18	2018-19
PROJECT FUND				
<i>Resources</i>				
Beginning Balance		\$ -	\$ 3,099	\$ 47,028
Pay-as-you-go (Transfer from D/S Reserve Fund)	\$ 79,750	\$ 3,099	\$ 43,914	\$ 32,737
Bond/Loan Proceeds	\$ 2,000,000	\$ -	\$ -	\$ 2,000,000
Interest Earnings	\$ 250	\$ -	\$ 15	\$ 235
Total Resources	\$ 2,080,000	\$ 3,099	\$ 47,028	\$ 2,080,000
<i>Expenditures (nominal \$)</i>				
Sewer pump station and mains	\$ 1,000,000			\$ 1,000,000
Storm drainage improvements	\$ 500,000			\$ 500,000
Other utility extensions/upgrades	\$ 250,000			\$ 250,000
Street improvements	\$ 250,000			\$ 250,000
URA Admin	\$ 80,000			\$ 80,000
Total Expenditures	\$ 2,080,000	\$ -	\$ -	\$ 2,080,000

Source: ECONorthwest

Table 5b – Phasing Plan

	Phase 0 FY2016-2018	Phase I FY2019-2030	Total
Revenues			
<i>Total TIF Revenue</i>	\$47,013	\$3,208,614	\$3,255,627
<i>Debt Service</i>	\$0	(\$3,209,700)	(\$3,209,700)
Pay as you go	\$47,013	\$32,737	\$79,750
Bond/Loan proceeds	\$0	\$2,000,000	\$2,000,000
Interest earnings	\$15	\$235	\$250
Total Revenue for MI	\$47,028	\$2,032,972	\$2,080,000
Expenditures			
Admin Costs	\$0	\$80,000	\$80,000
Project Costs	\$0	\$2,000,000	\$2,000,000
Total Expenditures	\$0	\$2,080,000	\$2,080,000
Project Detail			
Sewer pump station and mains	\$1,000,000		\$1,000,000
Storm drainage improvements	\$500,000		\$500,000
Other utility extensions/upgrades	\$250,000		\$250,000
Street improvements	\$250,000		\$250,000
Total	\$2,000,000		\$2,000,000
Ending Balance	\$47,028	\$0	\$0

Source: ECONorthwest

VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED

Table 6a shows the tax increment revenues and their allocation to loan repayments, reimbursements, debt service, and debt service reserve funds. The Area reaches the point where revenue sharing is required to begin, as implemented by the State in ORS 457.470, and this is further described in the section of this report on Impacts to Taxing Jurisdictions.

It is anticipated that all debt will be retired by FY 2030/31 (any outstanding bonds will be defeased). The maximum indebtedness is \$2,080,000 (two million eight thousand dollars). Table 6b shows the projected debt service, total tax increment revenues and debt service coverage ratio.

The estimated total amount of tax increment revenues required to service the maximum indebtedness of \$2,080,000 is \$3,255,627.

The interest rate for the bond is estimated at 5% with a 20 year term. The time frame of urban renewal is not absolute; it may vary depending on the actual ability to meet the maximum indebtedness. If the economy is slower, it may take longer; if the economy is more robust than the projections, it may take a shorter time period. The Agency may decide to issue bonds on a different schedule, and that will alter the financing assumptions. These assumptions show one scenario for financing and this scenario is financially feasible.

Table 6a – Tax Incremental Revenues and Allocations to Debt Service

	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
DEBT SERVICE FUND								
Resources								
Beginning Fund Balance	0	0	0	0	0	0	0	0
TIF for URA	3,099	43,914	199,351	226,814	297,577	260,000	260,000	260,000
Total Resources	3,099	43,914	199,351	226,814	297,577	260,000	260,000	260,000
Expenditures								
<i>Debt Service</i>								
New Loan 2019			-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Total Debt Service	0	0	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Coverage Ratio	0.00	0.00	1.24	1.41	1.85	1.62	1.62	1.62
<i>Transfer to D/S Reserve Fund</i>	-3,099	-43,914	-38,866	-66,329	-137,092	-99,515	-99,515	-99,515
Total Expenditures	-3,099	-43,914	-199,351	-226,814	-297,577	-260,000	-260,000	-260,000

Source: ECONorthwest

Table 6 – Tax Increment Revenues and Allocations to Debt Service, continued

	2024-25	2025-26	2026-27	2027-28	2028-29	2029-30	2030-31
DEBT SERVICE FUND							
Resources							
Beginning Fund Balance	0	0	0	0	0	0	0
TIF for URA	260,000	260,000	260,000	260,000	260,000	260,000	144,872
Total Resources	260,000	260,000	260,000	260,000	260,000	260,000	144,872
Expenditures							
<i>Debt Service</i>							
New Loan 2019	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Total Debt Service	-160,485						
Coverage Ratio	1.62	1.62	1.62	1.62	1.62	1.62	0.90
<i>Transfer to D/S Reserve Fund</i>	-99,515	-99,515	-99,515	-99,515	-99,515	-99,515	15,613
Total Expenditures	-260,000	-260,000	-260,000	-260,000	-260,000	-260,000	-144,872

Source: ECONorthwest

Table 6b - Debt Service Schedule

FYE	Debt Service	Total TIF	Debt Service Coverage	TIF
				Remaining after D/S
2016	\$ -	\$0	0.00	\$0
2017	\$ -	\$3,099	0.00	\$3,099
2018	\$ -	\$43,914	0.00	\$43,914
2019	-\$ 160,485	\$199,351	1.24	\$38,866
2020	-\$ 160,485	\$226,814	1.41	\$66,329
2021	-\$ 160,485	\$297,577	1.85	\$137,092
2022	-\$ 160,485	\$260,000	1.62	\$99,515
2023	-\$ 160,485	\$260,000	1.62	\$99,515
2024	-\$ 160,485	\$260,000	1.62	\$99,515
2025	-\$ 160,485	\$260,000	1.62	\$99,515
2026	-\$ 160,485	\$260,000	1.62	\$99,515
2027	-\$ 160,485	\$260,000	1.62	\$99,515
2028	-\$ 160,485	\$260,000	1.62	\$99,515
2029	-\$ 160,485	\$260,000	1.62	\$99,515
2030	-\$ 160,485	\$260,000	1.62	\$99,515
2031	-\$ 160,485	\$144,872	0.90	-\$15,613

Source: ECONorthwest

Note the remaining amount for debt service in FYE 2031 will come from the debt service reserve fund.

VIII. FINANCIAL ANALYSIS OF THE PLAN

The estimated tax increment revenues through FY 2030-31, as shown above, are based on projections of the assessed value of development within the Area and the total tax rate that will apply in the Area. The assumptions include new development projects, as identified by the City of Newport and the Newport Port Commission, and minimum growth rates at 3%. There is substantial acreage in the Area that is undeveloped where the full future development value will add to the incremental assessed value of the Area.

Table 7 shows the assumptions on when the land within the Area will come on the property tax rolls.

Table 7 – Property to go on Property Tax rolls

2014-15 RMV Comes on tax roll (FYE)		
11-11-09-D0-00100-00	\$ 4,477,750	N/A
Phases 1-2	\$ 1,791,100	2018
Phases 3-4	\$ 1,343,325	2020
Phase 5	\$ 1,343,325	2023
11-11-09-D0-00101-00	\$ 1,008,080	2018
11-11-09-D0-00102-00	\$ 16,867,310	N/A
11-11-09-D0-00103-00	\$ 889,200	n/a

Source: City of Newport, Newport Port Commission and property owners

Table 8 is a projection of future development within the Area, as provided by the property owners. The projections are based on the economy being strong and supporting these levels of development. The cost per square foot is based on information from ECONorthwest.

Table 8 – Development Projections

New Construction						
		Type	SF	Cost / SF	Total Cost	FYE on tax roll
Rondy's	Phase 1	Light Industrial	48,000	\$85	\$4,080,000	2019
Rondy's	Phase 2	Light Industrial	48,000	\$85	\$4,080,000	2021
Rondy's	Phase 3a	Waterfront Commercial	37,500	\$120	\$4,500,000	2022
Rondy's	Phase 3b	Waterfront Commercial	15,000	\$120	\$1,800,000	2023
Rondy's	Phase 4	Warehouse	90,000	\$70	\$6,300,000	N/A
Rondy's	Phase 5	Waterfront Industrial	103,000	\$85	\$8,755,000	2029
Teevin		Log Yard	0	\$0	\$6,500,000	2019
Total			341,500		\$36,015,000	

Source: City of Newport, Newport Port Commission and property owners

Table 9 shows the projected assessed value of the property and development identified in Tables 7 and 8. Column 2 indicates the projected real market values and column 3 shows the change property ratio that transfers real market values to assessed values, resulting in the projections of assessed values in column 4.

Table 9 – Projected Assessed Values

FYE	RMV	CPR	AV
2015	\$ -	0.8850	\$ -
2016	\$ -	0.8850	\$ -
2017	\$ -	0.8850	\$ -
2018	\$ 3,058,664	0.8850	\$ 2,706,918
2019	\$ 11,907,790	0.8850	\$ 10,538,394
2020	\$ 1,557,317	0.8850	\$ 1,378,226
2021	\$ 4,871,928	0.8850	\$ 4,311,656
2022	\$ 5,534,550	0.8850	\$ 4,898,077
2023	\$ 3,981,964	0.8850	\$ 3,524,038
2024	\$ -	0.8850	\$ -
2025	\$ -	0.8850	\$ -
2026	\$ -	0.8850	\$ -
2027	\$ -	0.8850	\$ -
2028	\$ -	0.8850	\$ -
2029	\$ 13,242,813	0.8850	\$ 11,719,890

Source: City of Newport, Newport Port Commission and property owners

Table 10 shows the projected incremental assessed value, projected tax rates that would produce tax increment revenues, and the annual tax increment revenues (not adjusted for under-collection, penalties, and interest). These projections of increment are the basis for the projections in Table 6.

Revenue Sharing is projected to commence early, in FY 2020/21, as the Area is projected to meet the second revenue sharing target at 12.5% of initial maximum indebtedness in that year. The initial revenue sharing threshold is “the latter of the 11th year of the initial approval of the plan or the first year after the year in which the maximum indebtedness equals or exceeds 10 percent of the initial maximum indebtedness of the plan”. The 10% is met before the 11th year, so it is not implemented, however the 12.5% is met before the 11 year, so it is implemented. Once the 12.5% target is met, that caps the tax increment to the Agency and all increment above that amount is distributed to the taxing jurisdictions. The taxing jurisdictions may, upon a vote of those districts representing 75% of the permanent rate levy prior to the year before the Plan is approved, decide to forego the revenue sharing in order to reduce the length of the Plan (ORS 457.470(7)).

The Area is projected to do an under-levy in the final year as all of the increment is not necessary to meet maximum indebtedness and pay off all debt.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

Table 10a – Projected Incremental Assessed Value, Tax Rates, and Tax Increment Revenues

FYE	Assessed Value	Frozen Base	Excess Value	Tax Rate	TIF
2015	\$ 3,514,349	\$ -	\$ -	14.4797	\$ -
2016	\$ 3,619,779	\$ -	\$ -	14.4797	\$ -
2017	\$ 3,728,372	\$ 3,514,349	\$ 214,023	14.4797	\$ 3,099
2018	\$ 6,547,141	\$ 3,514,349	\$ 3,032,792	14.4797	\$ 43,914
2019	\$ 17,281,949	\$ 3,514,349	\$ 13,767,600	14.4797	\$ 199,351
2020	\$ 19,178,634	\$ 3,514,349	\$ 15,664,285	14.4797	\$ 226,814
2021	\$ 24,065,649	\$ 3,514,349	\$ 20,551,300	14.4797	\$ 297,577
2022	\$ 29,685,696	\$ 3,514,349	\$ 26,171,347	14.4797	\$ 378,953
2023	\$ 34,100,304	\$ 3,514,349	\$ 30,585,955	14.4797	\$ 442,875
2024	\$ 35,123,314	\$ 3,514,349	\$ 31,608,965	14.4797	\$ 457,688
2025	\$ 36,177,013	\$ 3,514,349	\$ 32,662,664	14.4797	\$ 472,946
2026	\$ 37,262,323	\$ 3,514,349	\$ 33,747,974	14.4797	\$ 488,661
2027	\$ 38,380,193	\$ 3,514,349	\$ 34,865,844	14.4797	\$ 504,847
2028	\$ 39,531,599	\$ 3,514,349	\$ 36,017,250	14.4797	\$ 521,519
2029	\$ 52,437,438	\$ 3,514,349	\$ 48,923,089	14.4797	\$ 708,392
2030	\$ 54,010,561	\$ 3,514,349	\$ 50,496,212	14.4797	\$ 731,170
2031	\$ 55,630,878	\$ 3,514,349	\$ 52,116,529	14.4797	\$ 754,632
Total					\$ 6,232,438

Source: ECONorthwest

Table 10b – Projected Revenue Sharing

FYE	Total	TIF for URA	Shared
2017	\$3,099	\$3,099	\$0
2018	\$43,914	\$43,914	\$0
2019	\$199,351	\$199,351	\$0
2020	\$226,814	\$226,814	\$0
2021	\$297,577	\$297,577	\$0
2022	\$378,953	\$260,000	\$118,953
2023	\$442,875	\$260,000	\$182,875
2024	\$457,688	\$260,000	\$197,688
2025	\$472,946	\$260,000	\$212,946
2026	\$488,661	\$260,000	\$228,661
2027	\$504,847	\$260,000	\$244,847
2028	\$521,519	\$260,000	\$261,519
2029	\$708,392	\$260,000	\$448,392
2030	\$731,170	\$260,000	\$471,170
2031	\$754,632	\$144,872	\$609,760
Total		\$3,255,627	\$2,976,811

Source: ECONorthwest

IX. IMPACT OF THE TAX INCREMENT FINANCING

This section describes the impact of tax increment financing of the new maximum indebtedness, both until and after the indebtedness is repaid, upon all entities levying taxes upon property in the urban renewal area.

The impact of tax increment financing on overlapping taxing districts consists primarily of the property tax revenues foregone on permanent rate levies and local option levies as applied to the growth in assessed value in the Area. These projections are for impacts estimated through FYE 2030, and are shown in Tables 11a and 11b.

Revenue sharing is part of the 2009 legislative changes to urban renewal and means that, at thresholds defined in ORS 457.470, the impacted taxing jurisdictions will receive a share of the incremental growth in the area. The share is a percentage basis dependent upon the tax rates of the taxing jurisdictions. The first threshold is 10% of the original maximum indebtedness. At the 10% threshold, the urban renewal agency will receive the full 10% of the initial maximum indebtedness plus 25% of the increment above the 10% threshold and the taxing jurisdictions will receive 75% of the increment above the 10% threshold. The second threshold is set at 12.5% of the maximum indebtedness, and this threshold is anticipated in FYE 2024. Revenue sharing is projected to commence in FY 2019/20.

Note that the impacts to taxing jurisdictions is based on the \$3,255,627 anticipated to be TIF revenue, the \$2,976,811 of revenue sharing is revenue generated by the urban renewal area, but returned to the taxing jurisdictions once revenue sharing commences. If not for the ability to fund the infrastructure, this revenue would not be generated, so this is an unexpected revenue source for the taxing jurisdictions.

The Newport School District and the Education Service District are not *directly* affected by the tax increment financing, but the amounts of their taxes divided for the urban renewal plan are shown in the following tables. Under current school funding law, property tax revenues are combined with State School Fund revenues to achieve per-student funding targets. Under this system, property taxes foregone, due to the use of tax increment financing, are substantially replaced with State School Fund revenues, as determined by a funding formula at the State level.

Tables 11a and 11b show the projected impacts to permanent rate levies of taxing districts as a result of this Plan. It assumes the growth as projected in the other tables

in this Report, a 3% average annual growth rate in assessed value. Table 8a shows the general government levies and Table 8b shows the education levies.

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Table 11a – Projected Impact on Taxing District Permanent Rate Levies General Government

General Government								
	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUNITIES HEALTH	SUBTOTAL
FYE								
2017	(\$604)	(\$24)	(\$10)	(\$21)	(\$13)	(\$1,197)	(\$78)	(\$1,945)
2018	(\$8,553)	(\$334)	(\$137)	(\$295)	(\$185)	(\$16,965)	(\$1,099)	(\$27,568)
2019	(\$38,827)	(\$1,514)	(\$621)	(\$1,341)	(\$838)	(\$77,013)	(\$4,991)	(\$125,146)
2020	(\$44,176)	(\$1,723)	(\$706)	(\$1,526)	(\$954)	(\$87,623)	(\$5,678)	(\$142,387)
2021	(\$57,959)	(\$2,261)	(\$927)	(\$2,002)	(\$1,252)	(\$114,960)	(\$7,450)	(\$186,809)
2022	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2023	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2024	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2025	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2026	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2027	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2028	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2029	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2030	(\$50,640)	(\$1,975)	(\$810)	(\$1,749)	(\$1,094)	(\$100,443)	(\$6,509)	(\$163,220)
2031	(\$28,217)	(\$1,101)	(\$451)	(\$975)	(\$609)	(\$55,967)	(\$3,627)	(\$90,946)
Total	(\$634,096)	(\$24,732)	(\$10,142)	(\$21,901)	(\$13,697)	(\$1,257,712)	(\$81,504)	(\$2,043,781)

Source: ECONorthwest

Table 11b – Projected Impact on Taxing District Permanent Rate Levies Education

FYE	Education OR COAST		ESD	SUBTOTAL	TOTAL
	LINCOLN COUNTY SCHOOL	COM COLLEGE			
2017	(\$1,051)	(\$38)	(\$65)	(\$1,154)	(\$3,099)
2018	(\$14,889)	(\$533)	(\$925)	(\$16,346)	(\$43,914)
2019	(\$67,588)	(\$2,419)	(\$4,198)	(\$74,205)	(\$199,351)
2020	(\$76,899)	(\$2,752)	(\$4,776)	(\$84,427)	(\$226,814)
2021	(\$100,891)	(\$3,611)	(\$6,266)	(\$110,768)	(\$297,577)
2022	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2023	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2024	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2025	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2026	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2027	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2028	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2029	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2030	(\$88,150)	(\$3,155)	(\$5,475)	(\$96,780)	(\$260,000)
2031	(\$49,117)	(\$1,758)	(\$3,051)	(\$53,926)	(\$144,872)
Total	(\$1,103,785)	(\$39,506)	(\$68,556)	(\$1,211,846)	(\$3,255,627)

Source: ECONorthwest. Please refer to the explanation of the schools funding in the preceding section

Table 12 shows the projected increased revenue to the taxing jurisdictions after tax increment proceeds are projected to be terminated. These projections are for FYE 2032.

Table 12 – Additional Revenues Obtained after Termination of Tax Increment Financing

Tax District Name	Tax Rate	Tax Revenue in FYE 2032 (year after)		
		From Frozen Base	From Excess Value	Total
General Government				
Lincoln County	\$2.8202	\$ 9,911	\$ 151,686	\$ 161,597
Lincoln County - Animal Service	\$0.1100	\$ 387	\$ 5,916	\$ 6,303
Lincoln County Extension	\$0.0451	\$ 158	\$ 2,426	\$ 2,584
Lincoln County Transportation	\$0.0974	\$ 342	\$ 5,239	\$ 5,581
City of Newport	\$5.5938	\$ 19,659	\$ 300,865	\$ 320,524
H-PAC Community Health	\$0.3625	\$ 1,274	\$ 19,497	\$ 20,771
Total General Government	\$9.0899	\$ 31,945	\$ 488,905	\$ 520,850
Education				
Lincoln County School	\$4.9092	\$ 17,253	\$ 264,044	\$ 281,297
Oregon Coast Community College	\$0.1757	\$ 617	\$ 9,450	\$ 10,067
ESD Linn-Benton	\$0.3049	\$ 1,072	\$ 16,399	\$ 17,471
Total Education	\$5.3898	\$ 18,942	\$ 289,893	\$ 308,835
Total	\$14.4797	\$ 50,887	\$ 778,798	\$ 829,685

Source: ECONorthwest

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA

State law limits the percentage of both a municipality's total assessed value and the total land area that can be contained in an urban renewal area at the time of its establishment to 25% for municipalities under 50,000 in population. As noted below, the frozen base, including all real, personal, personal, manufactured, and utility properties in the Area, is projected to be \$3,514,349. The total assessed value of the City of Newport is \$1,243,361,351. The excess value of the South Beach Urban Renewal Area is \$136,869,617. The total urban renewal assessed value is 1.99% of the total assessed value of the city, minus excess value, below the 25% maximum. Excess value is the growth of assessed value over the frozen base in an urban renewal area. The Urban Renewal Area has 73.79 acres, including right-of-way, and the City of Newport has 7,166.53 acres; therefore 17.34% of the City's acreage is in an urban renewal area, below the 25% state limit.

Table 13 – Urban Renewal Area Conformance with Assessed Value and Acreage Limits

Urban Renewal Area	Assessed Value	Acres
South Beach Urban Renewal Area	\$18,548,383	1,168.84
McLean Point Urban Renewal Area	\$3,514,349	73.79
Total in Urban Renewal	\$22,062,732	1,242.63
City of Newport	\$1,243,361,351	7,166.53
Excess AV in South Beach	\$136,869,617	
Percent of Newport Assessed Value in Urban Renewal	1.99%	
Percent of Newport Acreage in Urban Renewal		17.34%

Source: City of Newport, Lincoln County Assessor

XI. RELOCATION REPORT

There is no relocation report required for the Plan. No relocation activities are anticipated.

DRAFT

Port of Newport

600 S.E. Bay Blvd., Newport, OR 97365 / (541) 265-7758 / www.portofnewport.com

September 1, 2015

Hon. Sandy Roumagoux, Mayor / David Allen, Chair
City of Newport / Newport Urban Renewal Agency
810 SW Alder
Newport, OR 97365

RE: PORT COMMISSION SUPPORT FOR MCLEAN POINT URBAN RENEWAL
DISTRICT

Dear Mayor and City Council,

The Port of Newport Board of Commissioners supports the creation of an urban renewal district for McLean Point.

This properly zoned area has been underdeveloped for years primarily due to the lack of municipal utilities and vision for this rare and protected industrial property. The potential for future taxes benefitting all of Lincoln County is great when considering that the vast majority of this land is currently off the tax rolls.

The Port believes that the added sewer, water, transportation and storm water infrastructure will aid in the development of a shipping facility on port property and future development of an industrial park on private property completing the intermodal connection between the new \$28-million Newport International Terminal and the \$250-million rebuild of US 20. This project would support additional storage (cold) for commercial fishing, laydown area for wind/wave equipment maintenance and other support services for industries that would utilize the Newport International Terminal. With the recent set-backs at the Port of Portland Terminal 6, the port has received interest from mid-Willamette Valley agricultural producers looking for opportunities for short-seas barging. Urban renewal could help make this a reality.

In addition, the state's land use planning goals, specifically Goal 1 (citizen involvement), Goal 2 (land use planning), Goal 9 (economic development), Goal 11 (public facilities and services), Goal 12 (transportation), and Goal 16 (estuarine resources) support the vision and projects generally identified within the city's McLean Pt. urban renewal plan.

The proposed development will mitigate the loss of wetlands and create new assessed value for the various taxing districts affected by this new district.

Sincerely,



Walter Chuck, President
Board of Commissioners