

McLean Point Urban Renewal Plan

Adopted by the City of Newport

Date

Ordinance No.

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ECONorthwest

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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**

DRAFT