After recording, please return to:
Peggy Hawker, City Recorder
City of Newport
169 SW Coast Highway
Newport, Oregon 97365
541.574.0613

Lincoln County, Oregon
11/12/2015 01:37:26 PM **2015-11265**
DOC-OR# Cnt=1 Pgs=74 Stn=20
$370.00 $11.00 $20.00 $10.00 $7.00 - Total =$418.00
00112336201500112650740746
I, Dana W. Jenkins, County Clerk, do hereby certify that the within instrument was recorded in the Lincoln County Book of Records on the above date and time. WITNESS my hand and seal of said office affixed.
Dana W. Jenkins, Lincoln County Clerk

CITY OF NEWPORT

ORDINANCE NO. 2086

AN ORDINANCE MAKING CERTAIN DETERMINATIONS AND FINDINGS RELATING TO, AND APPROVING, THE McLEAN POINT URBAN RENEWAL PLAN.

Summary of Findings:

1. Pursuant to Ordinance No. 1910, the Newport City Council (the "Council") declared that blighted areas exist in the City of Newport ("City") and elected to have the powers of an urban renewal agency exercised by the Council.
2. Pursuant to the Ordinance, the Council declared that the name of the urban renewal agency will be the Newport Urban Renewal Agency (the "Agency").
3. The Agency, as the City's duly authorized and acting urban renewal agency, is proposing to undertake certain urban renewal activities in a designated area within the City pursuant to ORS Chapter 457.
4. The Agency, pursuant to the requirements of ORS Chapter 457, has caused the preparation of that certain Urban Renewal Plan attached hereto as Exhibit A (the "Plan"). The Plan authorizes certain urban renewal activities within the McLean Point Urban Renewal Area (the "Area").
5. The Agency has caused the preparation of a certain Urban Renewal Report dated September 21, 2015 attached hereto as Exhibit B (the "Report") to accompany the Plan as required under ORS 457.085(3).
6. The Agency forwarded the Plan and Report to the City's Planning Commission (the "Commission") for review and recommendation. The Commission considered the Plan and Report on September 14, 2015 and adopted a finding that the Plan conformed with the Newport Comprehensive Plan.
7. The Plan and the Report were forwarded on August 26, 2015 to the governing body of each taxing district affected by the Plan, and the Agency has thereafter consulted and conferred with each taxing district by including taxing districts in the advisory committee and by sending a formal notice of the Plan; A letter in support of establishing the Plan was received from the Port of Newport on September 1, 2015.
8. On August 18, 2015 the City briefed the Port Commission of the Port of Newport on the details of the Plan, including proposed maximum indebtedness for the

10. On August 31, 2015, the City caused notice of the hearing to be held before the Council on the Plan, including the required statements of ORS 457.120(3), to be mailed to utility customers; and

11. On September 21, 2015 the Council held a public hearing to review and consider the Plan, the Report, the recommendation of the Planning Commission, and the public testimony received on or before that date.

12. On October 5, 2015 the Council deliberated on this Ordinance and, after such deliberation, elected to adopt the Ordinance and approve the Plan and Report.

13. Technical corrections to the legal description of the Plan boundary included as Appendix A to the Plan may be made after the adoption of the Ordinance without further Council action provided the changes are limited to ensuring that the description aligns with the graphic depiction of the boundary included as Figure 1 of the Plan.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

Section 1. Findings. The above-stated findings are hereby adopted.

Section 2. Short Title. This Ordinance No. 2086 (this "Ordinance") may be referred to and cited as the "Urban Renewal Plan Ordinance."

Section 3. Compliance with Requirements. The Council hereby determines and finds that the Plan complies with all requirements of ORS Chapter 457 and the specific criteria of ORS 457.095(1)-(7). To this end, based on the information provided in the Report, the recommendation of the Commission, and public testimony before the Council, the Council hereby determines and finds as follows:

(a) The area designated in the Plan as the Area is blighted, as defined by ORS 457.010(1), and is eligible for inclusion within the Plan because of conditions described in Section II of the Report, including inadequate streets and other rights-of-way, inadequate utilities, and a prevalence of depreciated values resulting from underdevelopment and underutilization of property within the Area; and

(b) The rehabilitation and redevelopment described in the Plan to be undertaken by the Agency is necessary to protect the public health, safety, and welfare of the City because absent the completion of the urban renewal projects, the Area will fail to contribute its fair share of property tax revenues to support City services and will fail to develop and/or redevelop according the goals of the Newport comprehensive plan; and

(c) The Plan conforms to the Newport comprehensive plan as a whole and provides an outline for accomplishing the projects described in the Plan, as more fully described in Chapter XI of the Plan and the minutes of the Planning Commission attached hereto as Exhibit C; and

(d) In connection with any residential displacement occurring as a result of the acquisition and disposition of land in the Plan, provision has been made for displaced persons in the Relocation Section of the Report as required under applicable state and federal law; and

(e) The acquisition of real property provided in the Plan is necessary for the development of infrastructure improvements, in the Area and for the development of public spaces; because the Agency does not own all the real property interests (e.g., rights-of-way, easements, fee ownership, etc.) that will be required to undertake and complete these projects as described in Chapter IV of the Plan and Section V of the Report; and

(f) Adoption and carrying out the Plan is economically sound and feasible in that funds are available to complete the Plan projects using urban renewal tax increment revenues derived from a division of taxes pursuant to Section 1c, Article IX of the Oregon Constitution and ORS 457.440, and other available funding as shown in the following Report sections: (VI) Estimated Total Cost of Each Project and Sources of Moneys to Pay Such Costs; (VIII) Estimated Amount of Tax Increment Revenues Required and Anticipated Year in Which Indebtedness Will be Retired; and (IX) Financial Analysis of the Plan; and

(g) The City will assume and complete any activities prescribed it by the Plan; and

(h) The Council expressly accepts the written recommendation of the Port of Newport.

Section 4. Approval of Plan. The Plan is hereby approved based upon review and consideration by the Council of the Plan, the Report, the recommendations of the Commission, and the public testimony in the record.

Section 5. City Recorder. The City's City Recorder will forward to the Agency a copy of this Ordinance once the legal description is finalized. The Agency will thereafter cause a copy of the Plan to be recorded in the Lincoln County Official Records. The City Recorder, in accordance with ORS 457.115, will publish notice of the adoption of this Ordinance, including the provisions of ORS 457.135, in the Newport News-Times no later than four days following adoption of this Ordinance.

Section 6. Severability; Corrections. If any section, subsection, sentence, clause, and/or portion of this Ordinance is for any reason held invalid, unenforceable, and/or unconstitutional, such invalid, unenforceable, and/or unconstitutional section, subsection, sentence, clause, and/or portion will (a) yield to a construction permitting enforcement to the maximum extent permitted by applicable law, and (b) not affect the validity, enforceability, and/or constitutionality of the remaining portion of this Ordinance. This Ordinance may be corrected by order of the City Council to cure editorial and/or clerical errors.

Section 7. Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted on initial vote and read by title only: October 5, 2015

Date adopted on final roll call vote: October 5, 2015

Signed by the Mayor on October 6, 2015.

Sandra N. Roumagoux, Mayor

ATTEST:

Margaret M. Hawker, City Recorder

Approved as to form:

Steven Rich, City Attorney

Exhibit A
Ordinance No. 2086
McLean Point
Urban Renewal Plan

McLean Point Urban Renewal Plan

Adopted by the City of Newport
October 5, 2015
Ordinance No. 2086

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, Ali Danko, Rob Wyman
	Jeannette Launer, Legal Counsel

TABLE OF CONTENTS

I. DEFINITIONS 4

II. INTRODUCTION 6

III. GOALS AND OBJECTIVES 9

IV. OUTLINE OF MAJOR URBAN RENEWAL PROJECT ACTIVITIES 11

V. URBAN RENEWAL PROJECTS 11

VI. PROPERTY ACQUISITION AND DISPOSITION 13

VII. RELOCATION METHODS 14

VIII. TAX INCREMENT FINANCING OF PLAN 14

IX. FUTURE AMENDMENTS TO PLAN 16

X. DURATION OF THE PLAN 19

XI. FISCAL STEWARDSHIP 19

XII. RELATIONSHIP TO LOCAL OBJECTIVES 20

XIII. APPENDIX A: LEGAL DESCRIPTION 25

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. The Port Commission may recruit members of the public in an ad-hoc capacity to assist it with its advisory responsibilities and when doing so is encouraged to include a representative of the property owners within the Area.
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

McLean Point Proposed Boundary : 73.79 acres

Parcel Boundaries

0 500 ft

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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.

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 ad hoc advisory committee, appointed by the City Council. The ad hoc advisory committee will include a representative of the Port Commission, a property owner within the Urban Renewal Plan Area, a citizen(s) at-large from within the community, and representation by any other group or organization that the Council feels should be involved. The ad hoc advisory committee will provide 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.

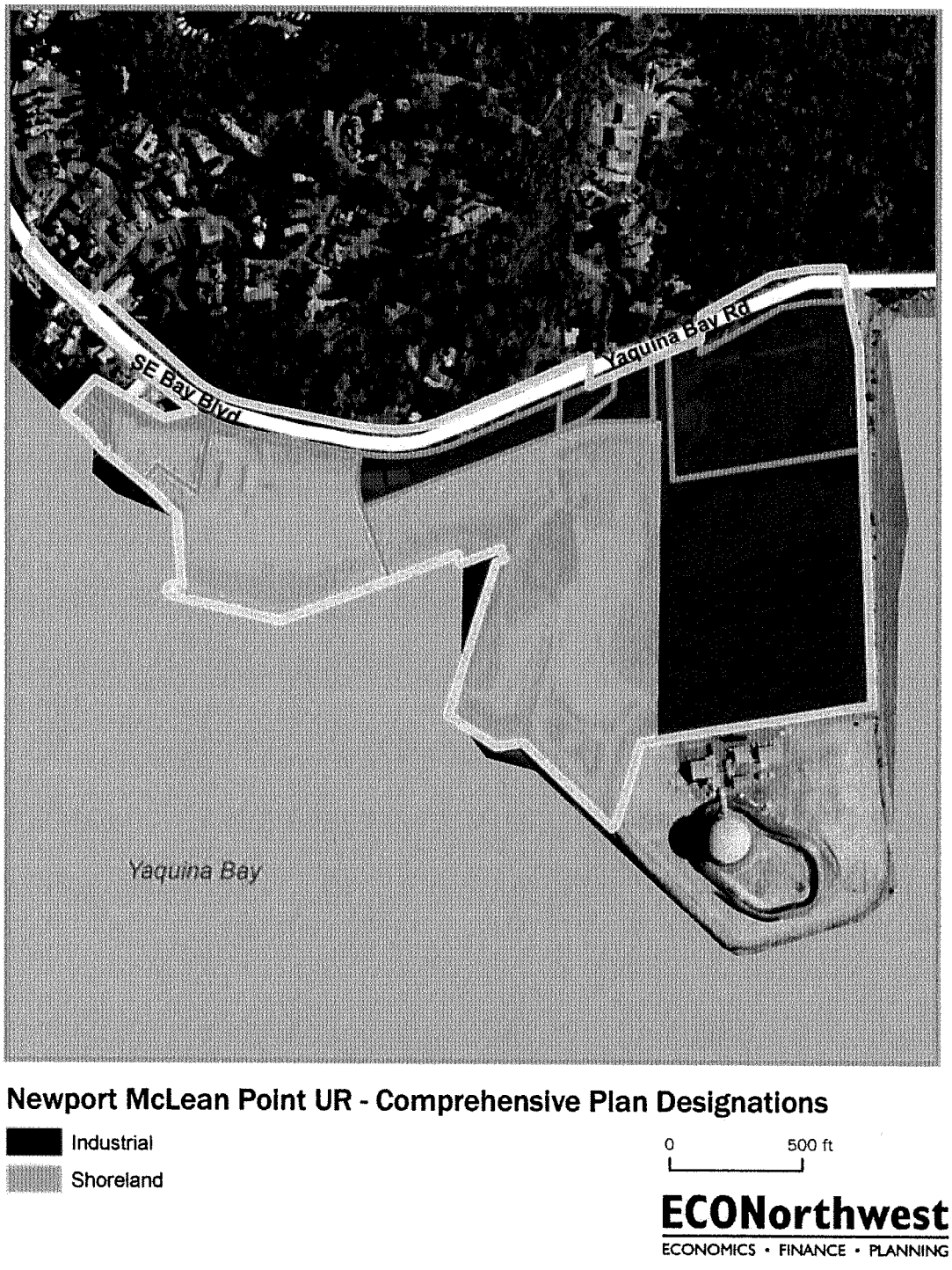
C. Minor Amendments

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.

Figure 2 – Comprehensive Plan Designations



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 estuarine 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

Beginning at the most westerly corner of Lot 1, Block 1, The Harbor Crescent Subdivision located in the SW quarter of Section 9, Township 11 South, Range 11 West, Willamette Meridian, City of Newport, Lincoln County, Oregon, said point also being the southeasterly corner of SE Harbor Crescent Drive and SE Bay Boulevard; thence southeasterly, easterly and northeasterly along the north line of SE Bay Boulevard to a point north of that property described in MF48-147; thence south to the northeast corner of the property described in Parcels 2 and 3 of MF193-489; thence along the easterly, southerly, and westerly line of said property to a point on the southeast line of that property described in MF414-0047 (11-11-09CA TL2700); thence northeasterly along the southeasterly line thereof, to the most westerly corner of that property described in MF380-1509 (11-11-09CA TL2500); thence southeasterly along the southerly line of the property described in said MF380-1509, to the southeasterly corner thereof, said point also being the southwesterly corner of that property described in document 2006-11998 (11-11-09D TL106); thence southeasterly and northeasterly along the southerly and easterly line of that property described in said document 2006-11998, to a point on the south line of SE Bay Boulevard; thence northwesterly along the south line of SE Bay Boulevard to a point southwest from the southeast corner of the intersection with SE Harbor Crescent Drive; thence northeast to a point at the southeast corner of said intersection, said point also being the point of beginning.

Exhibit B
Ordinance No. 2086
Report Accompanying
McLean Point
Urban Renewal Plan

REPORT ACCOMPANYING MCLEAN POINT URBAN RENEWAL PLAN

Adopted by the City of Newport

October 5, 2015

Ordinance No. 2086

McLean Point Urban Renewal Area

Elaine Howard Consulting, LLC
Elaine Howard

ECONorthwest
Nick Popunek
Rob Wyman
Ali Danko
Jeannette Launer, Legal Counsel

Table of Contents

I. INTRODUCTION 4

II. EXISTING PHYSICAL, SOCIAL, AND ECONOMIC CONDITIONS AND IMPACTS ON MUNICIPAL SERVICES 6

III. REASONS FOR SELECTION OF EACH URBAN RENEWAL AREA IN THE PLAN 11

IV. THE RELATIONSHIP BETWEEN URBAN RENEWAL PROJECTS AND THE EXISTING CONDITIONS IN THE URBAN RENEWAL AREA 12

V. THE ESTIMATED TOTAL COST OF EACH PROJECT AND THE SOURCES OF MONEYS TO PAY SUCH COSTS 15

VI. THE ANTICIPATED COMPLETION DATE FOR EACH PROJECT 16

VII. THE ESTIMATED AMOUNT OF TAX INCREMENT REVENUES REQUIRED AND THE ANTICIPATED YEAR IN WHICH INDEBTEDNESS WILL BE RETIRED 19

VIII. FINANCIAL ANALYSIS OF THE PLAN 23

IX. IMPACT OF THE TAX INCREMENT FINANCING 28

X. COMPLIANCE WITH STATUTORY LIMITS ON ASSESSED VALUE AND SIZE OF URBAN RENEWAL AREA 33

XI. RELOCATION REPORT 34

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

McLean Point Proposed Boundary : 73.79 acres

Parcel Boundaries

0 500 ft

ECONorthwest
ECONOMICS • FINANCE • PLANNING

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

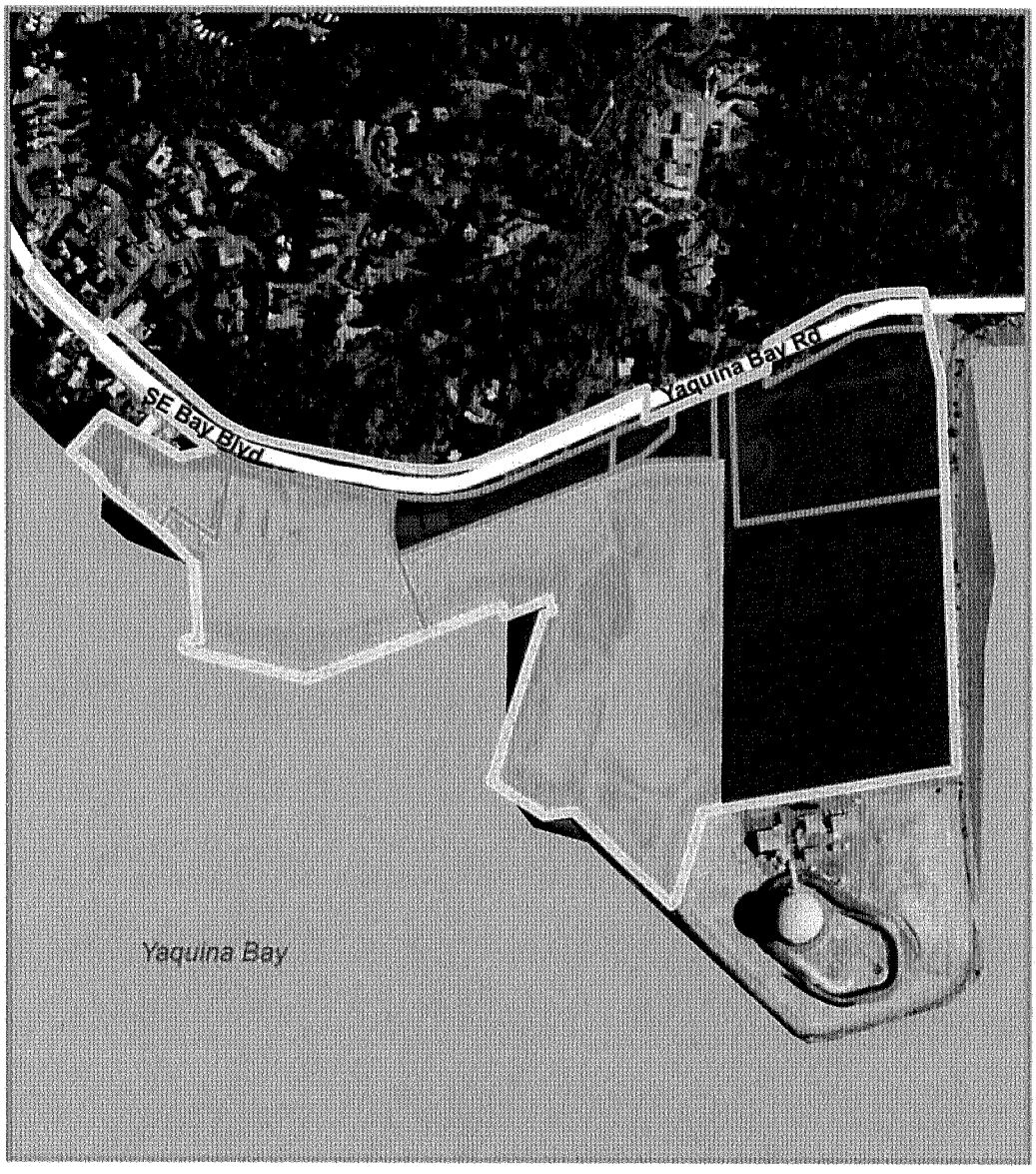
As illustrated in Table 2b, 62% of the acreage is both Industrial and Shoreland in the Comprehensive Plan. This is the largest parcel, and the comprehensive plan designations are split on this parcel. These can be seen in Figure 2.

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

Industrial

Shoreland

0 500 ft

ECONorthwest

ECONOMICS • FINANCE • PLANNING

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.

- Strom 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.

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				
Resources				
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**
Expenditures (nominal $)				
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			
Total TIF Revenue	$47,013	$3,208,614	$3,255,627
Debt Service	$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 Increment 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								
Debt Service								
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
Transfer to D/S Reserve Fund	-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							
Debt Service							
New Loan 2019	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485	-160,485
Total Debt Service	**-160,485**	**-160,485**	**-160,485**	**-160,485**	**-160,485**	**-160,485**	**-160,485**
Coverage Ratio	1.62	1.62	1.62	1.62	1.62	1.62	0.90
Transfer to D/S Reserve Fund	-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 Commer	37,500	$120	$4,500,000	2022
Rondy's	Phase 3b	Waterfront Commer	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 Industria	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 ration 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.

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

	General Government							
FYE	LINCOLN COUNTY GENERAL	LINCOLN COUNTY ANIMAL SVC	LINCOLN COUNTY EXTENSION	LINCOLN COUNTY TRANSPORT	PORT OF NEWPORT	CITY OF NEWPORT	PACIFIC COMMUN-ITIES HEALTH	SUBTOTAL
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 LINCOLN COUNTY SCHOOL	OR COAST COM COLLEGE	ESD	SUBTOTAL	TOTAL
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 Revenue in FYE 2032 (year after		
Tax District Name	Tax Rate	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.

Exhibit C
Ordinance No. 2086
Commission Minutes

***Draft* MINUTES**
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
Monday, September 14, 2015

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

Commissioners Absent: Gary East and Bill Branigan *(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 Franklin were present; Branigan was absent but excused, and East was absent.

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.

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

C. Citizen/Public Comment. No public comment.

D. Consent Calendar. Nothing on the Consent Calendar.

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

F. Public Hearings. Patrick opened the public hearing portion of the meeting at 7:01 p.m. by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits; with nothing being declared. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

1. 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.

At 7:02 p.m. Patrick read the summary of the file from the agenda and called for the staff report. Tokos noted that the Planning Commission had an opportunity to discuss what they needed to do at tonight's meeting at their work session on August 24th. At that time, they had an opportunity to look at the Plans. There are two Urban Renewal Plans. The Newport Northside picks up portions of Highways 20 and 101 and the Agate Beach area. The McLean Point is primarily undeveloped industrial land around the Port's International Terminal. Tokos explained that this hearing and the City Council hearing on the 21st were noticed according to Statute. When considering the adoption of an Urban Renewal District, one form of notice is to include the notice in the utility billing. So, some 4400 notices were sent out citywide with the utility billing on August 31st. As with the open houses, we also sent out an additional 860 notices to those who own property within the proposed boundaries. We could have doubled up on some; but we wanted to make sure we were picking up everybody. There were press releases as well. Tokos noted that there were two open houses; July 27th and August 31st. An Urban Renewal Advisory Committee was formed to assist in the preparation of the Plans. Following the open houses, the Advisory Committee asked the consultant to make some changes; and the Commission had a copy of her memo outlining those. The Committee met seven times and participated in the open houses. Tokos said, as the Commission is aware, this planning work towards creating new Urban Renewal Districts was initiated in 2012 after a group of stakeholders in the community assisted in reworking the goals and assisted in

moving ahead with economic activities. The feasibility study was done in 2014. The Planning Commission had a key role in creating that. The taxing entities participated; and each one had a representative on the advisory committee. The City had meetings with each of the entities and held some public briefings with them; the Port on August 18th, and the Board of Commissioners on September 2nd. He said the reason they were engaged is that, if these districts are formed, it doesn't create a new tax; it takes a portion of the tax that otherwise would be paid to them and moving forward would redirect it for the type of projects that are listed in the Plan. The taxing entities including the City will receive less money. Tokos said as these are long-lasting plans, over a 25-year period for the Northside and 20 years for McLean Point, the nature of the projects is somewhat general at this point and will be further defined as we move forward. Much of them are infrastructure-related. In the core area, the projects are designed to help traffic circulation and assist business owners in redevelopment. In Agate Beach, the projects are providing needed funding to do infrastructure improvements; assisting developed areas lacking things like sidewalks and storm drainage, and to provide access to a couple of large vacant residential areas so they can develop and help increase our housing supply. The McLean Point Area is much smaller than the Northside. It contains targeted improvements allowing those properties to develop by extending sewer, water, utilities, and doing street and stormwater improvements. That allows those properties to develop in a manner that will complement the International Terminal, which has been renovated over the last couple of years. He said that to sync that up just makes sense.

Tokos said under Statute, the Planning Commission has a role to play; the key one being to review the Plans to confirm that the projects and objectives outlined are consistent with the Comprehensive Plan and will make a recommendation to the City Council who will hold a hearing on September 21st. He said the Commission is not limited to that issue, but that is the key issue. Those findings have to be made by the City Council; and they rely on the Planning Commission as their advisory body on these plans, which are part of the Comprehensive Plan. At the end of the day, the City Council will make findings that one, there are conditions that warrant the formation of these Urban Renewal Districts; by Statute that's considered blight, which means they are in need of redevelopment, and projects of this nature will help to revitalize them. Secondly, a finding is needed that the projects identified conform to the Comprehensive Plan; and third, that the Plans are financially viable. He said those are the key findings.

Tokos said throughout the public engagement process, we talked about the potential projects that will be studied further; the couplet as an alternative, the widening of 101. There was discussion about different streets in Agate Beach that may need to be surfaced; such as 55th. This plan does not call out specific projects of that nature; it puts a funding structure in place to do these projects and puts in place priority planning projects that will happen in the first years of the Plan. Agate Beach will likely be a nine to twelve month timeframe; and he anticipates that will be something like 2017-2018. Through that planning process is where we would engage the public and figure out exactly what kind of infrastructure improvements are needed, the costs at least at the planning level, and their relative priority. That process would involve public hearings before both the Planning Commission and the City Council. The other planning is for the commercial core area, and that is looking hard at Highways 20 and 101. That will also include ODOT since those are state facilities. ODOT has reserved funding to initiate that work in the 2016-2017 timeframe. The Plan calls for Urban Renewal funds to be brought to bear in about the same amount. That is where decisions will be made about what are the appropriate solutions along 101 and 20. The state is putting together a model and have been conducting traffic data; so there will be actual data as part of that process. That conversation will also involve the future of the bridge and an alternative to its existing location. He anticipates that process will be a two-and-a-half to three year timeframe.

Tokos noted that the Comprehensive Plan provisions, which is one of the priority pieces, is covered in detail in each of the Plans. It's centered on the Economic policies; redevelopment and revitalization on the highway corridors and improve traffic flow. Those are captured in the Comprehensive Plan. Also, Housing. There was much discussion about the lack of affordable housing. Those policies are captured in the Plans. There are opportunities to address affordable housing through the projects in the Plans. For McLean Point, we heard from those that want it to stay natural habitat where they can walk their dogs. There is an Estuary goal in the Comprehensive Plan. It calls for that area to be for development to support the Port's infrastructure. There are other areas in the Bay that are natural areas or conservation areas. From the Terminal to the bridge on the north side of the Bay is considered development area. This is the type of development envisioned at this location. Should there be in-water work, other agencies step in to assure that it doesn't have an adverse impact on habitat. That's another package of Comprehensive Plan policies that are addressed in the Plan.

Tokos encouraged the Planning Commission to take testimony and ask any questions of him or those who come forward and then deliberate about how to move this matter forward.

Testimony: Darrell Clark, 439 SE 130th Drive, South Beach. Clark noted that the last meeting he attended was on September 8th where it was presented at the City Council, and there was a conversation that it was really important that an advisory committee be set forth because of closed plans that a lot of people have come and complained about. So, you're having to make ammendments to closed plans.

Tokos explained that the chair of our Urban Renewal Agency, David Allen, at the Septemer 8th meeting expressed very clearly a desire and that he was encouraged to see language in the Plans that includes an advisory committee, the Planning Commission in some cases, serving in an advisory capacity but also an ad hoc work group or advisory committee would need to be involved on any major changes to ensure that there is full public vetting. At least in his mind, a desire to make that as robust as possible and add additional people. In the Planning Commission's case, a desire to see that the Planning Commission Advisory Committee has a role along with the Planning Commission proper so that the Plans have full public vetting and views from a variety of perspective and informing them before the Urban Renewal Agency has to make decisions on future changes to the Plans.

Clark said his concern is if South Beach is still an open venue, the idea of an advisory committee not being set forth as such to go out and reach the public to understand what was going on. The people he talked to and several businesses like in Aquarium Village and others don't have a clue of what's going on. He said there was not an extensive reach to these people; and it just happened. He wondered if South Beach is still an open venue. Are there still amendments for that Plan? He has some definite concerns.

Tokos said the Plan itself is still alive. The Plan has a number of projects that are either under construction now, and there's one more phase coming in 2017-2020, and then the Plan closes. An ad hoc committee or an advisory committee was formed to create the 10-year plan that we've been working through. There was also the Coho/Brant Neighborhood Plan that was a public outreach plan that went through a hearings process, and the Planning Commission and City Council were involved with. Transportation System Plan updates also had public hearings and matters that went before both the Planning Commission and the City Council and were noticed to property owners. He said at some point you go through a planning process, and decisions are made, and you're financially committed. So, there are some projects that aren't really open for revisiting at this point because they're actually under binding intergovernmental agreements. There are other projects that are earlier on that certainly could be revisited; and there will probably be some actual additional work done before the final phase is initiated in the 2017-2020 timeframe when we define what that should look like. The stuff that's under constrution now and under design now has gone through a public hearings process and is kind of past the point of no return at this point.

Clark said those are some things he doesn't understand; and he thinks some things are reversible if they don't make sense. He asked to read a letter that he had written; and Patrick told him to proceed. He read the points he doesn't understand regarding South Beach: Traveling an extra 680 feet and passing 32nd because we're removing the 32nd Street stoplights. Now going to 35th means tourists are by the shops and hotels, and human nature says they're not going back. Secondly, by removing the 32nd signal, you've stated that the traffic flow on and off 101 is improved; and he doesn't understand that. You have eliminated the left turn off, plus you could design a right turn off using the old drive-in theater road behind Toby Murry's. Now you've wanted to get access off Highway 101, but you've eliminated two ways off 101. Third, by moving the 32nd Street signal, the state has lifted limits on the amount of traffic it will accept on 101; and where will this increased traffic flow. Yaquina Bay Bridge stands in the way; no matter what you do north or south for traffic flow, there will always be the bridge. Why are you not taking on the bridge first? Fourth, the statement is made that when the 32nd Street signals are gone, there's good visibility on the affected businesses before reaching 35th. He said there's no way you can see Pirate's Plunder, Fish Tails, or the Aquarium Village, or even the marine fish building there, especially at an increased downhill speed. When people reach 35th, they will continue on. Human nature; passed it, move on. They're not coming back. Fifth, it has been stated no left turn signal at 32nd will have a chilling effect on the Rogue and Hatfield; and in what way is that? How about the concern of the chilling effects to the two hotels, the candy shop, Pirates Plunder, Fish Tails, and the Aquarium Village when no left turn is allowed and no one knows they are there. Once by them; gone. It seems to him that the only one that benefits from this is the property owner who receives $1.5 million for their property. He thanked the Commissioners for listening to his opinion.

Robert Heida, 109 SE Coos Street, Newport. Heida's biggest concern is the lack of oversight. We're talking $42 million, and to him it looks like they basically figured out the maxium amount of money they could get away with. He's sure everyone tried to figure out what would do the most good. But now the City Council and the Urban Renewal Committee, which are the same thing, are going to make decisions on what projects go ahead because like they've been told, these are intentionally vague descriptions so we can better decide in the future what projects are actually going to happen. So, it comes down to one group of people making these decisions; and it just doesn't seem like that's enough.

John Rairgh, South Beach. He has attended several meetings recently regarding the fairgrounds. He's heard at those meetings that the fairgrounds is going to be put into the Urban Renewal boundary; and he sees from this meeting that it has been. He strongly encouraged the Commission to challenge that. Don't put the fairgrounds in. Let the fairgrounds stand on its own two feet. Make it work. Don't be giving it billions and billions of Newport tax money as part of the Urban Renewal District. Make the fair be self-sustaining. Do not support it as an entity that is struggling. Make it work.

Ellen Bristow, 128 SE Coos Street, Newport. She became involved in watching the Urban Renewal program from July 14th, which is the first she knew about it. She was curious about who owns the fairgrounds; and is it contingent on it being a fair. If there is not a fair there, who does that property divert to? Patrick said she would have to ask the County that because it's the County's fairgrounds, not the City's. Bristow said $3 million of Urban Renewal is going into that piece of property, so she thought we'd be interested in knowing a little bit about its history. She said, aside from that, she took a look at the fairground diagram. She went to the fair the last time it was there; and she said it was very sad. The new plans eliminate the horse barns. It eliminates animals generally, except maybe under a tented area at the end of a long building, which looks like it's designed very well for the Seafood and Wine Festival. She said like the gentleman had just said, make it work like a fair; and if the fair can't handle it on its own, let's find out who the property goes to.

Jane Heida, 109 SE Coos Street, Newport. She said that she understood the Urban Renewal Project; and it's a good idea. She said that Newport is a struggling, stagnant town. She understands that is why they came up with the Urban Renewal idea. But the fact that it is an open venue, we the people have no say about the real oversight of it such as the gentleman's concern about South Beach. If we are looking to make this town grow, why are we just taking one stop sign and moving it over here? Why not put a second stop sign in down further, which creates growth in that area; not tying our hands. Again, the oversight with the new Urban Renewal project. We're giving you $42 million to make this town better; but whose idea of making this town better? Putting a couplet in? She said to look at downtown; it's concrete and metal. She asked if they've gone to any other town and really looked at how their towns look. Our infrastructure; how long has it been since we've done good plumbing and wiring throughout this town? She asked if that isn't a real need. She understands that we invested in a new school and a new hospital. We want to put fluoridation in water, which she doesn't agree with. Her concern is, did Newport win the lottery? Where is all this money coming from? We have a hospital, a school, fluoridation. You want to put a swimming pool in an area where we already have traffic and parking issues as well as construction issues with the facility that's there. You want to put a swimming pool and event center right smack dab in the middle of that, tying this town's hands where if you have two events, you don't' have the facilities for two events to happen. She asked where the open mindedness of this Planning Commission is on how to make this town better and actually make it grow for the benefit of all and not just one or two of the property owners. She thanked the Commissioners for listening.

For clarification, Berman asked, this list of projects we have, and some people have talked about specific pieces of that, when these individual projects are decided on through the planning process, will each or in groups have a full public hearing before both the Planning Commission and the Urban Renewal Agency before they are approved. Tokos said there will be full public hearings on the large items. The Agate Beach stuff is going to require public hearings to identify what those specific projects will be before the Planning Commission and the City Council before they're put in there. There will be full public hearings on anything that happens in the 20 and 101 corridors. He expects that the City Council is going to look for any changes to infrastructure to support fairground redevelopment would involve full public hearings before the Planning Commission and the City Council. There may be through the life of the Plan some smaller stuff that doesn't involve full public hearings because it would be considered minor amendments in the context of the Plan.

Patrick wanted to address some of the comments that had been raised. He said as far as borrowing the maximum amount of money, we actually didn't. The City Council actually came to the Planning Commission and told us that they wanted to max it at $42 million. They could have borrowed a lot more than that; they could have set that a lot higher. As they told us, it had to do with their budgetary needs; there's only so much they are willing to give up to Urban Renewal. It's all the same pot of money. All you're basically doing is taking a piece of it and setting it aside and reserving it for these projects. Regarding the South Beach stuff, Patrick set in on a lot of those hearings on the Transportation Plan and whatnot. That stuff was decided a long time ago. We're not the only player in that. ODOT has a really big say. As far as the bridge is concerned, we've been hammering ODOT for years and finally got them to at least tell us if they're going to fix the bridge, where's it going to be because there are some options about putting it someplace else. We don't want to do all this work and find out they're going to build the bridge inland someplace. One of the things the Urban Renewal funds are going to go to is to nail down what the plan is for the bridge. He said ODOT is not going to touch anything on that bridge for the next 50 years. They said that bridge is good for 50 years; they don't plan on rebuilding it or doing anything for a long time, and they don't have the money either. Regarding the fairgrounds, Patrick said we don't necessarily have to get the County to agree to this; but we want them to be on our side as far as Urban Renewal and taking their tax money away. He said one of the reasons the fairgrounds got tossed into that was because that was the piece that got the County to be happy about it. If they're not going to get anything out of it, they're not really enthused about doing this.

From the audience, Bristow asked if he was saying that compliance with the County for going to Urban Renewal is how we got the addition of the fairgrounds. Patrick said, no. They don't have a say if we're under the $50 million. We prefer them to be happy about it. It's easier to get things done if you get all of the players to agree on something. Bristow said this is part of what caught her attention about this Urban Renewal; the phrase "Derrick went around shopping the idea." She's quick to jump to cynicism; but she was taken with that phrase. She hasn't actually asked. She assumed there were pursuasions. The County could come back and say they're not interested in this. She agrees that it's nice to have them go along. Patrick said the fairgrounds is something they requested. We went along because it makes sense for us.

From the audience, Clark asked if he understood that no matter the venue and the policies of the City Council and the Planning Commission, whatever ODOT decides that is what we have to do no matter how much that affects us. Patrick said we fight really hard to get things done through ODOT. It took seven years to get them off our case in South Beach. They were going to lock South Beach down to where we couldn't do anything; you couldn't develop anything in South Beach; and they have the tools to be able to do that. Tokos explained that we got relief from a standard that the state has for the maximum amount of congestion they will allow on a highway. The way we did that was because we recognized and they recognized that nothing was going to happen for that bridge for a long period of time. That is in fact a choke point. We ended up going through a long very public process of trying to figure out what all could be done to improve mobility on that highway short of replacing the bridge. They did a lot of detailed traffic analysis on terms of how the existing system was working. One of the projects that was identified as a priority was getting that signal relocated so that vehicles could get up to speed a little bit easier as they approach that incline on the bridge; particularly big vehicles such as large RVs and truck traffic. That's one of a number of different projects that we were able to work through in a very public forum over a number of years and work it into an Urban Renewal Plan. That last amendment to South Beach happened in 2008 for a ten-year extension in South Beach so we could have some funding to do some of this work and match it up with state resources. He said you can debate whether or not it's the best thing in the world, but one thing for certain it has done is it got us an alternate mobility standard that allows a whole bunch of different properties in South Beach to develop to their full potential; not the least of which is Hatfield, OMSI, and Wilder for example was under a trip cap where they couldn't develop fully. There were a number of things that we did get out of that deal. Is it ideal for every property; no. Any change that's made to a major transportation system is going to have its pros and cons. But it was fully vetted through a very public process.

Tokos said, with respect to the fairgrounds, the fairgrounds process the County was going through happened about the same time that we were undertaking the feasibility study. The County is looking at redeveloping the fairgrounds, and there is an event venue that they've been looking at. He doesn't know if they're fully done with their planning work. He's not sure where they're at on that right now at all. It was clear that for that to be a successful redevelopment project and that it has potential of reshaping that US 20 entrance to the community, that there would need to be infrastructure changes made such as widening Harney between 20 and he believes 3rd where it's very narrow there by the ashpalt batch plant. Those are things that Urban Renewal is good at. There may be other things as well. There was an opportunity for a partnership. Anytime you're engagng with taxing entities that are going to be impacted, if

there's a partnershp that makes sense, you want to talk about it. That's what was done; and that's why in large part this found its way into the Plan. It's a potential redevelopment gamechanger on US 20 just like a number of these other projects can be gamechangers in Agate Beach or along 101. He said what ultimately happens down the road, as Planning Commission members or if you're familiar with the South Beach Plan or the original Newport Plan, what we put in here today may look very different in fifteen years because some projects through community support and resources by developers or others will make sense; and we'll be able to move those forward, and other projects won't because they won't make sense or there won't be that consensus and it's just not going to happen. So, this Plan will be reshaped; much like the South Beach Plan, which is now on it's eleventh amendment. Those will come through. There will be public hearings processes, and there will be ample public involvement as we go through. He said our Urban Renewal Agency made a very good point. That's why work was done on these Plans to make sure that any major changes will have separate advisory committees providing feedback to the Council.

Again from the audience, Clark said that it doesn't make sense for him. He can't get a grip on getting vehicles up to speed to get over the bridge and then get bogged down on the bridge. It makes no sense to him at all. He said, yes, some business are going to succeed, and some are gong to die. He said Pirates Plunder is going to die. Fish Tails is going to die. The whole Aquarium Village is going to die. People will not even know they're there. This is good for the South Beach community? He said he can't support this at all. He said it doesn't make sense.

Patrick said in looking forward to the Plans, the City and the Planning Commission both have done a lot of outreach. None of this is set in stone. Most of the beginnings of all of these plans is to go get the people's involvement and find out what we really want to do. He said there was an events center in the South Beach Plan. There was an events center in the original Newport Plan. City center was in the original northside district and got almost nothing out of all that. The money mostly went into the Bay Front and into Nye Beach. Both of those are a success. The City Center is still dying on the vine. This is our attempt to make sure we actually get something done with the City Center this time and do what we need to do in Agate Beach.

Berman said he would like to encourage anybody that is interested in this and interested in a role in influencing things going forward. A lot of things are already set in stone and can't be changed; but these two Urban Renewal Districts are wide open within the categories of projects we are proposing. There are lots of opportunities to get involved. The Planning Commisison has an Advisory Committee with two openings on it. We are constantly looking for people to help us work through these things and ask some of these types of tough questions so that we can make sure that we have a general consensus about what's the best thing to do for the community. Franklin said he came on this committee because he didn't agree with certain things. That got him up here. It's your opinion that gets you up here, and then you can have a voice. He said your opinion matters. Hardy agreed that definitely opinions matter, and what she's hearing is that there might be some better hindsight than foresight in terms of some of the earlier discussion and maybe it just didn't make a dent that these decisions were being made. She said it's easy to go through day-by-day things and really not pay attention. She doesn't know if there's a better way to generate an information source. She can't believe that there was that much ignorance of what was being decided and what issues were being considered. Patrick said actually there was because we have been making a real effort lately to try to engage people more so. After our experience with the geologic hazards code update where everything went great up until our hearing, that is when he really started making a push for getting more public involvement ahead of time to get that stuff hashed out. He said we have had a lot of comments; and we have the comments tonight. He went to the open house at the health education center, and there were lots of different comments there too. So, we're doing our diligence to get the input.

Mr. Heida from the audience said just looking at everything you've targeted, good luck trying to figure out how to spend that $42 million. There's an awful lot on your plate there. Patrick said a lot of that is leveraged. A lot of those transportation things, if they're on 101 or 20, we will use ODOT money. On other things we'll go looking for grants to do them. It may be a joint effort between the City and the County. Tokos added, or public/private partnerships. He noted for example that OMSI on Abalone contributed about a half million dollars; the rest of that was Urban Renewal. Patrick said if we get a development or something that brings in some money, we can use it there too. $42 million doesn't cover the project costs. Some of it also gets financed too.

Ellen Bristow came back up and said that when she first started exploring Urban Renewal it was completely foreign to her. She said she probably stumbled from place to place for a long time before she got even a glimmer of what was going on. One of the things she wanted to point out is as the tax entities have no say, they don't vote; although they could publish reports in the final decision either positive or negative. She has run into a lot of people who assume

that this is put up to a public vote. She said it's not so much ignorance as once you start digging, you find yourself running to a lot of meetings that you've never done before, and you're trying to put these things together. She does applaud that there's more and more outreach. It's wonderful to get access to City documents by computer. It can be improved. She said this is an ongoing opportunity. She hopes to make it to more planning meetings because this seems to be the place it's going to happen. Even on the City website, it can be a little confusing to know what's going on at any given moment. She assumes that the website could be improved. One of the surprising things to her when she was looking at taxes and bonds and Urban Renewal is that without any say we extract money for Urban Renewal in Newport from all other taxing entities. She said if she was outside of the urban area county resident, she might wonder just what the County was thinking. She guesses it lays a huge morale responsibility on Newport to not only acquire the money but to use it extremely well because you're using other people's money. She said she does have a lot of faith; but it's big.

Berman thought it was important to point out that in terms of the money, we are temporarily using the other taxing entities' money. The result of which, if done right, will be a much greater tax base; and in the long run they will end up with much more money. In the short-term, less. Bristow said she likes cooperation and collaboration. But in other cases sometimes the situation becomes so cooperative that one financial weakness in one particular entity has the tendency to bring the whole game down. She wondered if the other entities checked each other out to see if they are sound; or does it weaken everybody? Tokos said we've met with each of the taxing entities. They've had a chance to look at the financial information in detail. It impacts each taxing district differently. Newport for example gets hit the most because it has the largest percentage of its land area in an Urban Renewal Area as opposed to the County, which has a much larger geographic area to draw taxes from. The analysis each taxing district does is going to be a little bit different. He thought the taxing entities appreciate the fact that the Legislature changed the Urban Renewal laws back in 2009 such that now they can ask for an under-levy. We put a process together in here that in any given year they can ask that Urban Renewal take less than the increment it otherwise would be entitled to. Our Council wanted a formal process that says this is something that's allowed by state law, we don't want to see it done in a willy-nilly manner; and if someone looks back on the books in years they can't figure out how the under-levy requests were handled or what projects were given up to do the under-levy, etc. So, a formal process has been put in here so that a taxing entity can make that under-levy request, there will be a formal deliberation during the budgetary process, and then there will be decisions made; and if the under-levy is done, if they have to forego doing certain projects, they will identify what that will be. If we're doing borrowing as part of Urban Renewal, we know not to allow the lender to lock us into having to pull our full increment every year just to provide them an extra cushion. He thought it was a worthwhile conversation. He knows the different representatives from the taxing districts appreciated that.

In the audience, Mrs. Heida said for Urban Renewal to be a success it needs to generate at least 4.5% growth in this town. We have to make sure we get industries and businesses here and not just education.

Croteau had a couple of minor changes to point out. He was looking at page 23 of the Northside Plan with the map (he noted that there were two page 23s). He said there are three different shades of red but only two in the color scheme. He thought that needs to be brought into consistency. It's just an issue with color coding. On page 25, looking at "to conserve energy" about 2/3 of the way down the page where it says "(e.g. bicycles in mass transit)"; that should say "and". He asked on page 27 what is the "Peninsula Neighborhoods." Tokos said in the Comprehensive Plan that is a phrase given to basically the downtown or city center area. It's a hold-over from that. That's how it's framed in the Comprehensive Plan. Croteua said on page 18 there is discussion about property acquisition from willing sellers rather than eminent domain; and he asked when the power of eminent domain is appropriate in the context of an Urban Renewal Plan. Tokos said it would only be appropriate in the context of right-of-way acquisition for things like road right-of-way or sewer line right-of-way or something of that nature. Croteau said, so it's carefully defined when it can be by eminent domain.

Berman said on the section that relates to the Comprehensive Plan goals, the verbiage on the goal of energy conservation is extremely weak. Berman said where it says, "The Plan conforms to the Energy Conservation goal as it contains . . ." There really is no meat there whatsoever. He wouldn't evern pursue saying it meets any kind of energy conservation goal because there just isn't anything there in his opinion. He said in the McLean Point Plan on page 22 there's apparently an error in that first sentence. Tokos said it will be corrected.

Patrick closed the hearing at 8:00 p.m. for Commission deliberation. Hardy said as far as the Urban Renewal Plan supporting the goals, she doesn't have a problem with that. She thought the main problem right now is reinforcing

open and clear communication with respect to the public; and she's not sure how to make that better. She felt that should be a condition for going forward. Berman thought in general both Plans are well intentioned and well thought out. The project categories on the Northside Plan are pretty good except he doesn't really like the specifics that are in there. He thinks it's too specific. The real meat of the thing is going to come later on when we sit down and really analyze in that very first planning phase what the real projects are that will pop out as the ones that are most required. He thinks it will become obvious. He hopes there's a real opportunity for honest public outreach and feedback and modifications based on that feedback so we end up getting projects that there's consensus this is really going to achieve the goals of Urban Renewal. Croteau said a lot of issues were raised this evening. He hopes many of these will be dealt with in the planning phase of the Urban Renewal. He said there has been more public input on this issue and in Newport in general than he's experienced in two other jurisdictions that he's familiar with. He said the question is if the Plan is congruent and consistent with the Comprehensive Plan; and when you look at that, you have to say yes, the Plan is consistent, gives us a general plan forward, and at this point this is all we can hope for. The future is going to hold a lot of detailed planning; and we continue to hope that the public will have as much input as they can. Franklin said he would repeat what every Councilor has said. He agreed we need to move forward with both of these plans. They both look good to him. And we need public input throughout and anything we can do to improve that; more open ears. Patrick also believed the conditions warrant the Plans, the projects conform, and they are financially feasible. He's also looking forward to the initial studies in the Plans. He's also looking forward to us doing a better job of prioritizing than we have in the past. He's lived through two Urban Renewal Plans. The South Beach one didn't do too badly. The first Newport Plan wasn't too bad, but a lot of things got thrown on the wayside; and he thinks the City Center kind of suffered for it. He would like to see this time actually do something for the City Center. He said it will be interesting to see how that turns out and what kind of feedback we get on that.

Mr. Heida noted that at the last City Council meeting he thought Chair Allen had recommended not so much an ad hoc advisory committee but rather a permanent committee; something that would work along side the Urban Renewal Agency simply because they were such closely related entities. Patrick said we've discussed that several times already. Originally they were just talking about having the Planning Commission do it; but the Commission's position was that we need more bodies than just us. He thinks they've come around to that. Patrick wondered when he gets the motion, if he could get something in there about increased public engagement and an expanded advisory committee as part of the recommendation. Croteau thought another point to be made is that the Urban Renewal Plan goes on for a long period of time; and so it's going to require oversight and maybe changing oversight depending on priorities for at least twenty years. It's really a living plan. We need to be aware of that. What we see today must change with time.

Mrs. Heida asked if South Beach is a living document. Patrick said it shuts down in 2020. Tokos said that's the last year it's open for any projects. Patrick said most of what is going on right now was decided two years ago. Whatever else we're going to do has to be decided right now to finish up in 2020. We have one more short planning phase, and then that's it. It's not as much of a living document as this one here. South Beach got extended too. It wasn't doing anything for the first ten years. Berman just wanted to say that he agrees 100% with the problem with that signal light. He can't believe that ODOT didn't take into consideration the impact on the businesses. We've had testimony at a prior hearing on exactly that subject. He thinks it's probably too late to change that decision about moving that signal.

MOTION was made by Commissioner Croteau, seconded by Commissioner Berman, that based on the anlaysis in the Plan and Report presented this evening, the City of Newport Planning Commisison finds that the McLean Point Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hardy, that based on the anlaysis in the Plan and Report presented this evening, the City of Newport Planning Commisison finds that the Newport Northside Urban Renewal Plan is in conformance with the Newport Comprehensive Plan. The Planning Commission also urges the City Council to increase public input to the extent permissible in planning and to expand to the extent necessary advisory committees to assist in planning going forward. The motion carried unanimously in a voice vote.

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

H. Unfinished Business.

1. Tokos noted that the Nye Beach Design Review changes went to hearing before the City Council where they took public testimony. He didn't have a chance to get the ordinance prepared. So, hopefully we will be taking that to them at their meeting on the 21st. They only had one person provide testimony; and that was in favor of those changes.

2. Tokos said on the 21st the City Council will have a proposal from the work group working on community visioning. That proposal will be about how Newport could do a broad community visioning process and what the components might be and how to package that up for an RFP moving forward if the Council's inclined to do that. He anticipates the Planning Commission would have a significant role in that should that be something the City Council elects to make a priority because it needs to be funded.

3. Tokos said that the retail sales of marijuana was a matter that had been forwarded from the City Council down to the Planning Commission to take a look at that. He wanted to let the Commission know that he's not planning to bring materials to the Commission until we see draft rules from OLCC because it doesn't really make sense to do so since they may delve into a number of the issues you might want to look at. He thought the Commissioners would want that information at least in draft form before starting deliberation on any supplemental rules the City may or may not want to do. He understands that OLCC expects to have that draft out either in October or November. The Commission can then pick up the conversation in late November or early December. The City Council elected not to preclude recreational sales at medical dispensaries. So, that will move forward effective October 1st.

4. Regarding LIDs, Tokos noted that the second TAC meeting of the four that are planned was held today. He said that much of the conversation was about best management practices. The consultant put together a memo with key stakeholders that they had engaged. The best practice memo was about different things we need to think about as we move forward with rebuilding our LID codes. He thought the TAC had a pretty good discussion today on a number of different issues. This will inform the consultant as he puts together a draft model code for the TAC to take a look at the next meeting in early December. Hardy hopes that it will be clearer whether the consultant's focusing on new development and subdivisions versus older existing neighborhoods, which is what is more likely to occur more frequently in Newport. Tokos said that's a good point because we were bouncing between the two topics. Hardy said it lacked continuity, preparation, and critical thinking. Franklin said it's almost like we need to have two separate discussions. She thought a little bit better definition structure, a little bit better thought process could occur. Tokos said we covered a range of topics; probably fifteen to twenty different topic areas. It will get folded into a model code that the group will have a chance to sink their teeth in. Maybe in early December through the development season folks will have a chance to read through the materials and really start to put this into a place where we can actually use it because our existing code doesn't work really well. This is primarily funded by TGM. We had a very modest match. They recognize that LIDs aren't an end-all be-all funding source, but they are a meaningful funding source. It has its appropriate place. Smaller jurisdictions are given very little guidance in terms of how to put together a program that they can administer successfully over a long period of time. They saw it as an opportunity for both addressing our need and a number of smaller communities.

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

J. **Commissioner Comments.** Croteau assumed the City Council is going to look favorably upon the Urban Renewal Plans. If so, he would like to urge them to assist the Commission in getting our citizens advisory committee more on board with us for the upcoming period of time. Tokos noted that that advisory committee has never been a formal structured committee; it was more of an ad hoc thing the Planning Commission did when it was looking at the zoning code rewrite some time ago and was just a carry-over. He appreciates the comment about emphasizing public involvement. It's tough to put in an Urban Renewal Plan that an advisory committee has to exist that's not a formal committee. He appreciates that motion just emphasizing public involvement. His sense, and one of the positives about both of these plans, is if there's a major amendment coming down the pipe, they may want to tailor those ad hoc committees appropriate to the type of issues on hand. Depending on the issue, they may want to have different players to make sure they are getting a full range of perspectives. He thinks that approach gives them the flexibility to do that. Croteau thought what we need is sort of a rolling group as things develop. His comment was looking just specifically at the Planning Commission because we are down to dust, and it shows. It would be nice to have more folks.

K. **Adjournment.** Having no further business to discuss, the meeting adjourned at 8:20 p.m.

Respectfully submitted,

Wanda Haney
Executive Assistant