

South Beach / US 101 Refinement Plan Appendices

- A. Opportunities and Constraints Report
- B. Project Evaluation Process
- C. Survey #1 Summary of Results
- D. Survey #2 Summary of Results
- E. Land Use Code Audit

Appendix A. Opportunities and Constraints Report



Newport South Beach

Opportunities and Constraints Assessment

June 2021

Prepared for: Newport Urban Renewal Agency

ECONorthwest
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Table of Contents

- 1. PURPOSE & BACKGROUND.....1
- 2. WHO DOES SOUTH BEACH SERVE?.....7
- 3. PENINSULA AND US 101 INVESTMENT AREA..... 14
- 4. AIRPORT INVESTMENT AREA..... 33
- 5. WHAT FUNDING IS AVAILABLE TO SUPPORT REVITALIZATION?..... 41
- 6. CONCLUSION..... 44
- APPENDIX A. STAKEHOLDER OUTREACH..... 47
- APPENDIX B. RETAIL ANALYSIS 49
- APPENDIX C. EXISTING CONDITIONS – ZONING, TRANSPORTATION, NATURAL HAZARDS..... 52
- APPENDIX D. SEWER CONNECTION ALTERNATIVES 57
- APPENDIX E. PACKAGE PUMP STATION 65
- APPENDIX F. PACKAGE PLANT..... 67

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1. Purpose & Background

Nestled on the south side of the Yaquina Bay Bridge, Newport's South Beach provides a distinct mix of regional institutions, recreational facilities, neighborhoods, and retail businesses. The area has come a long way since 1983, when the City of Newport established an urban renewal district in the area to address the lack of transportation connections, urban infrastructure, and public amenities. Since then, the Agency has helped to complete the area's transportation network, fund the creation of a wastewater treatment plant, spur the development of the popular Oregon Coast Aquarium, and as of 2021, is in the process of making improvements to US 101 that will reconfigure key intersections to ease congestion. In addition to the Aquarium, the area features a mix of institutions, including the Hatfield Marine Science Center, OMSI's Camp Gray, Oregon Coast Community College, Newport Municipal Airport, and the Port of Newport's South Beach Marina and RV Park.

However, while the Agency has made progress in solidifying the area as a functional district within the city, several constraints remain:

- While US 101 runs through the area as the key transportation spine, South Beach's most charming attractions are hidden from view.
- South Beach's many bike paths provide an alternative to car transport, but the network feels patchy in places.
- South Beach lacks a strong sense of place and could use landscaping and public art installments more effectively.
- Invasive species are problem in South Beach, and current management is insufficient.
- Residents, visitors, and employees in the area point to a lack of retail services in the area, requiring them to cross the Yaquina Bay Bridge for any good or service they might need.
- Traffic congestion remains a concern, especially at 40th Street, which is poised to see growth as the Wilder residential area builds out.
- At the southern end of the district, a lack of sewer infrastructure limits development opportunities on industrial and commercial properties near the Newport Municipal Airport.

The Agency is at an inflection point with between \$5 million and \$9 million left of funding capacity that it must award by the end of 2025. Its goal is to distribute funds in the most effective way possible to provide the greatest benefit to the tax base including area residents, visitors, and employees while also helping to remove development barriers on the remaining underutilized parcels in the area.

The purpose of this report is to serve as a background document that organizes key issues within South Beach alongside ideas for how to address the area's constraints. The document

also provides a decision-making framework that helps to prioritize limited remaining urban renewal funding from 2022 to 2025. This document is the first step in a larger process that will ultimately recommend a prioritized list of projects for Agency investments, based on stakeholder feedback and technical analysis.

Urban Renewal Plan Objectives

The objectives¹ of the South Beach Urban Renewal Plan (1983) are to:

- Preserve forest, water, wildlife, and other natural resources
- Identify sites for public uses such as the OSU Marine Science Center
- Complete a Port facilitated marine recreation area
- Encouraging marine oriented activities on the northern Shorelands
- Assure the development of complementary uses adjacent to the Airport
- Plan new sewer, water, and transportation capacity
- Allocate a major part of South Beach to heavy commercial and light industrial uses

The South Beach Urban Renewal Plan was created to reduce or eliminate blighted conditions in South Beach, including:

Sub-standard street improvements, rights of way, and traffic signalization and management

Incomplete pedestrian/bicycle circulation systems and Tsunami evacuation routes

Inadequate water storage capacity and distribution lines

Undersized or absent sanitary sewer collection service lines

Incomplete winter storm water management systems

Inadequate neighborhood recreation facilities and open space

Source: South Beach Urban Renewal Plan Amendment 5

Project concepts for the final phase of Urban Renewal Investments must be consistent with these objectives.



US 101 through the area is set to see a significant upgrade in 2021. Most of the parcels that front this busy highway in South Beach are service businesses or vacant lots.

¹ Substantial Amendment Five to the South Beach Urban Renewal Plan 5 The Benkendorf Associates Corp September 2008, City of Newport, Oregon Urban Renewal Agency

2021 Investment Priorities

Since the urban renewal area has been around for close to 40 years, the refinement plan acknowledges the progress the Urban Renewal Agency has made in achieving its objectives as well as the changed conditions and user base in the area. The Urban Renewal Agency has established the following investment priorities for the 2021 refinement plan to establish a framework for how the Agency will prioritize project investments in the remaining life of the urban renewal area. They are based on conversations to date with stakeholders, the Staff Technical Advisory Committee (composed of key public works, planning, and management staff), and the Agency. They also reflect broader City priorities as part of the Newport Vision 2040.

1. Promote a sense of place for residents and visitors that reflects the South Beach identity.
2. Improve connectivity for bicyclists and pedestrians to South Beach destinations.
3. Attract new development that can meet the service and retail needs of South Beach residents.
4. Invest in overcoming market and development barriers on underutilized or vacant sites.
5. Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport.
6. Invest in improvements that promote long-term community resiliency to address tsunامي, flooding, and earthquake hazards.

Exhibit 1 compares the original plan’s objectives with the Agency’s investment priorities for 2021.



Aquarium Village offers an eclectic blend of makerspaces and businesses serving visitors such as gift shops and restaurants.

Exhibit 1. Urban Renewal Plan Objectives and 2021 Investment Priorities

1983 Urban Renewal Plan Objective* <i>Any URA investment must meet at least one of these objectives.</i>	2021 Refinement Plan Investment Priorities <i>Key priorities for Agency investments, based on current conditions and users of South Beach to meet the urban renewal plan objectives.</i>
1. Preserve forest, water, wildlife and other natural resources	<ul style="list-style-type: none"> Objective met through land use planning process.
2. Identify sites for public uses such as the OSU Marine Science Center	Objective met
3. Complete a Port facilitated marine recreation area	Objective met
4. Encouraging marine oriented activities on the northern Shorelands	Objective met
5. Assure the development of complementary uses adjacent to the Airport	<ul style="list-style-type: none"> Improve connectivity for bicyclists and pedestrians to South Beach destinations. Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport. Invest in improvements that promote long-term community resiliency to address tsunami, flooding, and earthquake hazards.
6. Plan new sewer, water, and transportation capacity	
7. Allocate a major part of South Beach to heavy commercial and light industrial uses	<ul style="list-style-type: none"> Promote a sense of place for residents and visitors that reflects the South Beach identity. Attract new development that can meet the service and retail needs of South Beach residents. Invest in overcoming market and development barriers on underutilized or vacant sites.

Source: South Beach Urban Renewal Plan Amendment 5.

Investment Areas

South Beach features two interconnected but distinct geographies which have different investment needs. In this report, we have divided South Beach into two investment areas:

- The Peninsula/US 101 Investment Area is home to the area’s major institutions, attracts visitors from around the United States and Beyond, and also is home to the area’s retail establishments and hotels.
- The Airport Investment area includes the Municipal Airport, but it also publicly and privately owned land that is zoned for industrial development.

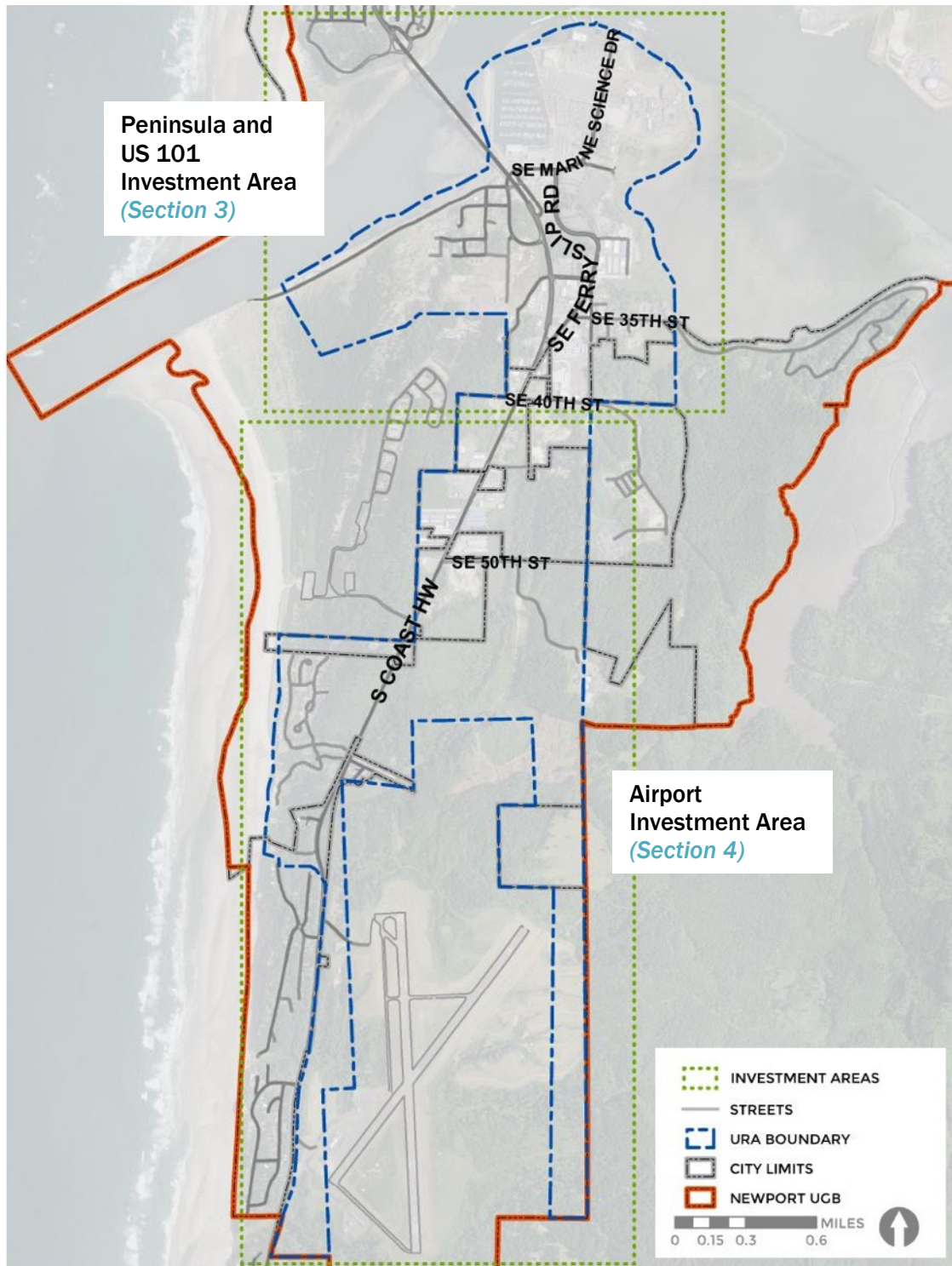
The City and Urban Renewal Agency are interested in helping South Beach to contribute to the overall vision for Newport:

“In 2040, the Greater Newport Area is an enterprising, livable community that feels like home to residents and visitors alike. We have carefully planned for growth with well-maintained infrastructure, affordable housing for all income levels, robust public transportation, diverse shopping opportunities, and distinct, walkable districts and neighborhoods.”

Source: Newport Vision 2040
https://www.newportoregon.gov/dept/cdd/documents/Vision2040/Vision2040_Brochure.pdf

Exhibit 2 provides an overview of the two investment areas.

Exhibit 2. Investment Areas



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Approach and Methods

We used multiple methods to understand the current opportunities and constraints for revitalization and development in South Beach:

- **Market Analysis:** To understand who South Beach serves, we conducted market research using data gathered from ESRI Business Analyst, U.S. Census OnTheMap, CoStar, and South Beach State Park. Due to the size and location of South Beach, it is challenging to obtain data that accurately reflects current market conditions in the area, so we relied heavily on stakeholder outreach to fill in the gaps.
- **Plan Review:** We also researched local plans to ensure that our work was informed by, and coordinated with, these local plans which included the Transportation and Growth Management (TGM) Refinement Plan and the Sewer Master Plan among others.
- **Stakeholder Outreach:** We conducted interviews with a variety of stakeholders in Spring 2021. The interviewees represent local business and property owners, real estate brokers and developers, community members, and economic development professionals. These interviews helped us understand current market conditions in South Beach as well as community priorities and key opportunities and constraints for development and associated investments.

ECONorthwest and SERA Architects interviewed the following individuals and committees in April 2021. Additional interviews will take place with other stakeholders starting in July 2021.

Exhibit 3. Stakeholder Interview List

Interviewee	Affiliation
Alan Wells	Commercial Real Estate Broker
Bret Fox	Developer
Bob Cowen	Hatfield Marine Science Center
Paula Miranda	Port of Newport
Ann Armstrong	OMSI's Camp Gray/Yaquina Bay Economic Foundation
Bonnie Serkin	Developer
Jeff Bertuleit	Bertuleit Donald J Trustee
Carrie Lewis	Oregon Coast Aquarium
Mark Watkins	Property Owner
Committees	Airport Committee Public Arts Committee

2. Who Does South Beach Serve?

This section summarizes key demographic, economic, and visitor trends in South Beach. It identifies sources of demand for future commercial development along the US 101 and serves as a basis for identifying which investments the urban renewal agency should make with its remaining funding capacity. It provides an overview of the current development conditions rather than an in-depth market analysis for the area.

This section relies primarily on data from ESRI Business Analyst as well as South Beach State Park visitor data, and U.S. Census On the Map data.

South Beach is home to a variety of landmarks and institutions with a diverse employment base. There are also a variety of residential neighborhoods in the area, including RV parks with a high rate of turnover and a population that peaks in the summer months. In addition, the area serves thousands of visitors each year at the Aquarium and its ancillary uses, the Hatfield Center for Marine Science, South Beach State Park, and water-serving uses at the marina, boat launch, and fishing pier.

Residents

South Beach is home to a relatively small share of Newport’s overall permanent population, but many residents may not be captured in official data.²

In 2020, the estimated population in South Beach was 961, and is projected to grow by 7% to 1,031 people in 2025.³ Newport overall has a population of 10,396, which is projected to grow by 4% to 10,803 over the same 5-year period. The full population base of South Beach may not be captured in official population estimates, because many residents are temporary, with a permanent address elsewhere.

- South Beach’s population is generally older than Newport’s population, with a median age of 55 and compared to Newport’s 45.
- The average household size in South Beach is smaller (2.04) than Newport (2.27). There are about 470 households in South Beach and 4,431 in Newport overall.

² Those that live in transitory locations, such as RV parks and campgrounds, are not captured in the data. However, the Census Bureau has increased their efforts to include this population, and the 2020 Census should provide a more accurate picture of this population.

³ ESRI population data and projections based on US Census data for South Beach (Census Block Group 9512.002) and Newport (Place)

- Households in South Beach have a higher median income than Newport overall (\$80,093 vs. \$50,062). Nearly 17% of South Beach’s population makes less than \$25,000, while about 36% make over \$100,000.

Student Housing

The Marine Studies Program at the Hatfield Marine Science Center is expanding its housing which will increase the number of residents that rely on alternative transportation options.

The Marine Hatfield Science Center, which currently has on-site housing for up to 100 students, instructors and researchers is expanding its housing to accommodate an additional 300 students off-site on a 5-acre property in the Wilder community which is outside of the tsunami inundation zone. As noted in stakeholder interviews, more than half the student population lack cars and are reliant on carpools, public transit, and biking/walking. These students currently must cross the bridge to access many services, including groceries and restaurants, which requires planning and coordination. Stakeholders indicated that to ensure student safety it is important to provide services that students can access via multimodal methods, including places where students can walk or bike that are nearby and well lit.

Wilder

Wilder is a growing community in South Beach that is attracting a younger, workforce-oriented population including families with children.

Wilder is a new neighborhood in South Beach that currently has forty houses as well as twenty-eight apartments and a commercial building. This neighborhood is designed to be a sustainable, walkable neighborhood that is developed in phases, with each phase being developed as the need for new housing grows. Twenty-six new houses are expected to be built in Wilder this year. However, it will likely be decades for full buildout. Wilder is attracting a wide demographic to South Beach, including younger, workforce-oriented couples and families with children. While outside of the Urban Renewal Boundary, residents of Wilder will contribute to and benefit from South Beach services.

Workers

South Beach has a diverse employment base. As of 2018, the US Census reported about 773 employees in the South Beach area. The top industry in South Beach is Educational Services, which makes up 19% of total jobs, mainly at the Hatfield Marine Science Center and the Oregon Coast Community College. Arts, Entertainment, and Recreation is the second largest industry followed by Manufacturing, Public Administration, and Accommodation and Food Services.

Rogue Brewery has its world headquarters in Newport which includes a two-story brewpub, a distillery, barrel works and a tasting room. According to stakeholders, the brewery has an interest in expanding.

Exhibit 4. South Beach Employment by Industry, 2018

Source. United States Census On the Map, Census Block 9512.002

Sector/Industry	Jobs	% of Total Jobs
Educational Services	146	19%
Arts, Entertainment, and Recreation	98	13%
Manufacturing	94	12%
Public Administration	88	11%
Accommodation and Food Services	85	11%
Retail Trade	58	8%
Other Services (excluding Public Administration)	50	6%
Professional, Scientific, and Technical Services	44	6%
Wholesale Trade	27	3%
Real Estate and Rental and Leasing	22	3%
Construction	21	3%
Transportation and Warehousing	14	2%
Admin, Support, Waste Management and Remediation	14	2%
Health Care and Social Assistance	10	1%
Information	1	0.1%
Agriculture, Forestry, Fishing, and Hunting	1	0.1%
Total	773	100%

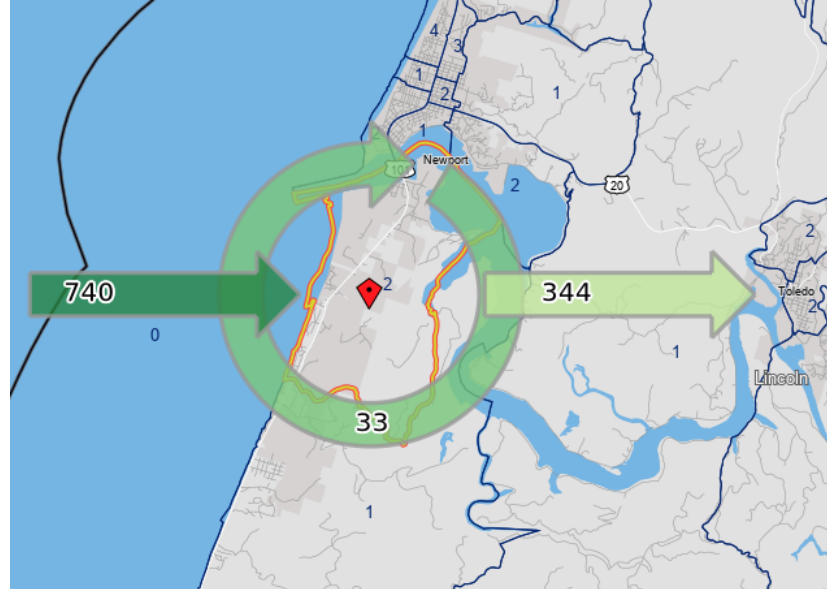
South Beach imports workers who may benefit from additional services proximate to their workplace. Most workers commute into South Beach from Newport and beyond. Given the stated expansion plans of several major employers, the number of regular daytime visitors is likely to increase. These workers may benefit from additional services proximate to their workplace.

Most workers in South Beach commute into the area for work.

740 people commute into South Beach for work, and 344 people living in South Beach commute out of the area for work. 33 people live and work in South Beach.

Exhibit 5. Commuting Flows, South Beach, 2018

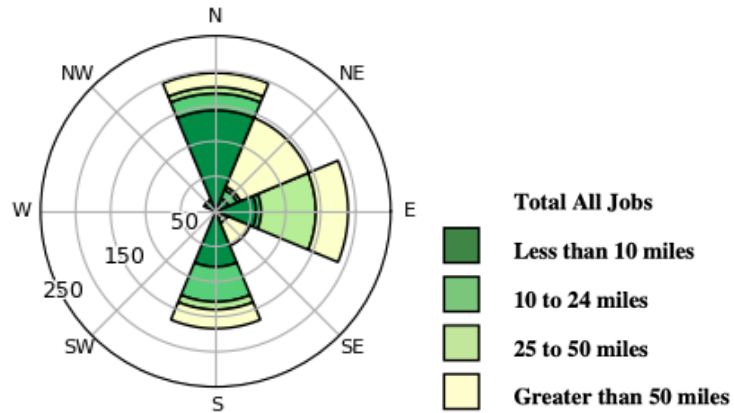
Source: United States Census On the Map, Census Block 9512.002



73% of workers who commute from the north travel less than 10 miles to work compared to 16% to the south.

Exhibit 6. Distance/Direction from Home for South Beach Workers, 2018

Source: United States Census On the Map, Census Block 9512.002



About 42% of people who work in South Beach travel 10 miles or less to get to work

About 30% of people travel over 50 miles to work in South Beach.

Exhibit 7. Distance from Home for South Beach Workers, 2018

Source: U.S. Census Bureau, Census On the Map.

42%	13%	15%	30%
<10 mi	10-24 mi	25-50mi	>50 mi

Marine Science and Research Employment

- **Hatfield Marine Science Center (HMSC)** is Oregon State University's coastal campus and functions as an oceanographic research base for six state and federal agencies. According to stakeholder interviews, the center employs between 400-450 people although there are plans in place to expand the center which would increase the number of employees.
- **National Oceanic and Atmospheric Administration (NOAA)** is a U.S. government agency that studies the conditions of oceans, the atmosphere, and major waterways. Four primary NOAA-based research centers are located on the HMSC campus. According to stakeholder interviews there are approximately 100 scientists and staff working at these centers with an additional 75 on NOAA ships.
- **The Oregon Coast Aquarium** is a top tourist attraction and educational resource for the state committed to promoting ocean literacy, conservation, and animal rehabilitation. According to Carrie Lewis, Oregon Coast Aquarium president and CEO, the aquarium typically employs around 100 people, with closer to 130 in the summer months. As of Spring 2021, the aquarium employed around 50 people, but numbers are expected to return to normal in the future.

Students

South Beach is a center for educational services within Newport. The Oregon Coast Community College (OCCC) serves around 2,000 students and 45 faculty.⁴ Of those students, 20% are full-time, and 80% are part-time. In addition, the Hatfield Center for Marine Science houses more than 300 students and researchers.⁵

Visitors

South Beach has several attractions and events that draw visitors to the area. Understanding what brings visitors to South Beach can help the Urban Renewal Agency invest in projects that will improve visitor experience in the future.

South Beach State Park

South Beach State Park attracts visitors year-round, with the highest number of visitors in July and August. November is typically the slowest month for park visitation. Nearly 100,000 people visit the park on average in July. The State Park also contains about 314 year-round campsites⁶

⁴ Oregon Coast Community College Fast Facts, 2018. https://oregoncoast.edu/wp-content/uploads/2018/04/FastFacts_040418c.pdf

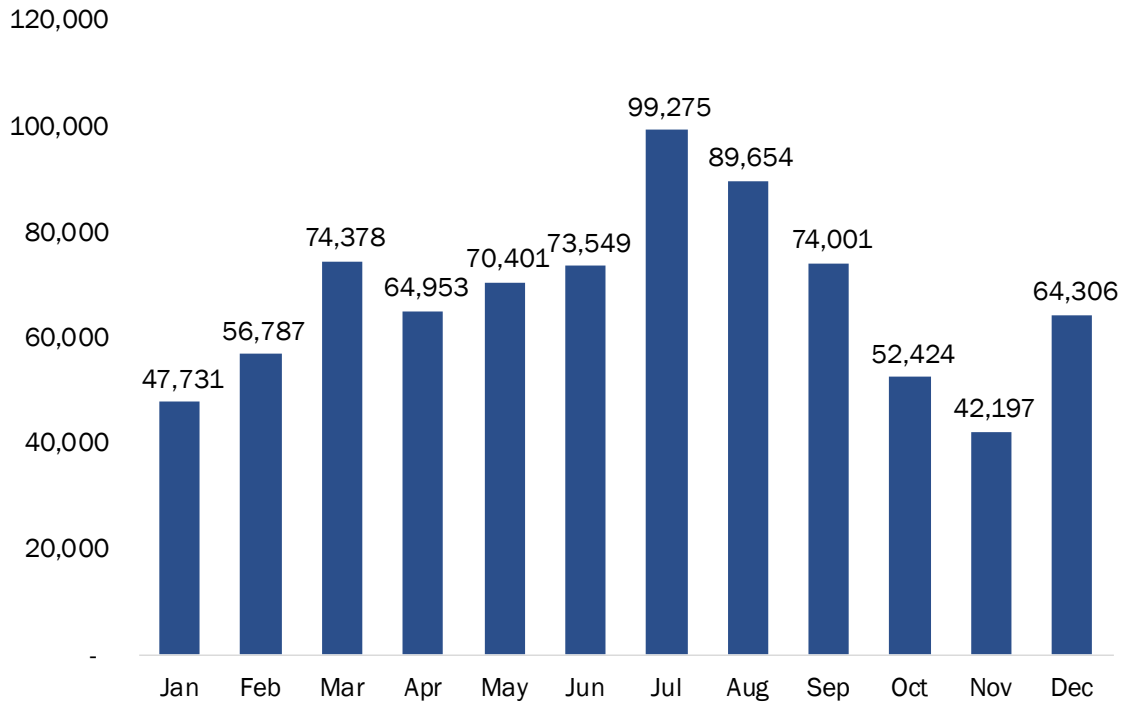
⁵ Oregon Secretary of State Blue Book – Hatfield Center for Marine Science. <https://sos.oregon.gov/blue-book/Pages/cultural/science-hatfield.aspx>

⁶ Oregon State Parks website. Retrieved 5/05/2021
<https://stateparks.oregon.gov/index.cfm?do=park.profile&parkId=149>

and accommodates about 1,300 guests per night on weekends in the summer (June through September) and about 850 guests per night on weekdays.⁷

Exhibit 8. Average Monthly Visits to South Beach State Park, 2016 - 2019⁸

Source: Oregon Parks and Recreation Department, visitation data



Port Facilities

The Port currently owns and operates a marina, boat launch, two RV parks, and a fish cleaning station. The RV parks contain 144 fully equipped campsites (many designed for large RVs) and 80 dry campsites. An interview with the Port indicated that many people stay the whole summer in the RV Park with the length of stay capped at six months. Many of those staying at the RV Park also have a boat and enjoy having the marina nearby with its approximately 522 slips. Much of the peninsula’s western side is covered by parking lots which serve recreational uses associated with the marina and RV park. These lots are also used for community events including the annual Seafood and Wine festival which attracts about 20,000 visitors per year.⁹ Parking is challenging in the area and becomes an even bigger problem during Halibut season and during the Seafood and Wine festival with people parking in nearby lots or along the road.

⁷ Goettel & Associates inc. 2013. Newport Safe Area “Safe haven Hill” Benefit-Cost Analysis Report. – While these numbers are from 2013, this was the most consolidated readily available data we could find, and conditions have not changed significantly.

⁸ 2020 data was not included in the analysis due to COVID which caused variation in visitation patterns

⁹ <https://www.coastexplorermagazine.com/features/newport-seafood-and-wine-festival-features-oregons-bounty>

Oregon Coast Aquarium

The Oregon Coast Aquarium is a one of South Beach’s top tourist attractions as well as an educational resource, drawing between 375,000 and 450,000 visitors annually, 40,000 of which are students.¹⁰ The aquarium has plans to make capital improvements including adding a children's play area as well as increasing vantage points to the estuary and creating an amphitheater near the nature trail. They also have a new admissions annex currently under construction, which will allow for expansion of their lobby, cafe and bistro, exhibits and galleries which could draw more visitors throughout the year. A future phase of improvements, currently slated for 2022, will include the construction of a wildlife rehabilitation center south of the existing aquarium facilities along Ferry Slip Rd.

OMSI’s Camp Gray

OMSI’s Coastal Discovery Center at Camp Gray is a 20-acre marine science camp located adjacent to South Beach State Park. The camp provides residential three- or five-day experiences March 1st through Halloween with programs for 2nd graders all the way up through high school. The camp accommodates 3,000 to 5,000 students (and chaperones) annually with its busiest months April through May where it reaches its capacity of 150 visitors per night. The camp currently uses about half of its 20-acre property and would like to expand both its visitor and staff housing in the future.

Hatfield Marine Science Center

The Hatfield Marine Science Center also operates a Visitor Center which includes exhibits, hands-on activities, and other opportunities to learn about marine animals and coastal issues. This Center attracts about 150,000 visitors annually.¹¹

¹⁰ Stakeholders provided the annual visitation numbers. The number of students was retrieved from the Aquarium’s website on 5/10/2021 <https://aquarium.org/about/>

¹¹ Marine Science Center website. Retrieved on 05/12/2021 from <https://seagrant.oregonstate.edu/visitor-center>

3. Peninsula and US 101 Investment Area

This investment area is home to some of Newport's most visited institutional and recreational uses. The National Oceanic and Atmospheric Association (NOAA) located to the Peninsula in May 2011 and has made investments into the area including multi-use path improvements. It leases property from the Port of Newport and has the potential to expand onto more Port property. The Oregon Coast Aquarium was founded in 1992 and is currently undergoing capital improvements. The Hatfield Marine Science Center also has plans for expansion of its student base while the Port of Portland considers adding a permanent indoor/outdoor structure on the same land that the Seafood and Wine Festival takes place. Rogue, another staple on the Peninsula, leases land from the Port of Portland to operate a production facility and dine-in restaurant. Rogue is also interested in expanding on the site. Each of these plans for growth provide opportunities for South Beach, but also raise concerns about current capacity.

The Oregon Department of Transportation (ODOT) owns and maintains US 101 which runs through South Beach and is the main route in and out of the area. As the main road for tourists and trucks alike, the highway can become congested especially during the summer, and stakeholders noted numerous constraints turning left. Current work is underway to move a traffic signal to 35th St. to alleviate some congestion and provide a better route for trucks. Signalization at 40th St. is also a high priority. Overall US 101 is the gateway into Newport, however the road lacks wayfinding and welcoming signage to make it appealing to visitors.

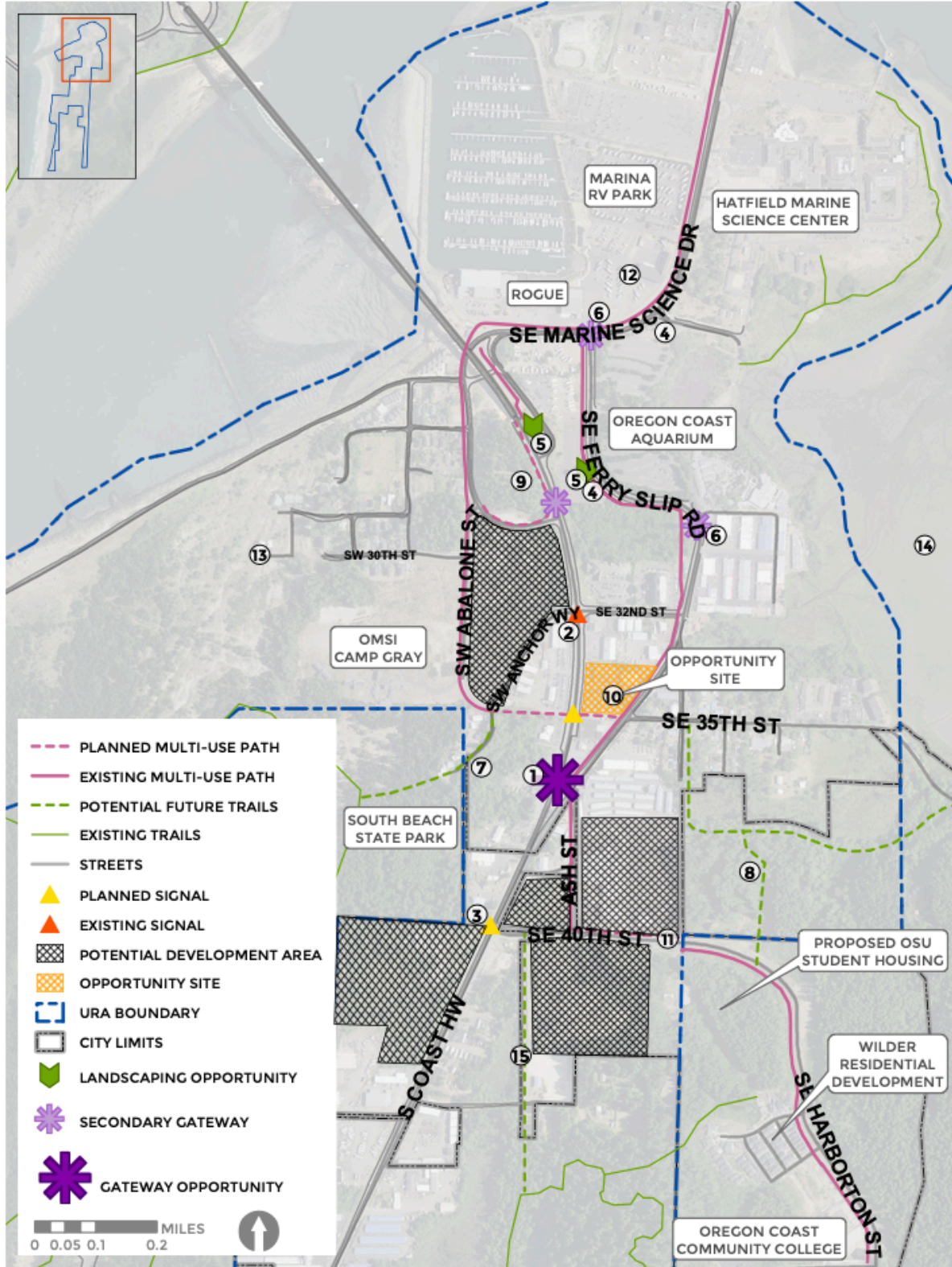
South Beach will continue to grow. Wilder has plans to expand with twenty-six houses being added this year and Camp Gray is also hoping to expand soon. This growth along with the growth of key tourist attractions and employment centers means that there is great opportunity to invest in the area. In each of the following sections, we provide a summary of key opportunities and constraints discussed in the stakeholder interviews, along with observations from the consulting team.

Summary of Opportunities and Constraints

Exhibit 9 highlights key opportunities and constraints of the Peninsula and US 101 investment areas based on stakeholder interviews and consultant team observations.








Exhibit 9. US 101/Peninsula Opportunities and Constraints






Source: SERA Architects, ECONorthwest



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Site	Opportunity	Existing Conditions
1	<p>South Beach Gateway Opportunity. The connection from US 101 to Ferry Slip Rd. will be closed off, providing space to create a gateway into South Beach. This may require property acquisition to accommodate the desired development program and gateway features.</p>	
2	<p>Traffic Signal Move. The traffic signal currently located at the intersection of US 101 and Anchor Way will be moved south to the intersection of U S 101 and 35th St. A new street crossing and multi-use path connection is also planned for this intersection.</p>	
3	<p>New Traffic Signal Installation. A new traffic signal is planned to be installed at the intersection of US 101 and 40th St. to improve safety and ease of access to the Wilder Development, Oregon Coast Community College, and the planned OSU student housing development.</p>	
4	<p>Aquarium Crossing Improvement Opportunity. There are several opportunities to improve safe access to the aquarium through pedestrian crossing improvements. Key opportunities include both entrances to the RV parking lot on Ferry Slip Rd. and the crossing to the north entrance of the aquarium off of Marine Science Dr.</p>	
5	<p>Landscaping and Pedestrian Amenity Improvement Opportunities. At the multi-use path trailhead along Ferry Slip Rd., there are opportunities to improve the landscaping, seating, waste receptacles, and other amenities like public art or interpretive signage.</p>	
6	<p>Aquarium Arrival Experience & Secondary Gateway Opportunity. Both the north and south arrival points for the aquarium could be improved to clearly alert visitors they are arriving at the aquarium.</p>	
7	<p>Planned Trail Connection to South Beach State Park There is a planned trail connection between the South Beach multi-use path and the trail system at South Beach State Park which would improve the overall connectivity of the South Beach area.</p>	

Site	Opportunity	Existing Conditions
8	<p>Planned Trail Connection to Wilder Development/OCCC</p> <p>The planned trail connection between the existing trail network and the Wilder area would improve accessibility of Wilder and the overall connectivity of the South Beach area.</p>	
9	<p>Wayfinding Improvement & Secondary Gateway Opportunity</p> <p>To improve area wayfinding, the exit ramp from US 101 onto Abalone St. could be a secondary gateway with wayfinding signage that clearly directs visitors to key South Beach destinations after they exit the iconic Yaquina Bay Bridge. In addition, the southbound gateway sign could be on the north side of Safe Haven Hill right after the Yaquina Bay Bridge.</p>	
10	<p>Urban Renewal Agency Opportunity Site</p> <p>This site is owned by the South Beach Urban Renewal Agency and provides an opportunity for development that serves the residents and visitors of South Beach. In combination with adjacent parcels, the area could serve as a gateway to South Beach.</p>	
11	<p>Potential Multi-modal connection improvements to Wilder along 40th St. Along the south side of 40th Street, there is a gap in the multimodal path on 40th St. that could be improved.</p>	
12	<p>Proposed Outdoor Event Space.</p> <p>On its current dry camping area at its Marina RV Park, the Port of Newport has proposed investment in a large covered outdoor space that could house the Food and Wine Festival and other events.</p>	
13	<p>Potential shared use path extension in Coho/Brandt Infrastructure Refinement Plan. This ¼ mile path extension would connect to the existing system on SW Brant. The includes both street-adjacent paths and a segment through forested area north of SW 29th Street</p>	
14	<p>Redundant water pipeline at Idaho Point. The only water pipeline serving South Beach was installed in 1973, which presents a significant water system vulnerability if the pipeline fails. As part of the 2008 Water System Master Plan, the City identified the need for 12" water pipeline to serve South Beach.</p>	
15.	<p>Potential trail connection between 40th St. and Mike Miller Park. Opportunity for a 1,600-foot path routed along the west side of the minor road between SE 40th St. and SE 42nd St., and extending through forested area to then link to the Mike Miller Park Educational Trail.</p>	

How can Agency investments promote a sense of place and visitor experience in South Beach?

Stakeholders identified opportunities to improve South Beach through an overhaul of the area’s visual identity, signage consolidation, and multimodal improvements. Opportunities exist throughout the study area but especially on the Peninsula and along US 101 to improve a sense of place and visitor experience in South Beach. Key challenges and opportunities are detailed below in Exhibit 10.

Exhibit 10. Key Challenges and Opportunities for Public Sector Investment – Stakeholder Feedback

Key Challenges	Initial List of Potential Agency Investments based on Stakeholder Feedback
Visibility of South Beach destinations from US 101	<ul style="list-style-type: none"> • Consolidate wayfinding signage, which is often confusing, to create a cohesive navigational assistance and South Beach branding. • Catalyze redevelopment of City owned parcels and/or the US 101 Ferry Slip Road closure to create a southern gateway.
Traffic flow through the Peninsula is not straightforward	<ul style="list-style-type: none"> • Define Ferry Slip Rd. as a primary route through the Peninsula with a multi-use median, landscaping improvements, and additional/improved pedestrian crossings. • Add to and clarify Aquarium wayfinding signage
Billboards detract from sense of place and dilute the impact of visual gateway elements	<ul style="list-style-type: none"> • Buy out billboards to remove visual clutter.
Destinations are compelling, but there is little district-level sense of place	<ul style="list-style-type: none"> • Enhance multi-use trails to develop iconic and easily identifiable wayfinding elements that serve as connectors between the different areas/districts within South Beach. • Potential non-Agency actions: public art investments
Getting around as a pedestrian or cyclist can be challenging, with several unsafe crossings and a patchy path network	<ul style="list-style-type: none"> • Upgrade multi-use trails to improve circulation and safety for bicyclists/pedestrians and provide stronger wayfinding throughout South Beach. Integrating wayfinding signage and public art elements would help make these trails iconic landmarks. • Potential non-Agency actions: public art investments
Finding parking, especially during events	<ul style="list-style-type: none"> • Potential non-Agency actions: Shared parking strategies, limited paid parking on Peninsula lots
Limited activities for families/kids beyond the aquarium.	<ul style="list-style-type: none"> • Designate a site for a new soccer field in South Beach. Newport residents have been requesting soccer fields and there are no flat areas in Newport north of the bridge. • Potential non-Agency actions: Promote a family-friendly environment by emphasizing family destinations with a focus on children’s activities.
Limited options for food/dining, especially during peak periods.	<ul style="list-style-type: none"> • Attract casual dining or grab and go options to South Beach.

How can the City emphasize a sense of place?

Several design elements can help to establish a distinct sense of place, including architectural style, landscape, and connection to unique ecological features. Reinforcing sub-areas through distinct design of buildings, pathways, gateways, and the landscape can help visitors navigate from place to place, while unifying pathways and gateways can help give a sense of arrival and interconnectedness to the area as a whole.

South Beach currently has multiple sub-areas with varying uses and character: the Peninsula with its working waterfront and major destinations like the Oregon Coast Aquarium, OSU Hatfield Science Center, and Rogue Brewery; OMSI Camp Grey and the tsunami refuge hill with its strong connection to the natural landscape; the Wilder development and Oregon Coast Community College (OCCC) which is set in a coastal forest setting; and the Newport Municipal Airport to the south.

Visitors access each of these sub-areas from US 101, an Oregon Department of Transportation (ODOT) facility, which is a primary auto and trucking route that connects coastal cities and towns in Washington, Oregon, and California. US 101 through South Beach is designed to move cars quickly and efficiently, and the adjacent properties along its length are largely one-story industrial structures surrounded by surface parking. Billboard advertisements are among the most visually prominent elements of the US 101 corridor and provide no sense of place or arrival. Currently, only standard roadway destination signage signals the approach to South Beach and its primary destinations.



US 101 northbound approaching the intersection with Ferry Slip Rd.

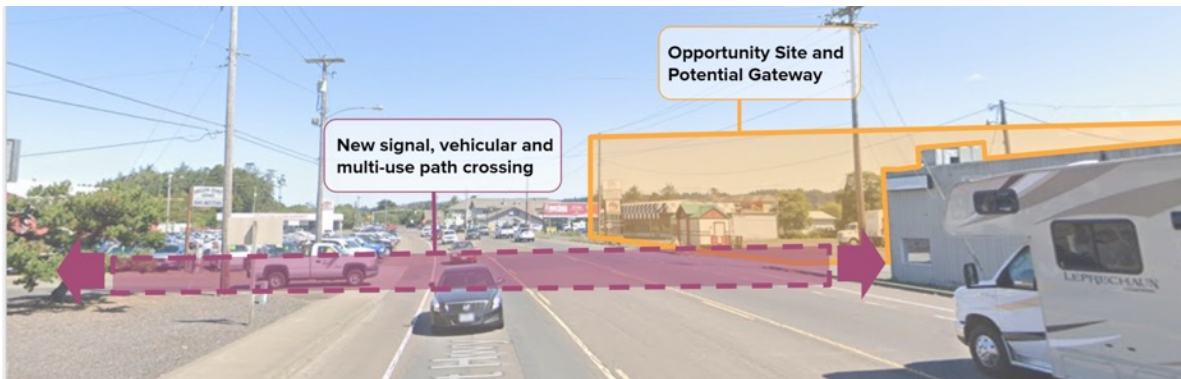


US 101 northbound approaching the intersection of SE 40th St., access to Wilder and the OCCC

While the design of US 101 itself remains within ODOT control and may be difficult to change, there are more immediate opportunities to improve adjacent properties and landscape elements in key locations and introduce new gateways to South Beach.

Opportunity Site at US 101/35th St.

The City-owned property at US 101 and SE 35th St. offers an opportunity to not only introduce needed uses/destinations in South Beach, but with its visually prominent location along US 101, it has the opportunity to become an iconic gateway and offer a sense of arrival for northbound travelers. The planned new signal and vehicular/multi-use path crossing at US 101 and SE 35th St. will reinforce the importance of this site. Gateway opportunities could be further enhanced with acquisition of the parcels south of the current opportunity site, extending the redevelopment and gateway area from 35th St. south to Ferry Slip Rd.



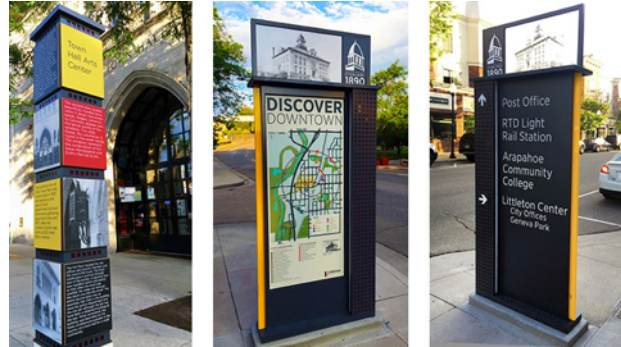
City-owned opportunity site at US 101 and SE 35th St. with new signal and street crossing

Gateways

Gateways are elements in the built environment that indicate entrance into a distinct and different area. They can take the form of unique buildings and development, landscape features, public art, signage, or literal gateway features. The opportunity site at US 101 and SE 35th St. offers a key opportunity for the introduction of a gateway in South Beach which could be enhanced with the acquisition of the southern parcels extending to Ferry Slip Rd., as well as the planned infill of the US 101/Ferry Slip Rd. connection which would eliminate the vehicular connection in that area.



Zipper Building - Portland, OR
Distinct buildings can serve as gateway features and make the most of irregular lot shapes.



Downtown Wayfinding & Gateway Signage - Littleton, CO
Signage at a variety of scales provides wayfinding for automobiles and pedestrians. Wayfinding signs coupled with public art can serve as a gateway.



Gateway Sign - Hickory, NC
Gateway signs can serve as a public art piece that incorporate the culture and identity of the community.



Arched Gateway Sign - North Kansas City, MO
Arched gateway signs are a prominent way to signal arrival to a town or district, with design elements that reflect the identity of the community.

Multi-Use Path Improvements

In addition to US 101, the other primary access and connectivity element is the existing multi-use path. In many areas, the path is distinct from the sidewalks and approximately 6' in width, allowing pedestrians and bicyclist use. There are a few locations where the pathway connections are needed, and other locations where improvements to the landscape and introduction of public art, and signage integration could enhance the path's wayfinding elements. With these improvements, the multi-use path could connect the South Beach destinations while becoming an iconic wayfinding element and South Beach landmark.



Left: Existing multi-use path along Ferry Slip Rd.; Right: Indianapolis Cultural Trail is a 3-mile trail connecting Downtown Indianapolis with integrated art and landscaping.

Prominent identifying elements like wayfinding signage and public art would improve the navigability of South Beach, leading people to key destinations. More passive wayfinding elements like landscaping improvements and a cohesive pallet of other amenities (benches, trash cans, water stations, etc.) create a sense of place and make the path a safe, inviting, and active way to travel through South Beach. Educational signage, public art, and other elements could be incorporated along the path to create a sense of mystery and encourage visitors to further explore the area.



Low-maintenance landscaping and purposefully places amenities like benches create a distinct path edge that is easy to identify from other connections, creating a subtle wayfinding system.



Thematic, educational signage along the multi-use path provides a wayfinding opportunity and reinforces the identity of the area. Art elements could be integrated into the path itself or alongside the path to punctuate significant locations and destinations.

Potential Opportunity: Removing Billboards

There are several large billboards at the gateway to the South Beach area that have the potential to detract from any gateway investment or wayfinding projects. Having large billboard signage at US 101 and 35th St. will significantly detract from attempts to utilize that site as a visible gateway to South Beach and Newport as a whole for northbound travelers. The presence of billboards on the site may also deter development prospects. Working with property owners to identify possible buyout opportunities is one idea that emerged from the opportunities and constraints analysis.



Large billboards at US 101/35th St. intersection in South Beach.



Before and after outdoor signs were removed from development in São Paulo, Brazil.



Billboard removal in Poland has made way for the integration of public art.

What commercial development concepts along US 101 can best serve area residents, workers, and visitors?

South Beach lacks services for residents, workers, and visitors. Stakeholder interviews combined with market analysis reveal key service gaps that could be addressed on Agency-owned sites including grocery stores, gas stations, general retail, and restaurants.

Key Challenges

- **Residents/workers need to cross the bridge for everything** - one key challenge identified by stakeholders was the limitation of having to cross the bridge to access services. This is a pain point for visitors and residents alike. One stakeholder noted that running an errand generally requires crossing the bridge which in the summer can mean 30 to 40 minutes added to a trip. Additionally, needing to cross the bridge for basic services presents a resiliency concern. If an earthquake or other event damages the bridge, people in South Beach could be unable to access basic needs.
- **A lot of traffic, especially on weekends/summer days** - Traffic further limits mobility increasing the time it takes to commute or run errands. Limited ability to access options through walking/biking increases traffic congestion further. Additionally, limited parking, especially during events, leads to street parking and other challenges.
- **No gas station in South Beach** - South Beach stakeholders noted the challenges of travelling across the bridge or south to Waldport for gas stations.
- **No place to buy groceries** - South Beach Grocery, a mini market with limited food selection is currently the only grocery market in South Beach. Residents and visitors alike are forced to travel across the bridge to obtain groceries. This is especially challenging for those with limited access to cars which, as noted in section 2, includes 50% or more of the student population.
- **Few places for casual dining or grab-and-go food options** - Residents and visitors have limited dining options. Current restaurant options are generally full service such as Rogue and may not be meeting the needs of those who need quicker options. Grab-and-go could appeal to boaters from the marina, RV park campers, and general visitors who are looking for a quick meal on their way to/from the beach and other destinations. More casual dining such as a pizza parlor or taqueria may also be attractive to visitors and residents especially as the student population in the area grows.

Potential Development Concepts

Interviews and available data suggest unmet demand for additional retail.

Residents, employees, and visitors must leave South Beach for their retail needs and most basic services, including groceries and gasoline. A retail gap analysis (detailed in Appendix A) found that general merchandise stores, gas stations, health & personal care stores, clothing & accessory stores, and grocery stores are retail areas that might be beneficial to develop in South Beach. Stakeholders interviews further narrowed down potential concepts to:

- A grocery store
- A gas station
- A general merchandise store
- Casual restaurants (including grab and go options)

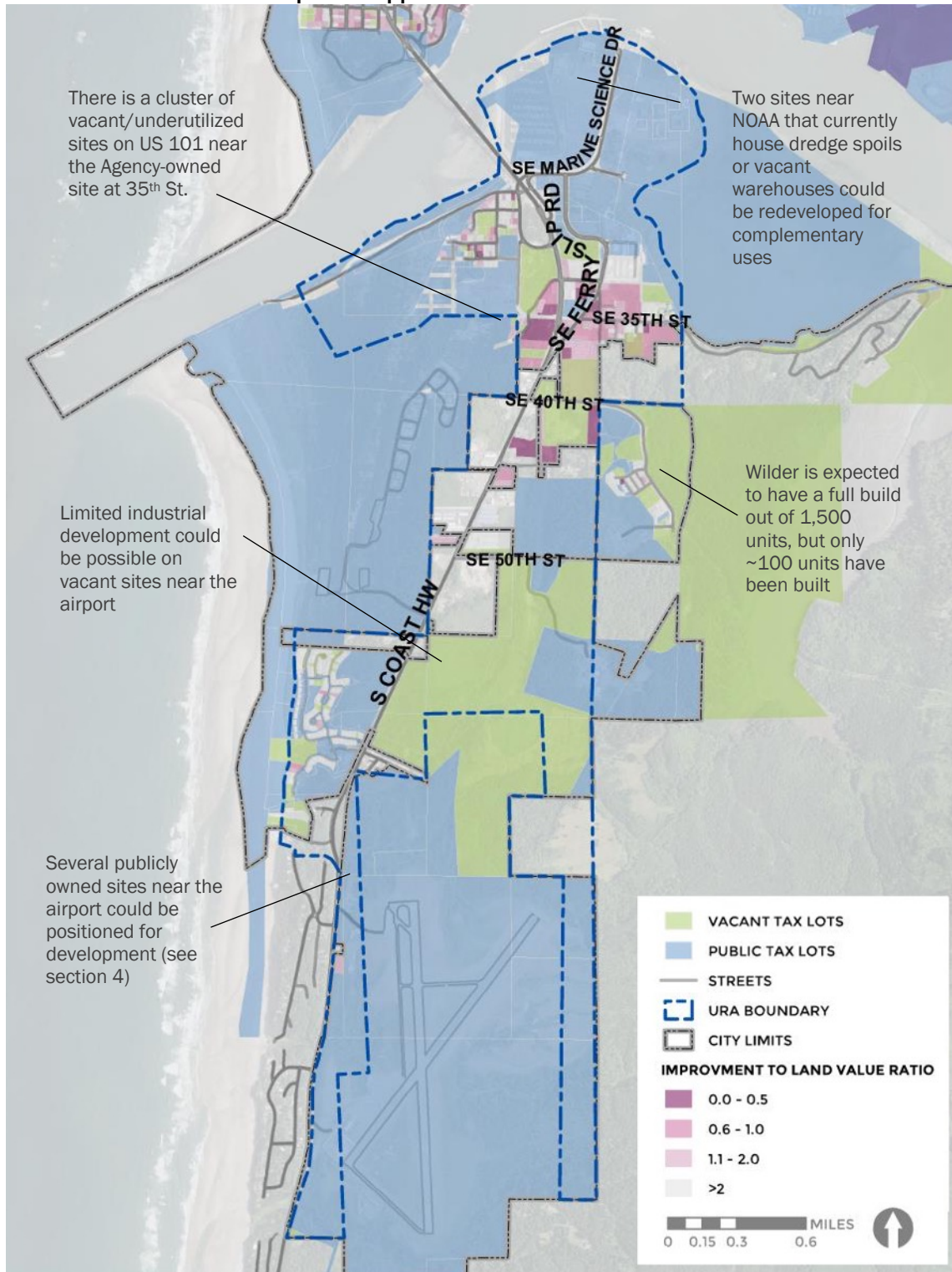
Where are opportunities for development in South Beach?

South Beach has several important potential opportunity sites for new development. All of the sites in the tsunami evacuation zone could be developed with commercial uses, while sites in the upland areas out of the evacuation zone (including near Wilder) could be developed with housing. Future demand drivers for the area include an increase in student housing, expansion plans for the Wilder residential area, and other sites that might draw new employers near the airport. These new residents and employees are going to drive a changing retail demand landscape.

One way to measure which locations might be ripe for an increased intensity of use is by looking at the ratio of site improvements to land value. Underutilized sites are focused on US 101 in the northern part of the URA. In addition, South Beach has a number of publicly owned properties which the City or other public sector partners could position as development catalysts for the area. These include the Agency-owned site at 35th Avenue and City-owned sites near the Municipal Airport. Exhibit 11 provides an overview of developed, underutilized, and vacant sites in South Beach.

Site underutilization can be illustrated by measuring a site's building improvements divided by its land value (per County assessor data) to get a ratio. If a building is assessed at \$10,000 but the land is assessed at \$100,000, the ratio would be 0.1, and the site would be considered underutilized.

Exhibit 11. Potential Development Opportunities



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



What are the opportunities and constraints for potential development concepts?

While commercial real estate data may be lacking because of an absence of development for many project types in Newport, stakeholders have indicated that there is interest in development in the South Beach area. Newport generally has low vacancy rates because it's a destination location with very little new development, so space is constrained. This means that while there is opportunity to rent smaller spaces for retail or office, large spaces are challenging to find. Stakeholders have also indicated that there is limited industrial/quasi-industrial space available for rent. The opportunity site at US 101 and 35th St. is most suitable for retail and service-oriented concepts. The airport sites discussed in Section 4 are better suited for low intensity industrial uses. Other challenges include high construction costs. This is due in part to limited suppliers (e.g., asphalt has only one supplier in the Valley) and limited builders. Stakeholders also indicated that the Newport lacks commercial real estate brokers.

Exhibit 12. Demand, Supply, and Operating Considerations for Potential Uses along US 101 Commercial Corridor

	Demand	Current Supply	Operating Considerations
Grocery Store	<ul style="list-style-type: none"> • Students (limited mobility), residents, demand from the South for something bigger than 7-11 - Green Zebra, Grocery Outlet 	<ul style="list-style-type: none"> • Closest full grocery stores are across the bridge • Currently South Beach Grocery, a mini market, is the only grocery in South Beach 	<ul style="list-style-type: none"> • Challenges with bringing in merchandise due to freight route (winding and slow) and traffic (tourists). • Labor and seasonality • Store isolation - lack of nearby retailers • Limited population growth • Site too small for low grocery margin
Gas Station	<ul style="list-style-type: none"> • Visitors (including from the RV park), residents 	<ul style="list-style-type: none"> • Closest gas station is across the bridge or in Waldport 	<ul style="list-style-type: none"> • Stakeholders expressed a need for a gas station in South Beach but raised concerns about having it at this location. This location has an opportunity to be a gateway into South Beach and a gas station may not be the appropriate use.
General Merchandise	<ul style="list-style-type: none"> • Visitors, residents, boaters from the marina 	<ul style="list-style-type: none"> • No general merchandiser in South Beach; closest is across the bridge 	<ul style="list-style-type: none"> • Lack of anchor that attracts business • Bringing in merchandise - challenges with freight route (winding and slow) and traffic (tourists) • Labor and seasonality
Restaurants	<ul style="list-style-type: none"> • Focus on grab-and-go for beach/marina visitors and residents 	<ul style="list-style-type: none"> • Most restaurants in South Beach are full service such as Rogue 	<ul style="list-style-type: none"> • Lack of anchor that attracts business labor and seasonality

What are key development considerations in the area?

Natural Hazards

Planning and development efforts in South Beach should consider the variety of natural and geologic hazards for which the area is at risk and factor in potential resiliency tools to help mitigate the impacts of those potential disasters. Key areas of concern for the South Beach area are seismic and flood resiliency. Various systems (electric, sanitary sewer, etc.) may be impacted by a tsunami or other seismic events. Upgrades these systems or new projects should take resiliency into consideration.

The Yaquina Bay Bridge is of particular concern – in the event of bridge damage due to a natural disaster, the residents of South Beach would be cut off from all the essential services and resources north of the bridge. Development of essential services (access to food, fuel, and/or healthcare) in South Beach would provide some fundamental resiliency to the area if the bridge is impassible. New development in South Beach should also consider proximity and accessibility of a tsunami refuge area from the development, as the majority of South Beach is in the tsunami inundation zone.

The City already has several resiliency initiatives, including a recently adopted Tsunami Hazard Overlay to improve resiliency of new development, a utility undergrounding project (currently underway) to remove the potential for downed utility line hazards along US 101 and SE Ferry Slip Rd, as well as a Beach Access Resiliency Study. Additionally, the City and partners in the area have made investments including the Safe Haven Hill evacuation assembly area, the Oregon Coast Community College evacuation assembly area, and the vertical evaluation refuge at the Marine Studies Building at the Hatfield Marine Science Center.

Zoning

The Urban Renewal Boundary contains a variety of zoning classifications including commercial, industrial, residential, and public use. The 35th St. and US 101 opportunity site is zoned as Light Industrial (I-1) which will allow a variety of commercial and industrial uses including office, retail sales and services, and light manufacturing. The potential development site (Investors XII) between SW Abalone Street and SW Anchor Way is zoned Tourist Commercial (C-2) and the potential site south of 40th St. is zoned Heavy Industrial (I-3). Potential airport development sites are zoned public use (P-1) with an overlay that allows commercial and industrial uses that complement airport operations. The land surrounding the industrial and commercial zones includes high- and medium-density residential (R-4, R-3, and R-2) as well as water dependent zones (W-1 and W-2) and public use zones (P-2 and P-1).

The major zoning classifications are detailed below. Zoning maps of the entire study area which include ownership of parcels can be found in the Appendix. This is meant to provide an overview of current zoning and not an analysis of zoning potential. JET will be completing a zoning audit this summer. While it is known that the city's "swiss cheese" boundaries has led to

a lack of predictability for development and infrastructure provision, there may be additional zoning code barriers to development which will be explored in the code audit.

Exhibit 13. Study Area Zoning Description

Source: City of Newport Chapter 14 Zoning Ordinance

Development Site	Zone	Zoning Description
Investors 12 Site	Tourist Commercial (C-2)	<ul style="list-style-type: none"> • Meant to provide for tourist needs as well as the entertainment needs of permanent residents
US 101 and 35 th St. Site; Airport Sites	Light Industrial (I-1)	<ul style="list-style-type: none"> • Meant to provide for commercial and industrial uses that can be located near residential or commercial zones
Industrial Site South of 40 th St.	Heavy Industrial (I-3)	<ul style="list-style-type: none"> • Intended to provide industrial uses that involve production and processing activities generating noise, vibration, dust, and fumes
Adjacent Uses	Retail and Service Commercial (C-1)	<ul style="list-style-type: none"> • Intended to supply personal services and goods to the average person
	Public Structures (P-1) and Public Parks (P-2)	<ul style="list-style-type: none"> • Intended for public uses. P-1 allows all types of public buildings while P-2 is limited to parks, open space, trails and supporting facilities
	Medium Density Single-Family Residential (R-2)	<ul style="list-style-type: none"> • Intended to provide for low density, smaller lot size residential development and serve as a transitional area between the low-density residential district and higher density residential districts.
	Medium Density Multi-Family Residential (R-3)	<ul style="list-style-type: none"> • Intended for medium density multi-family residential development. It is planned for areas that can accommodate the development of apartments.
	High Density Multi-Family Residential (R-4)	<ul style="list-style-type: none"> • Intended to provide for high density multi-family residential and some limited commercial development.
Water Dependent (W-1) and Water Related (W-2)	<ul style="list-style-type: none"> • Intended to protect areas of the Yaquina Bay Shorelands for water-dependent, water-related uses 	

Transportation

Transportation remains a key consideration for planning in South Beach. While Newport is in the process of completing a new Transportation System Plan (TSP), the TSP is focused north of the bridge. South Beach is still relying on the 2010 Refinement Plan—which was transportation focused. The urban renewal agency has invested in several projects to improve transportation connectivity in South Beach, especially along the peninsula. Current budgeted projects include:

- US 101–SE 32nd St. to SE 35th St. signal relocation and streetscape enhancement project
- SE Ferry Slip/US 101 utility undergrounding
- SE 50th St. and 62nd St. row acquisition
- SE Chestnut Trail easement
- US 101 Corridor Refinement Plan

Key issues that remain and were indicated throughout the engagement process or through observations by the consultant team include:

- **Signalization at South 40th St.** - widening the intersection at US 101 and 40th St. to add channelization and install a traffic signal was noted in the 2012 TSP update and will be receiving an updated cost estimate in 2021.
- **Multimodal access** - while there are many multimodal pathways, sidewalks, and bike lanes in the area, South Beach lacks a cohesive, signed, multimodal network. This makes it difficult for pedestrians and cyclists to move through the area to key destinations. Exhibit 25 shows the transportation network in South Beach, with a focus on existing and planned multimodal paths.
- **Congestion** – during peak periods like summer weekends and during festivals, the area can experience gridlock. This can make it difficult to cross the Yaquina Bay bridge and access key points along the peninsula. Parking is also an issue, and many motorists must circle the area looking for the sparse parking options. A water ferry that operates throughout the summer may be an option alleviate traffic and parking concerns along the Peninsula.
- **Bridge resiliency** – The iconic Yaquina Bay Bridge is a lifeline for South Beach to goods and services. In the event of an earthquake the bridge may fail, leaving South Beach residents without vital access to the goods and services they need.

4. Airport Investment Area

The city-run Newport Municipal Airport provides many benefits to the city and the county overall, including providing services to recreational and corporate pilots, accommodating air ambulance flights that provide a critical link to trauma facilities in more distant cities, and serving as a critical coastal resource for emergency response in the event of a major earthquake and tsunami event.

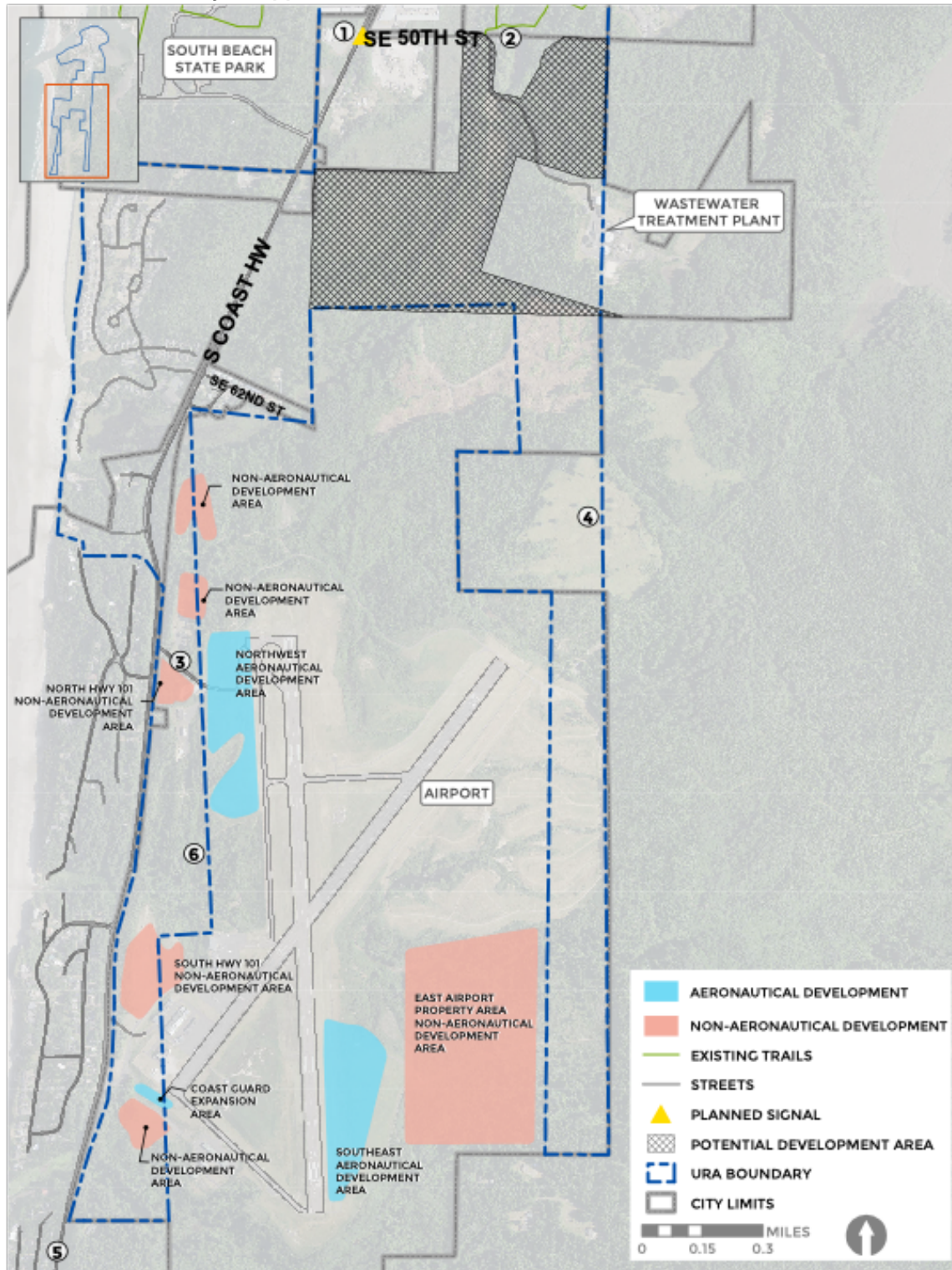
Because it currently requires a subsidy, the City is interested in making the airport more financially self-sustaining by providing opportunities for industrial development. This would help improve current public perception of the airport while generating economic benefits for the area.

To allow development on the site, the City recently rezoned the airport from a park to industrial zoning designation. Additionally, the City has made investments in water infrastructure to the site, which addressed previous issues with fire safety. The City also has a long-term plan to extend sewer to the site as noted in the Sewer Master Plan's 20-year buildout scenarios (Future Developments 17-20). The key questions this section addresses are: **Is there a reason to use Urban Renewal funds to do this now? Is this the best use for the remaining Urban Renewal funds?**

Summary of Opportunities and Constraints

Exhibit 14 provides an overview of key opportunities and constraints in the Airport Investment Area.

Exhibit 14. Summary of Opportunities and Constraints



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Exhibit 15. Opportunities and Constraints Map Key

- 1 Proposed signal at 50th

- 2 Current sewer main stops at 50th
- 3 Increase potable water capacity at airport to serve the area above minimum fire flow limits
- 4 Potential access to east airport properties from 50th
- 5 Potential access to east airport properties from 98th
- 6 Investments in sewer infrastructure needed to support additional development

What are the developable parcels in this area?

There are nine developable parcels located on the airport site, all of which are located within city limits. While the parcels are largely located outside of the Urban Renewal boundary, the sewer line itself would be within the boundary which means that urban renewal dollars can be used to extend sewer service to the site. Any investment into the area must meet the goals of the urban renewal agency. The City is interested in making these sites appealing for private development rather than developing them itself. The 2017 Airport Master Plan describes the sites as follows:

- **North US 101 Non-Aeronautical Development Area** (4.8 acres) With additional planning and coordination this site could be extended farther north along US 101 to create additional opportunities for non- aeronautical development.
- **South US 101 Non-Aeronautical Development Area** (10.8 acres) This site is relatively flat and with the relocation of the access road could serve as either an aeronautical expansion area or non-aeronautical development area.
- **Northwest Aeronautical Development Area** (13.5 acres) The site is relatively flat and provides direct access to the airfield. There is also existing access off of US 101. This area formerly included the first FBO and early airport hangars.
- **Southeast Aeronautical Development Area** (14.1 acres) Obtaining access to this site could be difficult and will require additional planning and coordination locally.
- **East Airport Property Area Non-Aeronautical Development Area** (71 acres) Due to access constraints and topography, this area is ideally suited to be a Non-Aeronautical Development Area consisting of approximately 71 acres available for future development.
- **Non-Aeronautical Development Area** (4.3 acres) This is the southernmost site and is limited to non-aeronautical uses.
- **Coast Guard Expansion Area** (1 acre) aeronautical land adjacent to existing Coast Guard Facilities was reserved for future Coast Guard expansion.
- **Non-Aeronautical Development Area** (1.3 acres) Located on the northern portion of the site between airport access and US 101
- **Non-Aeronautical Development Area** (5.1 acres) Located on the northern portion of the site between airport access and US 101

Possible uses for the sites along with barriers and potential investment scenarios are detailed below.

What are the barriers to development?

The airport site has some key barriers to development including limited infrastructure (no sewer and limited road access), developer uncertainty, and negative public perception

Key Barriers

- **Dealing with effluent** – Currently the sewer main stops at 50th and there is no sewer access to the airport. This limits the types of industries that can function on the site. Stakeholders noted that to generate enough demand for sewer service adjacent neighborhoods may need to be included in the sewer extension.
- **Availability of water for fire suppression**– There is limited potable water available, and flows are only sufficient to meet minimum requirements. Fire suppression is a concern.
- **Site accessibility** – Numerous stakeholders noted the challenges of turning left on US 101. This limits the ability to access the airport site. Additionally, many of the vacant airport properties that are being considered for development have limited or no road access.
- **Developer uncertainty** – Developers are uncertain about the City’s plans for the site and whether they will be able to build what they want if they invest in property. There is also market uncertainty in understanding what is practical and useful near the airport.
- **Public perception** – Stakeholders indicated that the public perceives the airport as a burden—“get the airport self-sustaining.” It may be challenging to invest in the area if the public does not see the benefits of this investment.

What are the possible uses for development at the Airport?

Some of the industrial uses that have been considered for build out on the airport site require sewer while others do not. The range of possible uses as discussed in stakeholder interviews as well as estimates of their impact on water demand are included in Exhibit 16. Additionally, parceling out the sites could further help end users envision the full potential of uses that could take place on the site.

Exhibit 16. Development Concepts Gathered During Engagement

Source: ECONorthwest and community stakeholders

Development Concepts	Water Demand?
Airport hangar (t-hangars, residential hangars)	Low
Flex warehouse (could include cold storage)	Medium
Industrial condominiums	Medium
Prefabricated home factory	Low
Human composting	Unknown
Glamping	Low
Golf	Low

As documented in the 2017 Airport Master Plan, current effluent demand at the airport site is 1,000 gallons per day (gpd) broken across four separate septic systems (Fixed Base Operator, FedEx building, U.S. Coast Guard building, and Airport Rescue and Firefighting building). The 2018 Brown and Caldwell Wastewater Master Plan assumed 0.5 acres of light industrial and five acres of commercial development over the next 20 years equaling an additional 6,000 gpd of effluent. The City considers this number high and projects that, combined with existing demand, the flow will increase to about 4,000 gpd within the 20-year planning period, based on the assumptions in Exhibit 17.

Exhibit 17. Airport Site Buildout Assumptions Over the Next 20 Years

Source: City of Newport

Buildout Assumptions	Effluent demand generated (gallons per day)
Animal Shelter relocated to the southernmost 4.3-acre, non-aeronautical development area (animal waste would not be directed to the wastewater system)	350 gpd
Flex light industrial warehouse space developed on four acres. The city is negotiating a lease for 10.8 acres on the South US 101 non-aeronautical development area, of which seven acres are usable and four would develop in the planning period.	1,700 gpd
No development on remaining non-aeronautical sites between airport access and US 101	N/A
No development on the 71 acres east of the airport that does not possess vehicle access	N/A
24,000 square feet of additional aeronautical development over the next twenty years	960 gpd

What investments are needed to open up development at the airport?

What are the options for these investments?

As described in a technical memo from Murraysmith (Appendix A-D. Sewer Connection Alternatives), the City of Newport is considering multiple approaches to improve the sewer infrastructure in the South Beach/US 101 Highway Corridor to expand sanitary sewer service for five non-aeronautical development areas at the Newport Airport. The current layout of the City’s sanitary sewer system in this area is patchwork in nature with the proposed development areas unlinked to the wastewater conveyance and treatment facilities located to the north.

Murraysmith conducted an alternatives analysis for sanitary sewer infrastructure improvements to serve the non-aeronautical development areas identified by the city. The alternatives and estimated costs are provided below. For a more detailed description of the alternatives including design criteria as well advantages and disadvantages of each alternative see Appendix A-D. Sewer Connection Alternatives.

Exhibit 18. Sewer Infrastructure Alternatives and Capital Costs¹²

Source. Murraysmith. Assumes 40% contingency.

Alternative	Estimated Capital Cost
Expand Airport Septic System (Large Onsite Septic System - LOSS)	\$594,000
Sewer Extension 1: Gravity to Southshore Pump Station and New Force Main Inlet Pump Station	\$5,091,000
Sewer Extension 2: Pump Station at Surfland and New Force Main	\$7,597,000 <i>(\$1,297,000 capital cost as projected by Murraysmith and \$6.3 million for Surfland Sewer Extension project as proposed by Brown and Caldwell in the 2018 Sanitary Sewer Master Plan)</i>
Onsite Wastewater Treatment Plant (WWTP) (Package Plant w/Land Application)	\$1,960,000

In addition to cost and to adequately compare each of the sewer infrastructure alternatives, Murraysmith developed analysis criteria by which to evaluate each option.

¹² Notes: Cost includes material costs and installation, mobilization (12%), general conditions (8%) contractor O&P (12%), contingency (40%), and ELA (Engineering, Legal, and Administration) (25%); Estimates are for planning purposes only; ACEI Class 5 estimate ranges from -30% to +50%

- **Timeline** - Design and construction timelines have the potential to affect development plans for the airport property, other planned construction projects, etc. Timeline may be a major factor depending on the urgency of the project.
- **Regulatory Hurdles** - Some alternatives require regulatory approval which may require additional effort to obtain in comparison to other alternatives. This can affect the project schedule, costs, and feasibility of the project. This is especially relevant for this project when considering onsite systems that will be permitted independently of the City's existing wastewater treatment plant.
- **Expandability (Growth)** - Developing a wastewater plan with future growth of the community in mind could mitigate future cost impacts. Options with on-site disposal of effluent maintain capacity within the existing wastewater treatment plant (WWTP) and may be expandable for future growth.
- **Ease of Operation and Maintenance** - The upkeep of a wastewater facility is imperative for its future performance. On-site facilities require much more maintenance and oversight and personnel training that should be taken into consideration.
- **Private Property Impacts (Easements)** - Construction along the roadway will require land acquisition, which would likely have impacts on both the cost and the timeline of the project.

Per the analysis by Murraysmith, expanding the current airport septic system ranked the highest on the non-monetary criteria with the lowest estimated capital costs and would likely be the most favorable option. The Sewer Extension 1 option scored low on the non-monetary criteria and has the second highest estimated capital cost. Sewer Extension 2 scored the least favorably on the non-monetary criteria and has the highest estimated cost since it assumes the City will first complete a \$6.3 million expansion of the sewer system to Surfland which is unlikely to occur before 2025. Lastly, the Onsite Treatment scored moderately on the non-monetary criteria with capital costs just under two million. A summary of the analysis criteria results is in Exhibit 19 (highest score of “◆◆◆” is most favorable).

The Urban Renewal Agency is most concerned with timing and cost as all urban renewal funds must be awarded by 2025 and there are limited funds to distribute. Additionally, some of these options are dependent on the completion of other infrastructure investments and/or require easements which could further impact timing and cost. Ultimately, this analysis provides options for the city to consider, along with some potential criteria, as it determines the desirability of expanding sewer infrastructure with its remaining urban renewal funds.

Exhibit 19. Evaluation of Alternatives

Source: Murraysmith

Alternative	Ability to Implement by 2025	Low Capital Costs	Few Regulatory Hurdles	Potential for Expansion	Ease of Operation and Maintenance	Minimize Private Property Impacts	Overall
Expand Airport Septic System (LOSS)	Timeline may be impacted by permitting, but there are limited construction delays.	5 pump stations; 8,000 gal septic tank; dosing system; absorption field.	Permitting req for land application. May be able to utilize existing permit. Soil studies and groundwater investigation.	Septic system may be expanded to increase capacity at lower capital cost compared to other alternatives.	Requires regular maintenance and solids removal. Can follow operations and maintenance schedule of existing facility.	No additional property acquisition needed.	High
<i>Favorability</i>	◆◆	◆◆◆	◆◆	◆◆◆	◆◆	◆◆◆	◆◆◆◆
Sewer Extension 1: Gravity to Southshore Pump Station	May be constructed at any time but may have an extended design schedule.	6,750 ft 6-in gravity sewer/6,450 ft 5-in force main; package pump stations where gravity infeasible.	No significant permitting requirements.	Utilizes capacity of existing WWTP. Adds redundancy to existing system, increasing capacity of conveyance.	Limited near-term O&M needs. (Assumes pump maintenance part of Southshore pump station O&M).	Additional ROW purchase required along US-101.	Low
<i>Favorability</i>	◆◆	◆	◆◆◆	◆	◆◆◆	◆	◆
Sewer Extension 2: Gravity to Surfland Pump Station	Contingent on finishing Surfland sewer expansion which is unlikely to occur before 2025.	1,350 ft 6-in gravity sewer; package pump stations where gravity infeasible; contingent on Surfland sewer extension.	No significant permitting requirements.	Utilizes capacity of existing WWTP.	Limited near-term O&M needs. (Assumes pump maintenance part of Surfland sewer extension project).	Minimal ROW acquisition required.	Low
<i>Favorability</i>	◆	◆	◆◆◆	◆	◆◆◆	◆	◆
Onsite Treatment WWTP (Package Plant w/Land Application)	This alternative's timeline may be impacted by delays associated with permitting.	5 pump stations; packaged treatment plant, land application system.	Permitting required for land application of treated effluent. May be able to utilize existing permit.	May be expanded to increase capacity.	Requires regular O&M. Access to airfield is required. Requires new training and maintenance protocol.	No additional property acquisition needed.	Moderate
<i>Favorability</i>	◆◆	◆◆	◆◆	◆◆	◆	◆◆◆	◆◆

5. What Funding Is Available to Support Revitalization?

TIF Dollars

Established in 1983, the South Beach Urban Renewal Plan has an original maximum indebtedness of \$38,750,000. Key recent milestones include:

- **2009:** The URA was extended at a reduced size for the purpose of upgrading the infrastructure and acquiring land to support economic development. With public input, a new project list was developed with the 2009 extension, to be funded with revenue bonds over three six-year phases.
- **2018:** The Urban Renewal Agency completed a substantial amendment of this plan to move the deadline for awarding projects from December 31, 2020 to December 31, 2025. This amendment extends the date after which no bonded indebtedness can be issued with respect to the Plan.

When considering how to spend money on project priorities in the Urban Renewal Area, the Agency will need to consider:

- **Level of Funding:** The Agency makes its last debt payment in FY 2024/25 and cannot obligate new projects after 2025. By the end of FY 2023/24, the Agency should have around \$4.25 million.¹³ However, the urban renewal area will still be accruing increment for two additional years after FY 2023/24. If the Agency were to secure a short-term bank loan to leverage those final two years of increment before 2025, then the Agency would have an additional \$4 to \$5 million in funding¹⁴ that would be available for projects in the Area. To understand how project costs align with potential revenues, the Agency can get updated TIF projects through its consultant, Tiberius Solutions.
- **Timing:** The Agency must make all project investment decisions before the end of 2025, per the 2018 substantial amendment.
- **Adherence to Guiding Principles:** Part of the Refinement Plan process is to develop a set of guiding principles to help the Agency align its investments with priorities in the Area in a manner that is consistent with the project parameters of the South Beach Urban Renewal Plan.

¹³ Remaining URA Increment – Working Document, 2021.

¹⁴ These funding estimates show tax increment generated in the Urban Renewal Area only, and do not account for delinquent taxes, rents/leases, or interest on investments, which would be additional available revenue.

Known Projects and Costs

Exhibit 20 provides an overview of projects that the Urban Renewal Agency has already identified to be funded in the final project phase (through 2025).

Exhibit 20. Known South Beach Urban Renewal Area Priorities for Final Project Phase - Unfunded

Project	Cost Estimate	Notes
US 101/ 40 th St. Signalization	\$1,750,000 (2012) \$1,538,827 (2021)	2021 cost estimate is lower since it assumes no new US 101 through lanes. Previous estimate assumed two new through lanes, one south bound, and one north bound. There is the potential for partnerships with private property owners.
Install redundant Yaquina Bay Water Pipeline Crossing	\$2,800,000 (2012)	Murraysmith will be providing an updated cost estimate in 2021. Agency can likely leverage partner funding to fund this project.
Extend sewer service to Newport Municipal Airport	\$3,000,000 (2012) <i>*for 2021 cost estimates see Exhibit 18</i>	Murraysmith has provided updated costs for potential sewer infrastructure options which are less than the 2012 estimate, allowing for investments in other projects.

Potential Partnership Funding

The following is an initial list of potential partnership funding that the Agency could explore to match its investments in priority projects.

- **Federal:** The Agency should explore grant funding for projects where it could leverage its own money for federal dollars, and where it could do so before 2025.
 - **FEMA Grants**, for projects that align with hazard mitigation and resiliency goals
 - **Economic Development Agency Public Works Program**, to fund large infrastructure projects in areas that could use an economic boost to support jobs and diversification, making Water Avenue improvements possible candidates for funding.
 - **American Rescue Plan (ARPA)**. The City of Newport will be receiving federal funding through ARPA, and the potential Infrastructure Plan might also have some funding that could help to advance priorities in South Beach.
- **State Funding Sources:**
 - ODOT, including the Community Paths Grant, Congestion Mitigation and Air Quality Fund, All Road Transportation Safety Program, Multimodal Active Transportation Fund, and Statewide Transportation Improvement Program grants.

All of these grants have timing considerations that the Agency would need to account for.

- Oregon Parks and Recreation Foundation Fund Grant
- Land and Water Conservation Fund
- Oregon Department of Fish and Wildlife Conservation and Recreation Fund
- **Private or Foundation Support:**
 - Grants (Meyer Memorial Trust, AARP Community Challenge Grant, Collins Foundation, International Mountain Biking Association, PeopleForBikes, PGE Better Together Resilient Communities Grant Program)
 - Advertising/Naming Rights/Sponsorships
 - Crowdfunding

6. Conclusion

Implications for Public Action and Investment

South Beach is well-positioned for growth but needs targeted investments to reach its potential.

While South Beach area is already a major destination for visitors and employees, it is underserved for retail and other daily needs and lacks a cohesive identity. Investments in placemaking, wayfinding, and mobility will help improve quality of life for residents as well as visitor experience.

The area's lack of transportation and utility infrastructure is an impediment to successful growth.

The area is growing, adding both residents and employers that will increase demand. Without interventions, the transportation constraint on US 101 in both directions across the bridge will become more severe as more visitors, employees, and residents come to the area.

Investments in sewer infrastructure at industrial properties near the airport may be needed to help to catalyze new land for industrial or other commercial developments.

The Urban Renewal Agency's land holdings can help to catalyze new development.

Agency-owned properties provide an important opportunity to push the market to provide the kind of retails and other services that the area needs to thrive, decrease pressure on US 101 for local transportation, and that the market might not provide on its own.

The Agency will need to be nimble to make all of its investments by 2025

There is not enough money to address all possible improvements, so the Agency should aim to leverage funding from regional, state, and federal partners as grant dollars might be available. If the Agency is to execute on its priority investments by 2025, it will need to be strategic about the choices it makes and be poised to act quickly.

Initial Framework for Public Action

- **Who:**
 - **Lead:** Urban Renewal Agency
 - **Partners:** Bringing new private investment into the community is a key goal of this Action Plan, requiring the coordinated efforts of many partners. Successful implementation will require time and energy from many partners within the City.

Some of the projects necessary to spur development and improve conditions in the South Beach URA will not be led by the Agency, but by other partners.

- **Where:** Agency investments will span two investment areas:
 - The Peninsula and US 101 Investment Area
 - The Airport Investment Area
- **Why/How:**
 - Through the course of this project, ECONorthwest will work with the agency to develop a set of evaluation criteria by which the Agency can prioritize its investments. Those could include:
 - *Timing:* Can the Agency award the project by 2025? Per the urban renewal plan, projects are expected to be awarded no later than December 31, 2025, and completed in a timely manner.
 - *Aligns with Existing Urban Renewal Plan Objectives*
 - Preserve forest, water, wildlife, and other natural resources
 - Identify sites for public uses such as the OSU Marine Science Center
 - Complete a Port facilitated marine recreation area
 - Encouraging marine oriented activities on the northern Shorelands
 - Assure the development of complementary uses adjacent to the Airport
 - Plan new sewer, water, and transportation capacity
 - Allocate a major part of South Beach to heavy commercial and light industrial uses
 - *Meet 2021 Priorities for this Urban Renewal Area:* Does the project advance at least three of the Agency’s priorities for South Beach?
 - Promote a sense of place for residents and visitors that reflects the South Beach identity.
 - Improve connectivity for bicyclists and pedestrians to South Beach destinations.
 - Attract new development that can meet the service and retail needs of South Beach residents.
 - Invest in overcoming market and development barriers on underutilized or vacant sites.
 - Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport.
 - Invest in improvements that promote long-term community resiliency to address tsunami, flooding, and earthquake hazards.

Next Steps

Over the summer of 2021, ECONorthwest will document a list of actions that are emerging through stakeholder conversations, and then work with the Agency to prioritize them using weighted criteria. We will likely develop a set of evaluation criteria based off the guiding principles and use the public/stakeholder involvement process to help us weight the importance of different projects.

In addition, we will be completing the following analyses:

- A zoning audit completed by JET Planning, which will explore how the area's current zoning regulations might impact future development activity.
- A vision and feasibility study for the Agency-owned opportunity site at US 101/35th Street. This analysis will explore a set of alternative development options for the site, as well as whether the Agency acquire other properties for development to make this area function better,
- Updated financial projections to align agency investments with forecasted TIF generation (completed by Tiberius Solutions).

Appendix A-A. Stakeholder Outreach

The following table compares key priorities identified in the 2010 Transportation and Growth Management (TGM) Refinement Plan to what our team has heard from community stakeholders.¹⁵

Exhibit 21. Key Priorities for US 101 and Peninsula Stakeholders

	Key Transportation Priorities from 2010 TGM Refinement Plan	Key Placemaking and Development Opportunities in 2021
Aquarium	<ul style="list-style-type: none"> • District-wide sidewalks and pathways. • Improved wayfinding and signage. 	<ul style="list-style-type: none"> • Continue multi-use path improvements and connectivity with a particular focus on ADA considerations. • Improved connections from parking to Aquarium. • Visual improvements - entrance to the Peninsula, benches and trash areas, vantage points to estuary. • Improved wayfinding, signage, and branding. • Family friendly environment. • Support grocery and restaurants in South Beach. • Support family friendly uses/destinations in South Beach. • EV charging stations.
Hatfield Center	<ul style="list-style-type: none"> • Improved bike and pedestrian connections to and throughout the Peninsula. 	<ul style="list-style-type: none"> • Support grocery and restaurants in South Beach. • Improved multimodal connections throughout the Peninsula (including safety considerations like lighting). • Improved wayfinding, signage, and branding.
Rogue	<ul style="list-style-type: none"> • Maintain the efficiency of their operations. • Traffic-related safety on the Peninsula, particularly truck and pedestrian interactions near the tourist boat dock. 	<ul style="list-style-type: none"> • Improved wayfinding and signage. • Expansion of Rogue. • Improved parking.
Port of Newport	<ul style="list-style-type: none"> • Ensure a parking supply that can meet the needs of its users. • Improve bike and pedestrian circulation on the Peninsula, to allow for tourists/RV owners to get around without a car. • Water taxi to provide a connection between the Peninsula and destinations across the bay. 	<ul style="list-style-type: none"> • Ensure a parking supply that can meet the need of its users. • Events. • Support grocery and gas station. • Small areas for development. • Improved parking signage.

¹⁵ The South Beach Peninsula Transportation Refinement Plan (2010) can be found here https://www.oregon.gov/lcd/TGM/Documents/Newport_SouthBeachPlan.pdf

	Key Transportation Priorities from 2010 TGM Refinement Plan	Key Placemaking and Development Opportunities in 2021
South Beach State Park	<ul style="list-style-type: none"> • Improve bicycle/pedestrian connectivity between the State Park and destinations on the Peninsula. • Improve wayfinding signage. 	<ul style="list-style-type: none"> • N/A
Public Arts Committee	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Billboard removal is a high priority. • More continuity in development. • Create a unique identity for South Beach. • Cohesive arts program tied into the landscape and existing assets in the area.
OMSI Camp Gray	<ul style="list-style-type: none"> • N/A 	<ul style="list-style-type: none"> • Support grocery and gas station. • Consider tsunami hazards when planning; consider adding additional capacity for evacuation and improving the resiliency of the Yaquina Bay Bridge. • Improved sidewalk connectivity to the beach and accessibility for people with a focus on ADA considerations.

Appendix A-B. Retail Analysis

This appendix summarizes information on consumer preferences and spending in the Primary Market Area of South Beach (Census Block 9512.002) and the Secondary Market Area which was determined by using approximate 15-minute drive times north of Yaquina River and 30-minute drive times south of the river.¹⁶ We used two reports from ESRI Business Analyst to complete this analysis, the Retail Marketplace Profile and the Retail Market Potential Report described in more detail below.

Retail Gaps

Residents, employees, and visitors must leave South Beach for their retail needs and most basic services, including groceries and gasoline.

Understanding South Beach’s “retail gap,” or how much money residents spend outside of the study area, can provide insight into the types of new businesses that South Beach could support.

- A **positive retail gap** shows that local sales are lower than demand and represents an area of potential for the city
- A **negative retail gap** shows areas that exceed local demand and meet the needs of people from outside South Beach

South Beach’s Retail Trade gap is nearly \$1 million, meaning South Beach residents spend \$1 million outside of South Beach to meet their needs. The industries with the largest retail leakage include general merchandise stores, gas stations, health & personal care stores, clothing & clothing accessories stores, and grocery stores. Food & drink, on the other hand, has a surplus of \$1.7 million meaning that people are travelling to South Beach to obtain these services. Specialty food stores which include meat markets, fish and seafood markets as well as confectionary, nut and baked goods stores among other specialty items, are also considered to have a surplus. The South Beach Fish Market is an example of a specialty food store. These retail gaps align with findings from stakeholder interviews specifically the need for a grocery store and gas station in South Beach.

¹⁶ We included locations in the Secondary Market area that could be accessed in an approximate 15-minute drive time north of Yaquina River and 30-minute drive time south of Yaquina River. This is based on stakeholder input and observation that people will be less likely to travel north over the bridge for services. However, people from as far south as Yachats may find value in services in South Beach.

Exhibit 1. Summary of Retail Gap and Leakage Factor, Primary Market Area, 2017

Source. ESRI Business Analyst Retail Marketplace Profile Report.¹⁷

Retail Category	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Number of Businesses	Implications for Retail Opportunities in South Beach
Motor Vehicle & Parts Dealers	\$3,585,878	\$8,846,277	-\$5,260,399	4	Retail Sales exceed local demand, capturing sales by customers living outside South Beach
Food Services & Drinking Places	\$1,299,766	\$3,013,497	-\$1,713,731	6	
Specialty Food Stores	\$160,274	\$1,241,578	-\$1,081,304	3	
Miscellaneous Store Retailers	\$781,165	\$976,521	-\$195,356	5	
Beer, Wine & Liquor Stores	\$117,613	\$0	\$117,613	0	
Bldg Materials, Garden Equip. & Supply Stores	\$1,205,540	\$1,056,728	\$148,812	2	Local demand is greater than existing stores can meet, creating retail opportunities in South Beach
Nonstore Retailers	\$219,187	\$49,631	\$169,556	1	
Electronics & Appliance Stores	\$426,129	\$158,599	\$267,530	1	
Sporting Goods, Hobby, Book & Music Stores	\$456,864	\$86,471	\$370,393	1	
Furniture & Home Furnishings Stores	\$405,993	\$0	\$405,993	0	
Grocery Stores	\$2,168,463	\$1,736,538	\$431,925	2	
Clothing & Clothing Accessories Stores	\$579,966	\$0	\$579,966	0	
Health & Personal Care Stores	\$993,414	\$0	\$993,414	0	
Gasoline Stations	\$1,633,570	\$0	\$1,633,570	0	
General Merchandise Stores	\$2,402,052	\$0	\$2,402,052	0	
Total Expenditures	\$16,435,874	\$17,165,840	-\$729,966	25	
Retail Trade	\$15,136,108	\$14,152,343	\$983,765	19	
Food and Drink	\$1,299,766	\$3,013,497	-\$1,713,731	6	

Consumer Preferences

South Beach residents prefer to buy American products and value quality over price.

Another method for understanding South Beach’s retail demand is by evaluating consumer preferences. Residents of South Beach are more likely to shop at convenience stores than those in the secondary market area and the US overall (Exhibit 2).¹⁸ This is unsurprising as residents must leave South Beach to meet their retail needs, including groceries. South Beach residents are also more likely to dine at a restaurant and more likely to note that buying American is important, that quality is more important than price, and that price is more important than brand. When considering future commercial development along US 101, considering consumer preferences is important. A preference for American made and quality over price may indicate that a smaller retail shop versus a large chain may fare better in the area.

¹⁷ This analysis is based on ESRI Business Analyst’s Retail Marketplace Profile, which relies on 2017 consumer spending data and 2020 demographic information. This discrepancy in years can lead to some inconsistencies which are best addressed through stakeholder outreach. Retail gaps are calculated by subtracting “retail sales” from “consumer expenditures” and can be negative or positive.

¹⁸ ESRI Business Analyst summarizes data collected in a national household survey (2020) and uses its demographic information to forecast potential. Consumer behaviors that have a Market Potential Index (MPI) of over 100 are higher than the US average.

Exhibit 2. Selected Retail Market Potential, Primary and Secondary Market Areas, 2020

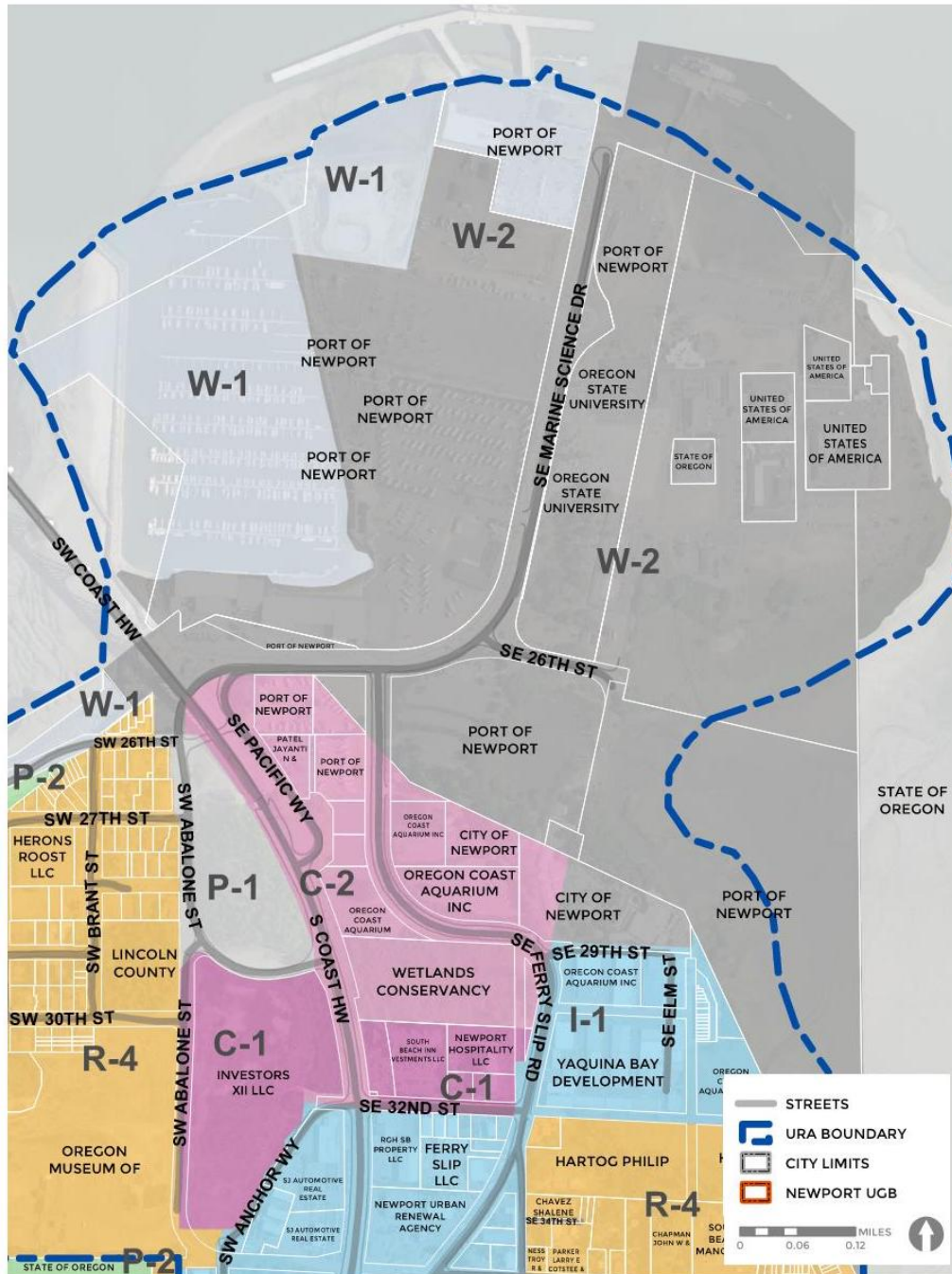
Source: ESRI Business Analyst Retail Market Potential Report

Product/Consumer Behavior	Primary Market Area			Secondary Market Area		
	Expected Number of Adults or HHs	Percent of Adults/HHs	MPI	Expected Number of Adults or HHs	Percent of Adults/HHs	MPI
Convenience Stores (Adults)						
Bought gas at convenience store in last 30 days	371	46.7%	125	9,199	43.0%	115
Spent at convenience store in last 30 days: \$40-\$50	74	9.3%	117	1,875	8.8%	110
Spent at convenience store in last 30 days: \$100+	210	26.4%	116	5,189	24.2%	107
Entertainment (Adults)						
Dined out in last 12 months	445	56.0%	110	11,150	52.1%	103
Home (Households)						
HH did any home improvement in last 12 months	148	31.5%	115	3,358	29.8%	109
Psychographics (Adults)						
Buying American is important to me	461	58.0%	157	10,592	49.5%	134
Usually buy based on quality - not price	155	19.5%	106	3,882	18.1%	99
Price is usually more important than brand name	265	33.3%	119	6,702	31.3%	112
Usually use coupons for brands I buy often	138	17.4%	109	3,908	18.3%	114

Appendix A-C. Existing Conditions - Zoning, Transportation, Natural Hazards

Exhibit 22. Zoning in South Beach - Peninsula

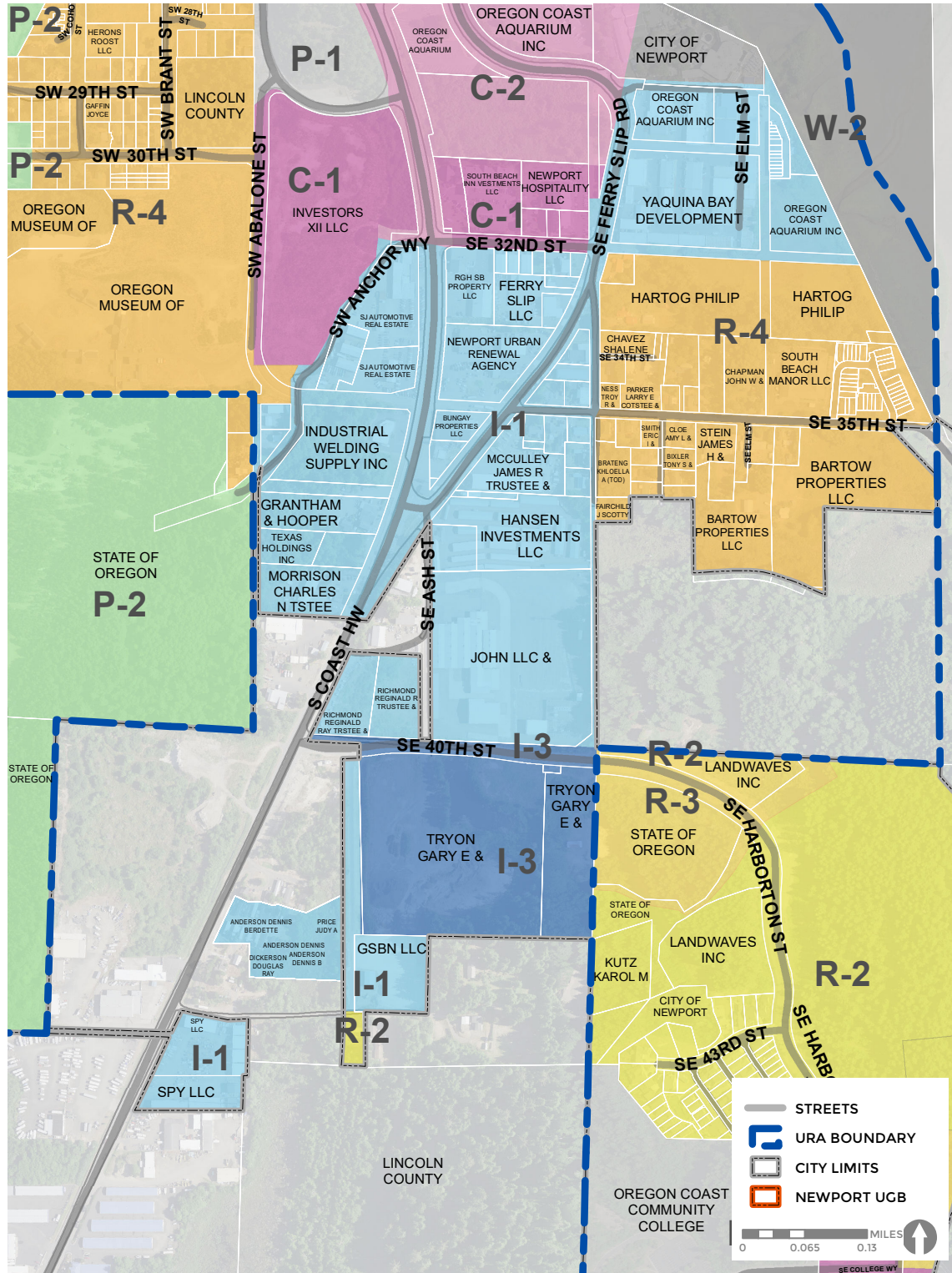
Source: City of Newport.



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Exhibit 23. Zoning in South Beach—US 101
City of Newport.



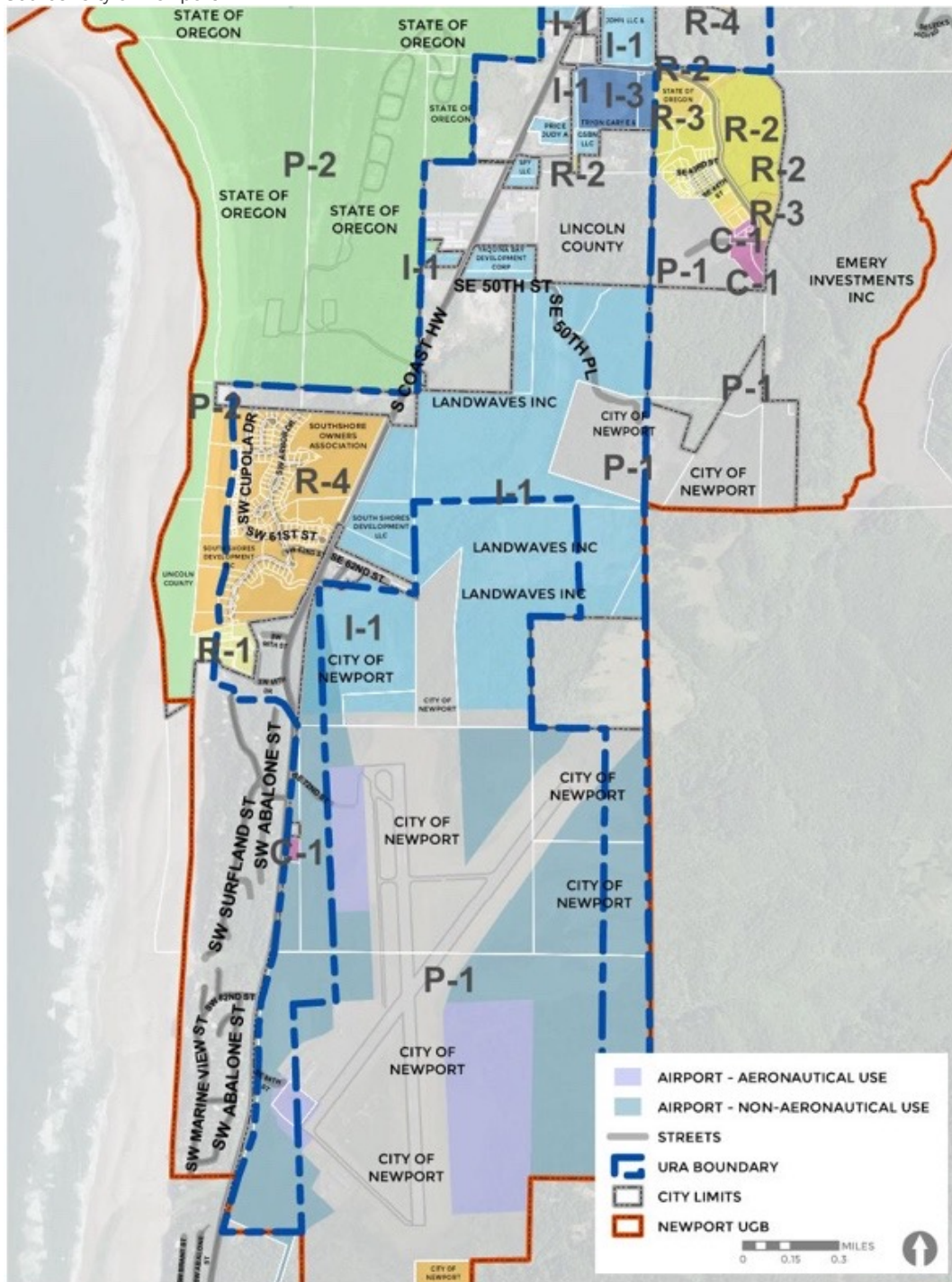
NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Source:

Exhibit 24. Zoning in South Beach—Airport Investment Zone

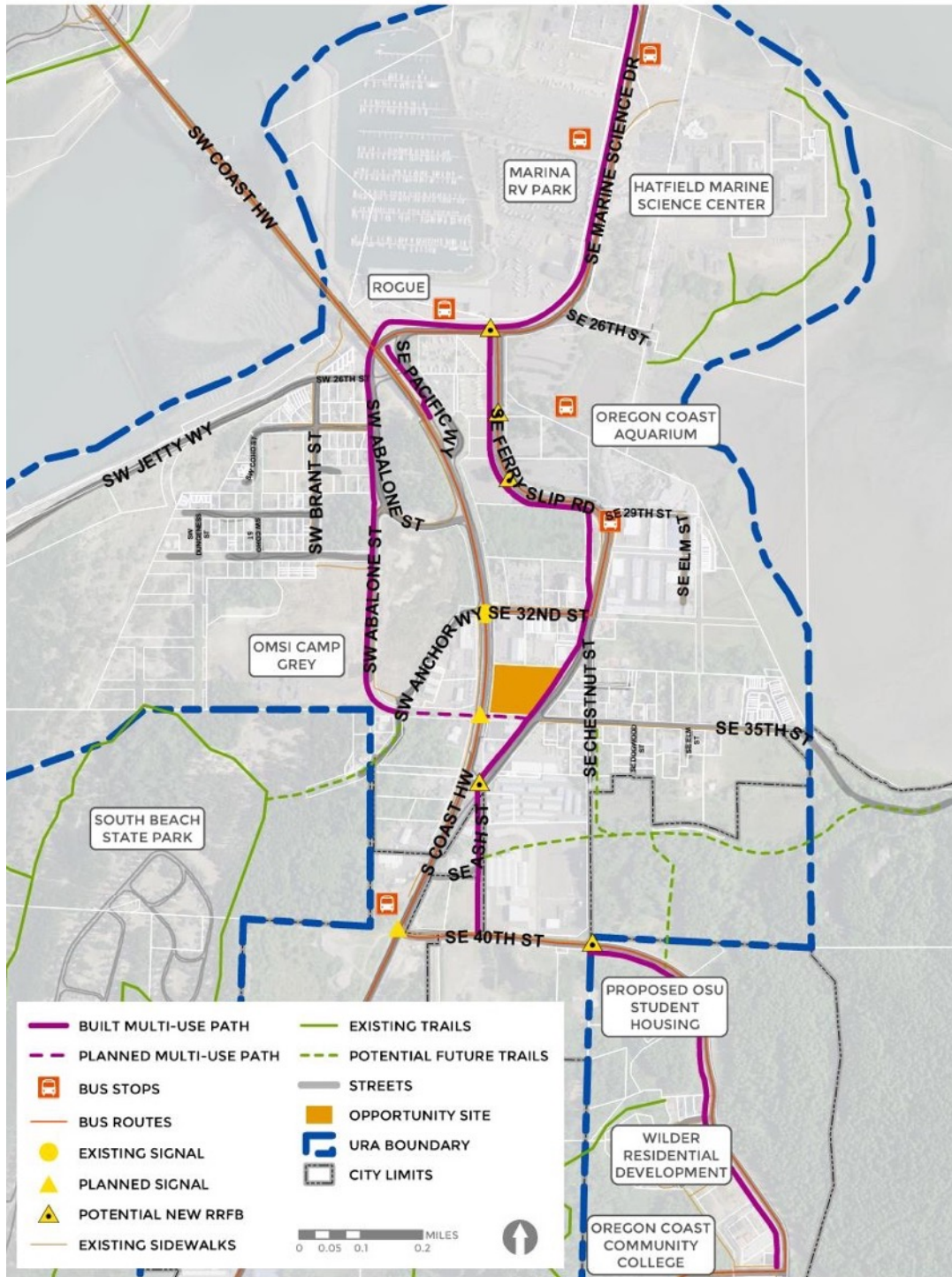
Source: City of Newport.



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Exhibit 25. Transportation Network in South Beach
 Source: City of Newport.

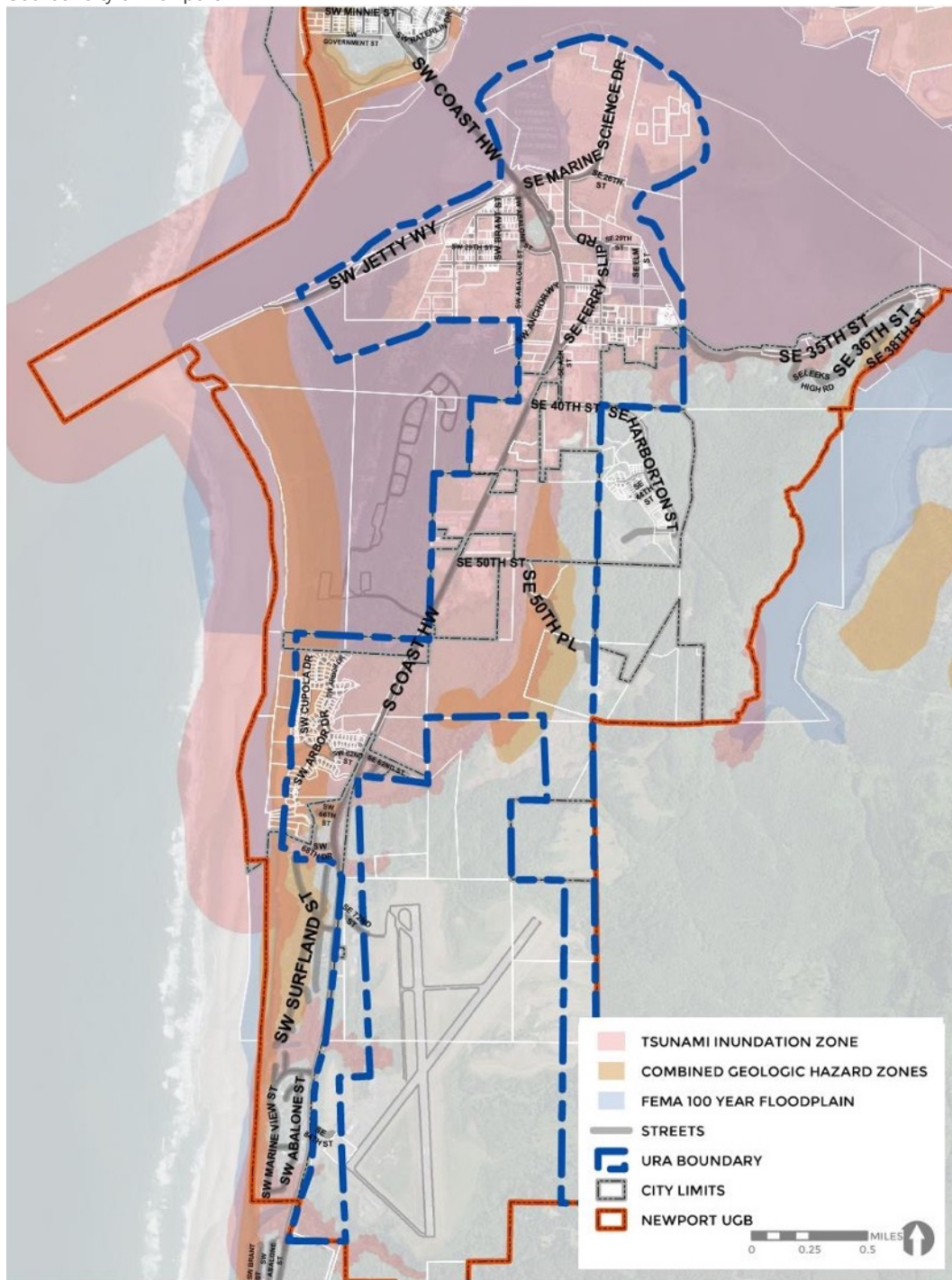


NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Exhibit 26. Natural Hazards in South Beach

Source: City of Newport.



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Appendix A-D. Sewer Connection Alternatives

DRAFT Technical Memorandum

Date: June 09, 2021
Project: Newport South Beach / US101
To: ECONorthwest
From: Justin Moman, P.E.
Katie Husk, P.E.
Murraysmith
Re: Newport South Beach Sewer Connections Alternatives Evaluation

Introduction

The City of Newport is considering multiple approaches to improve the sewer infrastructure in the South Beach/U.S. 101 Highway Corridor in order to expand sanitary sewer service for five non-aeronautical development areas at the Newport Airport. The current layout of the City's sanitary sewer system in this area is patchwork in nature with the proposed development areas unlinked to the wastewater conveyance and treatment facilities located to the north. The Newport Airport is presently utilizing an on-site septic system which is undersized to meet future development plans for the property with projected flows of 4,000 gallons per day.

Purpose

The purpose of this memorandum is to provide an alternatives analysis for sanitary sewer infrastructure improvements to serve the non-aeronautical development areas identified by the City. This includes a discussion of the strengths and weaknesses of each alternative, an evaluation of short-term and long-term advantages, and a planning-level cost estimate for each alternative.

Analysis of Alternatives

In order to adequately compare each of the sewer infrastructure alternatives, Murraysmith developed analysis criteria by which to evaluate each option. Each criterion is discussed in detail below. A summary table of the capital costs may be found in Table 1 in the summary section of this report. Summary analysis criteria results may be found in Table 2.

Timeline

Design and construction timelines have the potential to affect development plans for the airport property, other planned construction projects, etc. Timeline may be a major factor depending on the urgency of the project.

Regulatory Hurdles

Some alternatives require regulatory approval which may require additional effort to obtain in comparison to other alternatives. This can affect the project schedule, costs, and feasibility of the project. This is especially relevant for this project when considering onsite systems that will be permitted independently of the City's existing wastewater treatment plant.

Expandability (Growth)

Developing a wastewater plan with future growth of the community in mind could mitigate future cost impacts. Options with on-site disposal of effluent maintain capacity within the existing wastewater treatment plant (WWTP) and may be expandable for future growth.

Ease of Operation and Maintenance

The upkeep of a wastewater facility is imperative for its future performance. On-site facilities require much more maintenance and oversight and personnel training that should be taken into consideration.

Private Property Impacts (Easements)

Construction along the roadway will require land acquisition, which would likely have impacts on both the cost and the timeline of the project.

Expand Airport Septic System

The first alternative is the expansion of the existing airport septic system to a large onsite septic system (LOSS) that would accommodate additional future flows. The existing system location does not have room to accommodate enough additional loading, so the southern triangle of land between the airport runways was selected as the best location for this expansion.

The selected location is at a higher elevation than most of the airport development areas, so package pump stations are assumed at each area to convey the wastewater to the septic system. E/One package pump stations with grinder pumps were identified to meet the low- and intermittent-flow requirements of this application to prevent fouling of the pumps and conveyance lines by reducing solids present in wastewater. A detail and description of a suitable package pump station is included in Appendix A-E. Package Pump Station.

Flows would be pumped from the airport development areas to a new septic tank where solids will be separated from the liquids. Effluent from the septic tank would then be disposed via infiltration trenches in four absorption areas. A dosing system will be required to alternate the absorption areas.

The primary components of this alternative are:

- Five (5) pump stations located at the airport development areas
- 8,000-gallon capacity septic tank
- Dosing system to alternate the absorption areas
- Absorption field
 - 4,667 linear feet of trench minimum divided into four (4) absorption areas.
 - Each area contains eight (8) trenches that are 2-feet wide, 150-feet long, and spaced 10 feet on-center.
 - Approximate area of absorption field is 61,500 square feet (1.4 acres).

Estimated capital cost: \$594,000

Advantages

- Capacity in existing wastewater treatment plant is maintained.
- The system is entirely contained on airport property.
- Expandable to meet the needs of future growth.
- Limited operation and maintenance costs.

Disadvantages

- Requires additional soil studies to determine feasibility. Soil survey shows potential high groundwater in area that could constrain this alternative.
- The selected location for the absorption field is uphill from many development areas and will likely require pump stations.
- Permitting will be required, but modification of the existing permit may be possible.
- Trenchless technology will be required to install force main(s) with casing under the runway.
- Maintenance access and the impact of airport activities at the proposed site should be considered.
- Additional expenditures will be required for operations, maintenance, and periodic solids disposal.
- Requires FAA review.
- Requires leach field within airport area.

Sewer Extension 1: Gravity to Southshore Pump Station and New Force Main to Inlet Pump Station

This first sewer extension alternative is the construction of a gravity sewer line from the airport facilities, down SE 72nd St., and along US-101 to the existing Southshore Pump Station (PS). A force main (FM) would be constructed along SE 62nd St. and an unimproved fire road to the Newport wastewater treatment plant's influent pump station (IPS). This new force main would replace the existing force main from the Southshore PS and reduce flows through other portions of the collection system.

The primary components of this alternative are:

- 6,750 linear feet of 6-inch gravity sewer
- 6,450 linear feet of 5-inch force main
- Package pump stations at airport development areas where gravity conveyance is not feasible

Estimated capital cost: \$5,091,000

Advantages

- Utilizes existing pump station.
- Gravity conveyance is likely be feasible for some development areas.
- Allows for easy sewer collections of existing neighborhood on SE 62nd Street

Disadvantages

- The gravity pipeline installation will likely be deep on portions of the airport property in order to maintain slopes that will achieve scouring velocity.
- An additional lift station could potentially be required to connect to existing pump station.
- Substantial work required along Highway 101 would impact traffic.
- ROW acquisition along pipeline route would likely be required.
- Will require extended design schedule relative to other alternatives.

Sewer Extension 2: Pump Station at Surfland and New Force Main

The second sewer extension alternative includes the construction of a new pump station in the Surfland area, near 82nd St. and Hwy 101. For this alternative, a new gravity sewer would be constructed from the airport property in the vicinity of SE 84th St., beneath Hwy 101, and to the new pump station. A combination of open cut and trenchless technologies would likely be required due to topography in the area and in order to limit impacts to traffic. From the pump station, a force main would be constructed along Hwy 101 to the influent pump station.

This option is contingent on the completion of the Surfland Sewer Extension project as proposed by Brown and Caldwell in the February 2018 Sanitary Sewer Master Plan (SSMP). The SSMP Surfland project included the construction of a new pump station at Surfland as well as a new force main from the Surfland Pump Station to the Influent Pump Station. The estimated cost for the SSMP Surfland extension project is \$6.3 million. These costs are not included in the estimate presented in this report.

The primary components of this alternative are:

- 1,350 linear feet of 6-inch gravity sewer
- Package pump stations at airport development areas where gravity conveyance is not feasible

Estimated capital cost: \$1,297,000

Advantages

- Direct routing from airport to pump station makes it easier to achieve scouring velocities in gravity line.
- Gravity conveyance is likely be feasible for some development areas.
- Limited operation and maintenance cost compared to other alternatives.

Disadvantages

- Contingent upon capital investment in and operation and maintenance of SSMP Surfland extension.
- Work required in Highway 101 corridor would likely impact traffic.
- Some ROW acquisition along pipeline route may be required.
- Direct routing to the pump station would likely require trenchless installation, which may have significant cost impacts.
- Will require extended design schedule compared to other alternatives.
- Force main would skip over 62nd Street; eventually another PS required for the neighborhood in between

Onsite Treatment

The final alternative is onsite treatment of wastewater from the development areas. Packaged treatment facilities that can be installed onsite are available from multiple equipment manufacturers. This option is similar to the LOSS, with a small treatment facility replacing the septic tank and absorption field components. The estimate included in this report assumes the use of the MEMPAC-E5 by Cloacina. The MEMPAC is a membrane bioreactor package wastewater treatment plant that can meet Class C recycled water standards, at a minimum, for onsite land application of treated effluent. An informational flyer containing a schematic and product description for this package plant may be found in Appendix A-F. Package Plant.

The main components that would need to be constructed for this alternative are:

- Five (5) pump stations located at the airport development areas
- Packaged treatment plant
- Land application system

Estimated Capital Cost: \$1,960,000

Advantages

- Capacity in existing wastewater treatment plant is maintained.
- The system is entirely contained on airport property.
- Expandable to meet the needs for future growth.
- Recycled water can be reused on site depending on the level of treatment.

Disadvantages

- Operations and maintenance costs including mechanical upkeep, electrical costs, chemical additives, operator requirements, and routine removal of solids.
- The location of the plant may be uphill from many development areas and require pump stations.
- Permitting will be required, but modification of the existing permit may be possible.
- Maintenance access and the impact of airport activities at the proposed site should be considered.

Summary

A summary of capital costs can be found in **Table 1**. A summary and scoring (highest score is most favorable) of each option can be found in **Tale 2** below.

Table 1: Capital Costs Summary

Alternative	Estimated Capital Cost
Expand Airport LOSS	\$594,000
Sewer Extension 1: Gravity to Southshore PS and New FM to IPS	\$5,091,000
Sewer Extension 2: PS at Surfland and New FM to IPS	\$1,297,000
New Onsite WWTP (Package Plant w/ Land Application)	\$1,960,000

Notes:

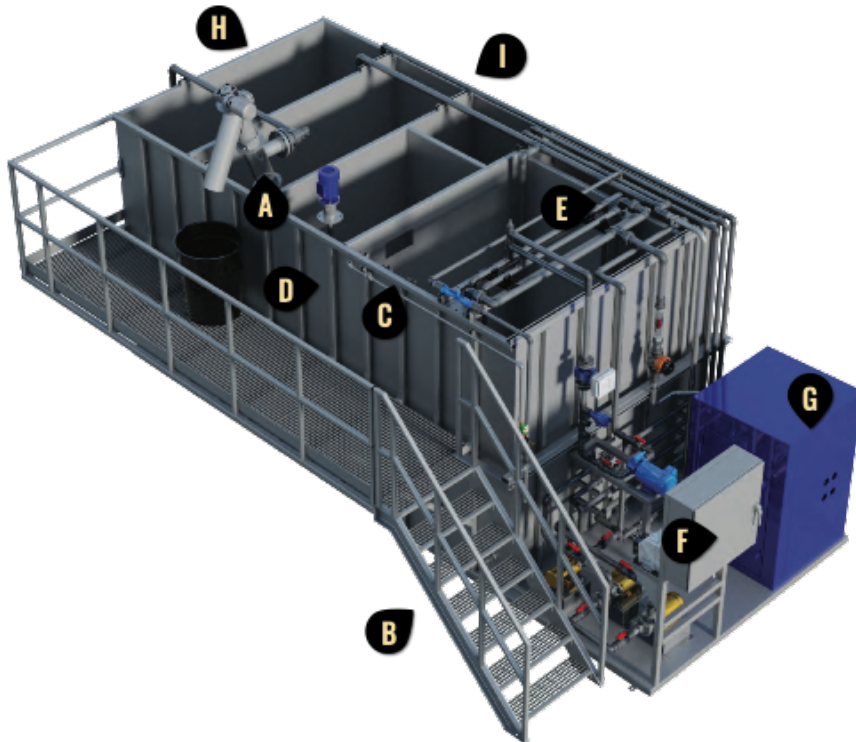
1. Cost includes material costs and installation, mobilization (12%), general conditions (8%) contractor O&P (12%), contingency (40%), and ELA (Engineering, Legal, and Administration) (25%)
2. Estimate is for planning purposes only; AACEI Class 5 estimate ranges from -30% to +50%

Table 2: Non-Monetary Evaluation of Alternatives

Alternative	Timeline	Regulatory Hurdles	Expandability (Growth)	Ease of Operation and Maintenance	Private Property Impacts (Easements)	Total
Weight	20%	20%	20%	20%	20%	
Expand Airport Septic System	This alternative's timeline may be impacted by permitting, but there are limited construction delays.	Permitting required for land application of effluent. May be able to utilize existing permit. Soils studies and groundwater investigation is required.	Septic system may be expanded to increase capacity at lower capital cost compared to other alternatives.	Requires regular maintenance and solids removal. Can follow operations and maintenance schedule of existing facility.	No additional property acquisition needed	
Score	8	8	10	7	10	43
Sewer Extension 1: Gravity to Southshore Pump Station	This alternative may be constructed at any time but may have an extended design schedule.	No significant permitting requirements	Utilizes capacity of existing WWTP. Adds redundancy to existing system, increasing capacity of conveyance system.	Limited near-term O&M needs. (Assumes pump maintenance part of Southshore pump station O&M).	Additional ROW purchase required along US-101.	
Score	8	10	6	10	5	39
Sewer Extension 2: Gravity to Surfland Pump Station	This alternative is dependent on the completion of the Surfland sewer extension project and may have extended design schedule	No significant permitting requirements	Utilizes capacity of existing WWTP	Limited near-term O&M needs. (Assumes pump maintenance part of Surfland sewer extension project).	Minimal ROW acquisition required	
Score	5	10	5	10	6	36
Onsite Treatment	This alternative's timeline may be impacted by delays associated with permitting	Permitting required for land application of treated effluent. May be able to utilize existing permit.	May be expanded to increase capacity.	Requires regular operation and maintenance. Access to airfield is required. Requires new training and maintenance protocol.	No additional property acquisition needed	
Score	8	7	8	5	10	38

Appendix A-E. Package Pump Station

MEMPAC™ - E



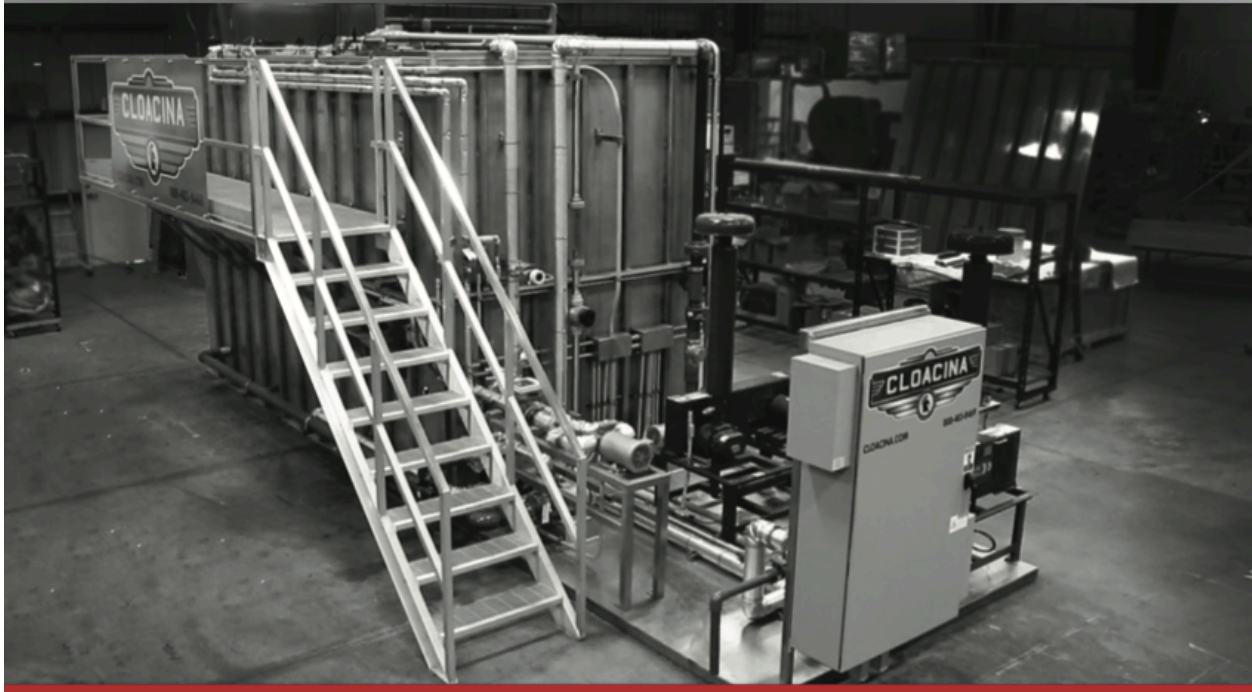
- A:** Integrated screening
- B:** Aluminum stairs and platform (optional full catwalk and stairs shown)
- C:** All sensory equipment is mounted on the Cloacina Slide Rail™ System and is accessible from the inspection platform
- D:** Corrosion-resistant 304 stainless steel tankage and components come standard
- E:** Membrane filtration equipment is factory-installed and wet tested for a minimum of 24 hours prior to shipping
- F:** Electrical panel and controls system are factory-installed and tested
- G:** Optional semi-sound attenuated blowers
- H:** Integrated aerated sludge storage chamber
- I:** Biological Nutrient Removal (BNR)

Prior to delivery, clients will be given exact connection points for power, communication, influent, effluent and WAS.

STAINLESS STEEL MEMBRANE BIOREACTOR WITH ECONOMIZED EQUIPMENT SELECTIONS

CLOACINA.COM | INFO@CLOACINA.COM | 888.483.8469

PRODUCT DESCRIPTION



Municipal clients with tight project budgets often seek economical treatment solutions capable of meeting stringent discharge and re-use requirements. The MEMPAC™-E, designed for flow ranges of 5,000 – 50,000 Gallons Per Day (GPD) in increments of 5,000 gallons, has standard, streamlined designs and economized equipment selections while still incorporating most of the revolutionary features of the other MEMPAC models. Pricing on the MEMPAC-E is comparable to extended aeration systems. This system has expedited construction and delivery timelines.



TYPICAL INFLUENT PARAMETERS			
CONSTITUENT	VALUE	UNITS	NOTES
Flow	5,000-50,000	GPD	
TSS	300	mg/L	
BOD5	<400	mg/L	
Temperature	41 - 68	°F	Average
TN	40	mg/L	

TYPICAL EFFLUENT PARAMETERS			
CONSTITUENT	VALUE	UNITS	NOTES
BOD5	<10	mg/L	
TSS	<10	mg/L	
TN	<10	mg/L	

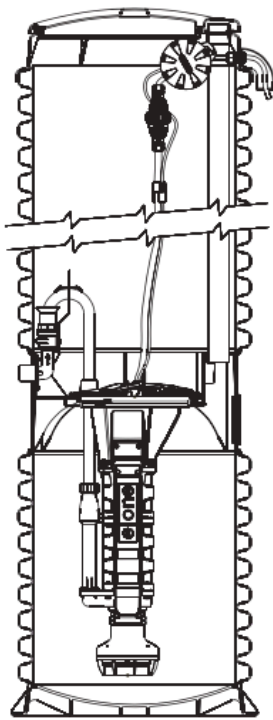
TYPICAL APPLICATIONS
 Remote domestic waste from mobile home parks, resorts, schools, campgrounds, commercial developments, truck stops and rest areas

CLOACINA.COM | INFO@CLOACINA.COM | 888.483.8469

Appendix A-F. Package Plant



DH071/DR071



Patent Numbers: 5,752,315
5,562,254 5,439,180

* Discharge data includes loss through check valve, which is minimal.

NA0050P01 Rev A

General Features

The model DH071 or DR071 grinder pump station is a complete unit that includes: the grinder pump, check valve, HDPE (high density polyethylene) tank and controls. The DH071 or DR071 is packaged into a single complete unit, ready for installation.

The DH071 is the "hardwired," or "wired," model where a cable connects the motor controls to the level controls through watertight penetrations.

The DR071 is the "radio frequency identification" (RFID), or "wireless," model that uses wireless technology to communicate between the level controls and the motor controls.

All solids are ground into fine particles, allowing them to pass easily through the pump, check valve and small diameter pipelines. Even objects not normally found in sewage, such as plastic, rubber, fiber, wood, etc., are ground into fine particles.

The 1.25-inch discharge connection is adaptable to any piping materials, thereby allowing us to meet your local code requirements.

The tank is made of tough corrosion-resistant HDPE. The optimum tank capacity of 70 gallons (265 liters) is based on computer studies of water usage patterns. A single DH071 or DR071 is ideal for one, average single-family home and can also be used for up to two average single-family homes where codes allow and with consent of the factory. This model can accommodate flows of 700 GPD (2650 lpd).

The internal check valve assembly, located in the grinder pump, is custom-designed for non-clog,

trouble-free operation.

The grinder pump is automatically activated and runs infrequently for very short periods. The annual energy consumption is typically that of a 40-watt light bulb.

Units are available for indoor and outdoor installations. Outdoor units are designed to accommodate a wide range of burial depths.

Operational Information

Motor

1 hp, 1,725 rpm, high torque, capacitor start, thermally protected, 120/240V, 60 Hz, 1 phase

Inlet Connections

4-inch inlet grommet standard for DWV pipe. Other inlet configurations available from the factory.

Discharge Connections

Pump discharge terminates in 1.25-inch NPT female thread. Can easily be adapted to 1.25-inch PVC pipe or any other material required by local codes.

Discharge*

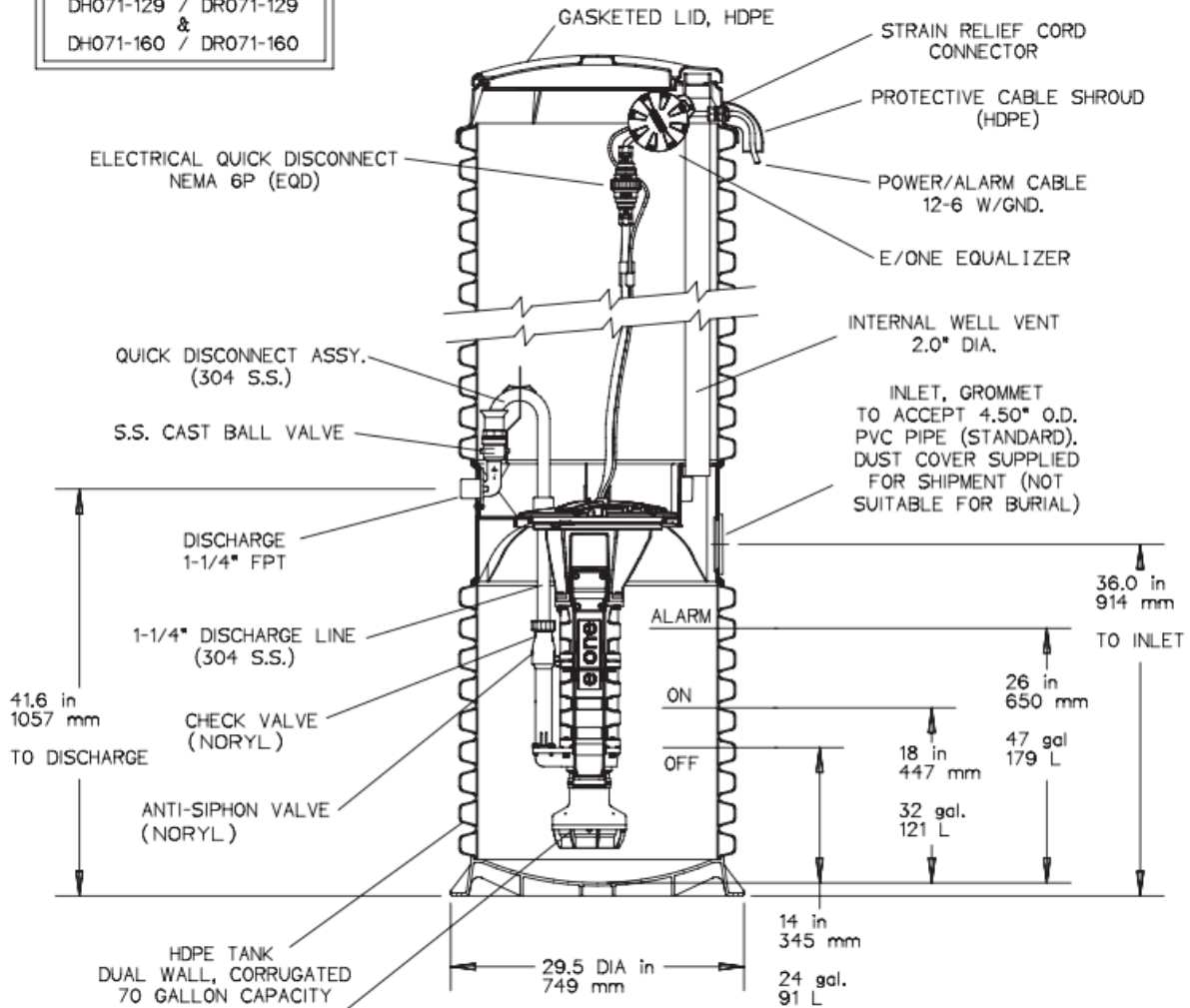
15 gpm at 0 psig (.75 lps at 0 m TDH)
11 gpm at 40 psig (.63 lps at 20 m TDH)
7.8 gpm at 80 psig (.47 lps at 42 m TDH)

Overload Capacity

The maximum pressure that the pump can generate is limited by the motor characteristics. The motor generates a pressure well below the rating of the piping and appurtenances. The automatic reset feature does not require manual operation following overload.

FIELD JOINT REQUIRED
FOR MODELS
DH071-129 / DR071-129
&
DH071-160 / DR071-160

OPTIONS : **DH071** (HARD WIRED LEVEL CONTROLS)
 DR071 (WIRELESS LEVEL CONTROLS)



CONCRETE BALLAST MAY BE REQUIRED
SEE INSTALLATION INSTRUCTION
FOR DETAILS



AD	CH	10/20/10	C	
DR BY	CHK'D	DATE	ISSUE	SCALE



MODEL DH071 / DR071
DETAIL SHEET

NA0050P02

Appendix B. Project Evaluation Process

DATE: September 28, 2021
TO: Derrick Tokos, City of Newport
FROM: Emily Picha, Nicole Underwood, and Lorelei Juntunen
SUBJECT: **Newport South Beach Project Concept Evaluation**

This memorandum synthesizes stakeholder input with consultant analysis in a list of potential improvements and infrastructure projects for the South Beach area in Newport. In addition, it provides a project evaluation framework for infrastructure investments, strategic land acquisitions, and other projects that includes a set of criteria for project evaluation.

Part 1: Project Prioritization Framework

Attracting new development to South Beach will take a coordinated effort on behalf of the City, businesses, private investors. Because limited public funds are available for capital projects and programs, it is necessary to prioritize these investments. With targeted investments and partnerships, South Beach could achieve its vision for a more active commercial corridor and increased opportunities for jobs. The strategic use of urban renewal funds can help to improve visitor experience and increase private sector confidence in investing in the District. It will also provide a bridge for pioneering development projects to overcome the significant financial gap for new development in South Beach.

The purpose of this evaluation framework is to help frame the Agency's decisions about which projects to evaluate further, and ultimately advance for urban renewal funding. It also provides a structure for the entity that implements the actions (Agency-led versus partnership with another department or organization).

Who?

For all of the projects evaluated, the Urban Renewal Agency assumes it will be leading investment or providing matching investment, given the limited time remaining in the life of the district. Bringing new private investment into the community is a key goal of this Action Plan, provided such efforts can be coordinated before the plan closes to new projects. Successful implementation will require time and energy from many partners within the City.

Where?

Agency investments will span two investment areas within the Urban Renewal Area: the Peninsula and US 101 Investment Area and the Airport Investment Area.

When?

If the Agency is to execute on its priority investments by 2025, it will need to be strategic about the choices it makes and be poised to act quickly. All projects must be awarded by December 31, 2025.

How Much?

The Agency will weigh the priority of each project against its potential cost for the final evaluation. There is not enough money to address all possible improvements, so the Agency should aim to leverage funding from regional, state, and federal partners as grant dollars might be available.

Which projects?

Over the summer of 2021, ECONorthwest documented a list of project concepts that emerged through stakeholder conversations. Exhibit 1 provides an overview of the 10 projects evaluated. The ones marked “N/A” were ultimately removed from consideration.

Exhibit 1. Project Summary Matrix

Map Key	Project	Rationale	Estimated URA Contribution
A	Redevelop SE 35th site to meet community needs	Promote development that meets public goals combined with a gateway that improves the arrival experience and business/destinations visibility.	\$300,000 (estimate) for public restroom and path user amenities (does not include land write down of up to \$1.5 million, which would be variable depending on the development concept)
B	Provide predevelopment or annexation assistance to overcome barriers on U.S. 101 opportunity sites	Assist in the redevelopment of vacant or underutilized sites to help meet community needs and improve the area’s vibrancy.	Up to \$450,000 (assumes all eligible properties are annexed at the same time)
C	Provide sewer infrastructure to industrial sites near Newport Municipal Airport	Expand the types of development possible and reduce developer uncertainty.	\$600,000 - \$2 million (depending on technology used)
D	Improve fire suppression capability at Airport industrial sites	Expand the types of development that would be able to locate at the airport	\$150,000 - \$500,000 (preliminary estimate)
E	Install redundant Yaquina Bay water pipeline	Improve South Beach’s resiliency to water line failure	\$750,000 (grant match)
F	Enhance South Beach placemaking through improvements to landscaping, public art, and gateways	Bolster the area’s sense of identity through targeted improvements.	\$1 million (\$150-250K in consulting fees, up to \$850,000 in improvements)
G	Enhance mobility for cyclists and pedestrians through South Beach Loop path improvements	Improve mobility for cyclists and pedestrians while enhancing sense of place and navigability. It would also improve disaster preparedness	\$1.3 - 1.5 million (high priority projects only, excluding ROW acquisition)
H	Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101	Open the door for planned development and ease congestion	\$1.5 million (not including bike/ped improvements, which are included in Project G)
N/A	Provide transportation access to east airport properties	Spur development at the east airport properties	Not estimated
N/A	Install a traffic signal at SE 50th and US 101	Allow for planned development at airport properties and ease congestion.	\$2 million (2012 TSP)

Why/How?

As part of this work, ECONorthwest evaluated each project against the 2021 priorities and stakeholder feedback to help us weight the importance of different projects. The criteria that ECONorthwest used was:

1. Can the Agency award the project by 2025?
2. Will the project necessitate a substantial amendment?
3. Does the project align with the objectives from the 1983 South Beach Urban Renewal Plan?
4. Does the project advance the 2021 investment priorities for the urban renewal area?
5. How much community support did the project receive?

This section provides an overview of how ECONorthwest evaluated each project based on community feedback and how it performed in the evaluation framework. All projects that have made it through to this point of evaluation were determined to be able to be implemented by 2025.

Exhibit 5 provides a summary of all evaluation criteria used side by side, with projects ranked in groups of how they performed overall.

Criteria #1: Can the Agency award the project by 2025?

Per the urban renewal plan, projects are expected to be awarded no later than December 31, 2025 and completed in a timely manner. A few of the concepts we had evaluated for sewer and other infrastructure enhancements would not have been possible to complete by the 2025 deadline. **We have eliminated projects from consideration that would not be able to be awarded by 2025.**

Criteria #2: Will the project necessitate a substantial amendment?

Since this process is lengthy and requires County approval, it should be avoided given the limited life of the plan. A substantial amendment is required¹ to add a new project, activity or program which:

- Serves or performs a substantially different function from any project, activity, or program specified in the Plan; and
- Is estimated to cost, excluding administrative costs, in excess of \$500,000 adjusted annually from July 1, 1991, at a rate equal to the construction cost index applicable to South Beach.

Based on our initial evaluation, none of the projects evaluated would require a substantial amendment, but the Agency should verify this with its attorney.

¹ Substantial Amendment 13 to the South Beach Urban Renewal Plan (2018), page 18

Criteria #3: Does the project align with objectives from the 1983 Urban Renewal Plan?

Any project that the Agency is considering for the area must achieve at least one of the following objectives.

1. Preserve forest, water, wildlife and other natural resources
2. Identify sites for public uses such as the OSU Marine Science Center
3. Complete a Port facilitated marine recreation area
4. Encouraging marine oriented activities on the northern Shorelands
5. Assure the development of complementary uses adjacent to the Airport
6. Plan new sewer, water, and transportation capacity
7. Allocate a major part of South Beach to heavy commercial and light industrial uses

Exhibit 2 provides an overview of how each project meets the URA objectives. **Each of the projects meets at least one of the objectives. Several projects meet multiple objectives, which strengthens the case for investment.** Given the language in the original plan may not have intended to spur placemaking improvements as envisioned in Project F, the City should consult its attorney for a second opinion on that project's nexus with the objectives.

Exhibit 2. Alignment of Potential Project Concepts with 1983 URA Plan Objectives

Map Key	Project	URA Objectives						Nexus to URA Objectives?	
		Preserve natural resources	Identify sites for public uses	Complete marine recreation area	Encouraging marine oriented activities	Assure the development of complementary uses adjacent to the Airport	Plan new sewer, water, and transportation capacity		Allocate to heavy commercial and light industrial uses
A	Redevelop SE 35 th site to meet community needs		✓					✓	Yes
B	Provide predevelopment assistance to overcome barriers on U.S. 101 opportunity sites							✓	Yes
C	Provide sewer infrastructure to industrial sites near Newport Municipal Airport					✓	✓		Yes
D	Improve fire suppression capability at Airport industrial sites					✓	✓		Yes
E	Install redundant Yaquina Bay water pipeline						✓		Yes
F	Enhance South Beach placemaking through improvements to landscaping, public art, and gateways		✓				✓		Yes
G	Enhance mobility for cyclists and Pedestrians through South Beach Loop Path improvements		✓				✓		Yes
H	Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101						✓		Yes
N/A	Provide transportation access to east airport properties					✓	✓		Yes
N/A	Install a traffic signal at SE 50th and US 101					✓	✓		Yes

Criteria #4: Does the project advance the 2021 Priorities for the Urban Renewal Area?

The Agency developed the following priorities based on how conditions and stakeholder interests have changed since the Plan's adoption in 1983. The priorities build upon the original plan's objectives and provide guidance for how the Agency can spend its remaining funds:

1. Promote a sense of place for residents and visitors that reflects the South Beach identity.
2. Improve connectivity for bicyclists and pedestrians to South Beach destinations.
3. Attract new development that can meet the service and retail needs of South Beach residents.
4. Invest in overcoming market and development barriers on underutilized or vacant sites.
5. Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport.
6. Invest in improvements that promote long-term community resiliency to address tsunami, flooding, and earthquake hazards.

Exhibit 3 provides an evaluation of how each project meets the agency's updated investment priorities from 2021. **Every project meets at least one priority. Several of the projects meet multiple objectives, which helps to strengthen the case for investment.**

Exhibit 3. Alignment of Potential Project Concepts with 2021 Investment Priorities

Map Key	Project	2021 Investment Priorities						Meets Investment Priorities?
		Promote a sense of place	Improve connectivity	Attract new commercial development	Overcome market & development barriers	Reduce infrastructure barriers	Invest in resiliency	
A	Redevelop SE 35 th site to meet community needs	✓	✓	✓	✓		✓	Yes
B	Provide predevelopment assistance to overcome barriers on U.S. 101 opportunity sites			✓	✓	✓		Yes
C	Provide sewer infrastructure to industrial sites near Newport Municipal Airport					✓	✓	Yes
D	Improve fire suppression capability at Airport industrial sites					✓		Yes
E	Install redundant Yaquina Bay water pipeline					✓	✓	Yes
F	Enhance South Beach placemaking through improvements to landscaping, public art, and gateways	✓		✓				Yes
G	Enhance mobility for cyclists and Pedestrians through South Beach Loop Path improvements	✓	✓				✓	Yes
H	Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101		✓	✓		✓		Yes
N/A	Provide transportation access to east airport properties					✓		Maybe
N/A	Install a traffic signal at SE 50th and US 101					✓		Maybe

Criteria #5: How much community support did the project receive?

In Summer 2021, the Agency conducted a virtual open house and three focus groups with the community to understand key issues and priorities for community members. Exhibit 4 provides an overview of public support for the investment priorities related to each of the project concepts.

The projects with the most public support to date are improvements that would help to attract commercial development, enhancements to the multi-use pathway network in the community, and placemaking improvements.

Exhibit 4. Alignment of Public Support for Investment Priorities with Potential Project Concepts

Map Key	Project	Public Support based on Survey #1?	Notes
A	Redevelop SE 35 th site to meet community needs	High	Attracting new development that would include retail, food service, or a grocery store was very popular among survey respondents and focus group participants.
B	Provide predevelopment assistance to overcome barriers on U.S. 101 opportunity sites	High	Attracting new development that would include services like a gas station was very popular. The development survey respondents were most interested in was commercial development (which some of these sites could accommodate).
C	Provide sewer infrastructure to industrial sites near Newport Municipal Airport	Low	Reducing infrastructure barriers for industrial development was the lowest ranked investment priority among survey respondents but is important to Airport-adjacent property owners and stakeholders.
D	Improve fire suppression capability at Airport industrial sites	Low	
E	Install redundant Yaquina Bay water pipeline	Medium	Addressing tsunamis, flooding, and earthquake hazards was ranked in the middle of investment priorities. Sustainability was a common theme in the write-in answers.
F	Enhance South Beach placemaking through improvements to landscaping, public art, and gateways	Medium	Promoting a sense of place was the second-highest ranked priority. Enhancements to landscaping and public art were ranked in the middle of key priorities for placemaking.
G	Enhance mobility for cyclists and Pedestrians through South Beach Loop Path improvements	High	Cleaning up pinch points and improving the overall multimodal network was a key theme across focus groups and survey respondents.
H	Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101	High	Improving congestion is a key priority, as is enhanced bike/ped infrastructure.
N/A	Provide transportation access to east airport properties	Low	No stakeholders mentioned the need for these improvements to open up developable land east of the Airport.
N/A	Install a traffic signal at SE 50th and US 101	Low	Congestion was a key challenge identified in the survey, but the area at 50 th does not contribute to congestion.

Summary of Evaluation

Exhibit 5 combines the evaluation criteria for URA objectives, URA priorities, and public support into an overall evaluation matrix to determine which projects score highest across all the criteria. When determining overall scores, projects that aligned with URA objectives, met three or more of the 2021 URA priorities as well as received high or medium community support were ranked “high” overall. Projects that received a “medium” overall ranking met fewer than three of the alignment priorities and received medium or low community support. Projects that ranked “low” may not meet the URA priorities and had low community support.

Overall, the projects that ranked highest were:

- **Project A: Redevelop 35th site to meet community needs**
- **Project B: Provide predevelopment assistance to overcome barriers on U.S. 101 opportunity sites**
- **Project G: Enhance mobility for cyclists and Pedestrians through South Beach Loop Path improvements**
- **Project H: Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101**

Two projects were removed from the list entirely and do not have separate project sheets. These projects include:

- **Provide transportation access to east airport properties** – The eastern airport properties are unlikely to develop in the near future and therefore do not have a pressing need for transportation access. The City should instead focus on developing the western airport properties.
- **Install a traffic signal at SE 50th and US 101** – Demand for this signal was determined to be very low at this time. The City may still want to consider a signal at this location in the future after acquiring an easement to loop Harborton Street to 50th Street. The City may want to use a phased approach, implementing a gravel street first to gauge demand.

These are initial rankings based on our current understanding of public priorities. Additional outreach will be conducted to further understand support for specific projects as well as perspectives on how funds should be allocated.

Exhibit 5. Evaluation Matrix Summary

Map Key	Project	Nexus with URA Objectives	Alignment with URA Investment Priorities	Public Support	Cost	Move Forward?
A	Redevelop SE 35 th site to meet community needs	Yes	Yes	High	Low to Medium	Yes
B	Provide predevelopment assistance to overcome barriers on U.S. 101 opportunity sites	Yes	Yes	Medium	Low to Medium	Yes
G	Enhance mobility for cyclists and Pedestrians through South Beach Loop Path improvements	Yes	Yes	High	High	Yes
H	Install a traffic signal and enhanced pedestrian facilities at SE 40th Avenue and U.S. 101	Yes	Yes	High	High	Yes
F	Enhance South Beach placemaking through improvements to landscaping, public art, and gateways	Yes	Yes	Medium	Medium	Yes
E	Install redundant Yaquina Bay water pipeline	Yes	Yes	Medium	Medium	Yes
D	Improve fire suppression capability at Airport industrial sites	Yes	Yes	Low	Low to Medium	Yes
C	Provide sewer infrastructure to industrial sites near Newport Municipal Airport	Yes	Yes	Low	Medium to High	Yes
N/A	Provide transportation access to east airport properties	Yes	Maybe	Low	N/A	Remove
N/A	Install a traffic signal at SE 50th and US 101	Yes	Maybe	Low	N/A	Remove

Note: Cost: High=\$1M+, Medium=\$500K-\$1M, Low=Less than \$500K

Appendix C. Survey #1 Summary of Results

DATE: August 9, 2021
TO: Derrick Tokos, City of Newport
FROM: Nicole Underwood, Isabel Tapogna, and Emily Picha
SUBJECT: South Beach Refinement Plan Survey #1 Summary of Results

The Newport Urban Renewal Agency (Agency) has embarked upon a refinement plan process to determine how remaining investments should be prioritized before the South Beach Urban Renewal District closes to new projects in 2025. To inform the investment priorities and list of projects for the Agency to consider, ECONorthwest created an online survey, which the City distributed to residents and workers in South Beach and other interested stakeholders. The survey was open from July 9th through August 13, 2021. The survey received 312 responses.

Key Takeaways

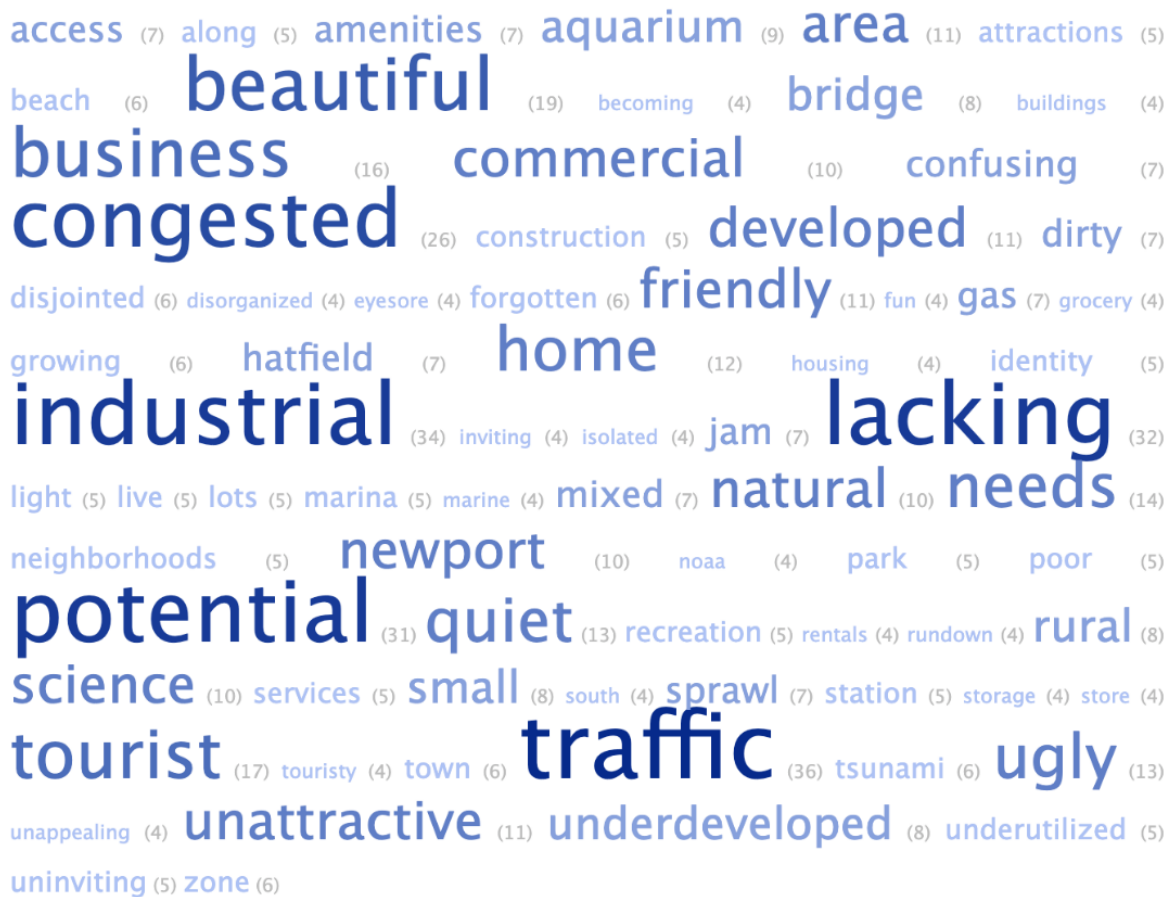
- Respondents identified the addition of service-oriented retail and food options as a significant need and support Agency investments that will attract these uses to the area.
- Specialty grocers, a gas station, and restaurants or cafes are types of services-oriented retail that respondents most want to see in South Beach.
- In addition to attracting these services, respondents want to see Agency investments promote a sense of place and improve connectivity for cyclists and pedestrians.
- Improving bike paths and sidewalks and creating new and improved public spaces are types of Agency investments that respondents felt would enhance the experience of residents and visitors to the area.

Question 1: What are three words or phrases you would use to describe South Beach today?

The words that respondents used to describe South Beach *today* tend to be negative or descriptive. The most common words provided by respondents were: **traffic** which was submitted 36 times, **industrial** which was submitted 34 times, **lacking** which was submitted 32 times, and **potential** which was submitted 31 times.

Exhibit 1. Descriptive Words for South Beach

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



Question 2: What three words or phrases would you want people to use to describe South Beach in the future?

The words that respondents want people to use to describe South Beach *in the future* tend to be positive. The most common words provided by respondents were: **beautiful** which was submitted 41 times, **friendly** which was submitted 41 times, **fun** which was submitted 30 times, and **attractive** which was submitted 26 times.

Exhibit 2. Future Descriptive Words for South Beach

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021

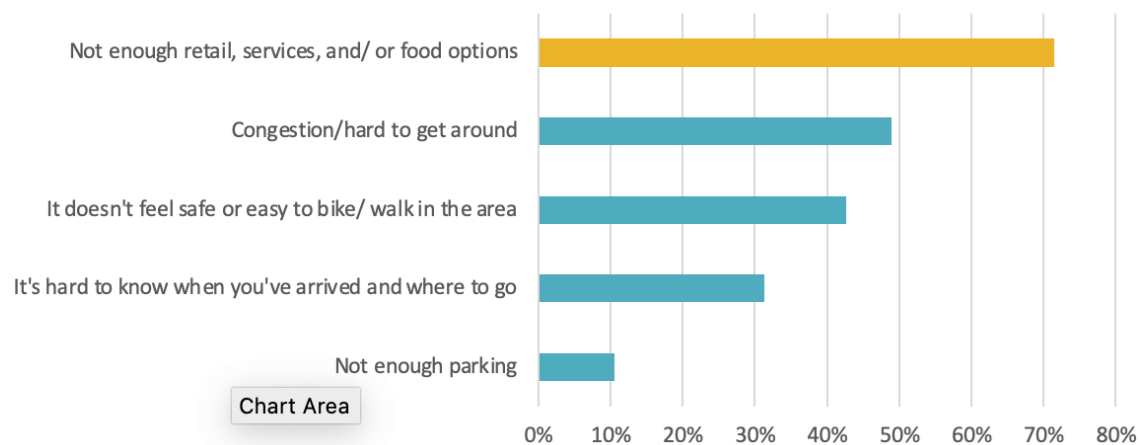


Question 3: What are South Beach’s biggest challenges? Pick up to three.

Respondents were asked about South Beach’s biggest challenges. By far, the most common challenge cited by respondents (71% of respondents) was that there is **not enough retail, services, and/or food options**. About half (49%) of respondents stated that South Beach is congested and it is hard to get around, while 43% of respondents stated that it does not feel safe or easy to bike or walk in the area. Thirty-one percent of respondents stated that it’s hard to know when you have arrived at South Beach, and 11% of respondents stated that there is not enough parking.

Exhibit 3. South Beach’s Problems as Perceived by Respondents

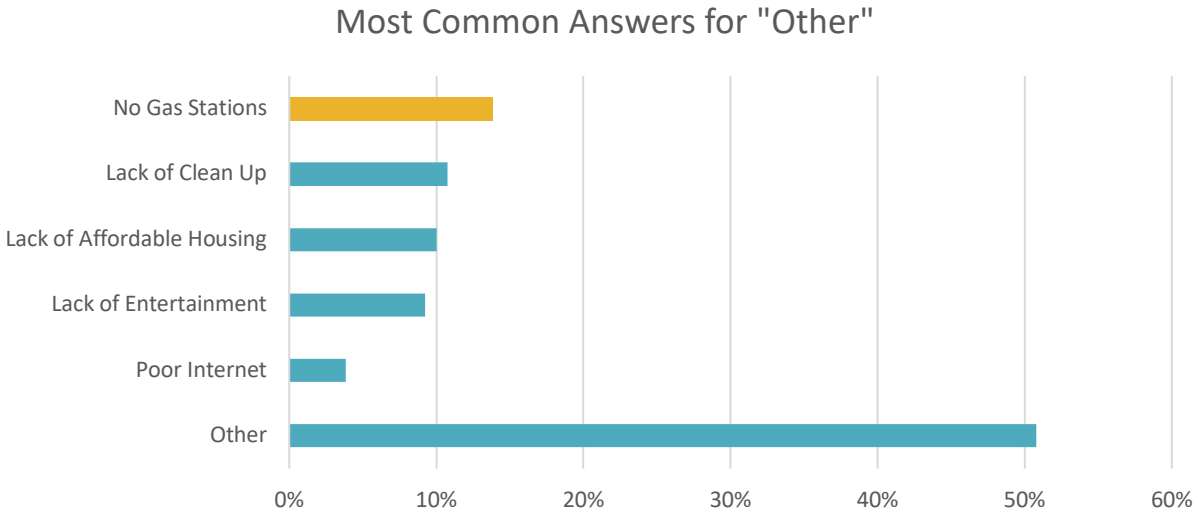
Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



Respondents also had the option to choose ‘other,’ where they were prompted to state their biggest challenge in South Beach. After categorizing the comments, ECONorthwest found the most common answers were **lack of identity, lack of entertainment centers, poor internet, no gas stations, lack of clean up, and lack of affordable housing**. Of those answers, “no gas stations” was listed the most, with 18 respondents (12%) stating that there needs to be a gas station in South Beach.

Exhibit 4. Other Problems Identified by Respondents

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



ECONorthwest also separated respondents into subgroups based on their relationship to South Beach. We found that South Beach residents, South Beach workers, Newport residents, and those who reside outside of Newport all agree that South Beach’s biggest problem is **not having enough retail, services, and/or food options**. However, when looking at the comments for each subgroup, ECONorthwest found that South Beach residents and South Beach employees prioritize a gas station, while Newport residents want South Beach to become more inviting.

Question 4: The Urban Renewal Agency has drafted a list of investment priorities for final investments in South Beach. How would you rank the priorities in order of importance?

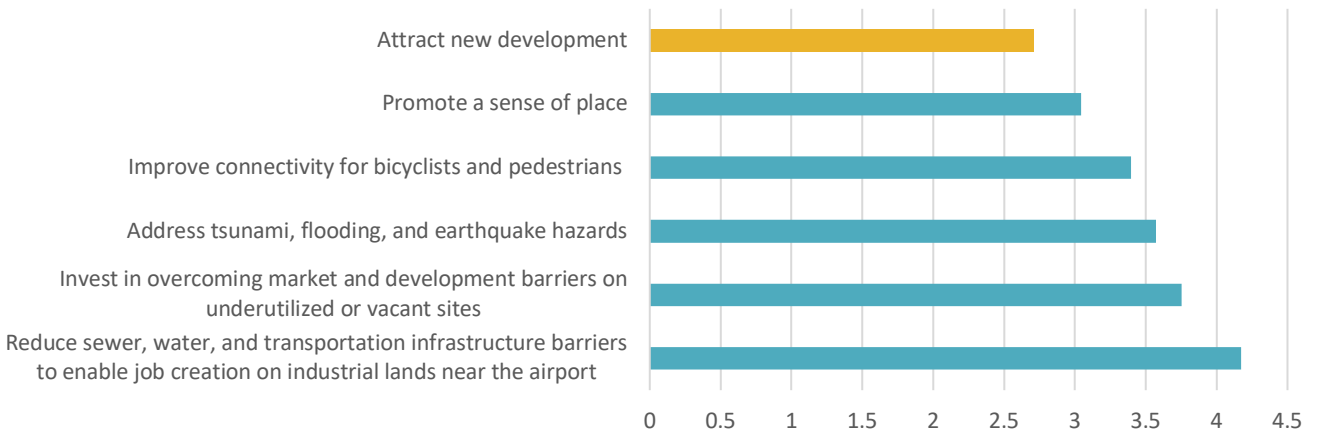
ECONorthwest found each priority's average rank among all respondents by totaling respondents' rankings for each priority (highest priority equals 1, second highest priority equals 2...) and dividing the total by the number of respondents. The lower the average, the higher the priority. After finding the average rank among all respondents, the ranked priorities were:

- (1) Attract new development that can meet the service and retail needs of South Beach residents.
- (2) Promote a sense of place.
- (3) Improve connectivity for bicyclists and pedestrians.
- (4) Address tsunami, flooding, and earthquake hazards.
- (5) Invest in overcoming market and development barriers on underutilized or vacant sites.
- (6) Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport.

Exhibit 5. Investment Priorities Ranked by Importance

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021

Average Respondents' Answer Ranked By Importance



Additionally, ECONorthwest found that all subgroups (South Beach residents, South Beach workers, Newport residents, and those who reside outside of Newport) agree that attracting new development should be South Beach's highest priority.

Question 5: Is there anything missing from the list of priorities?

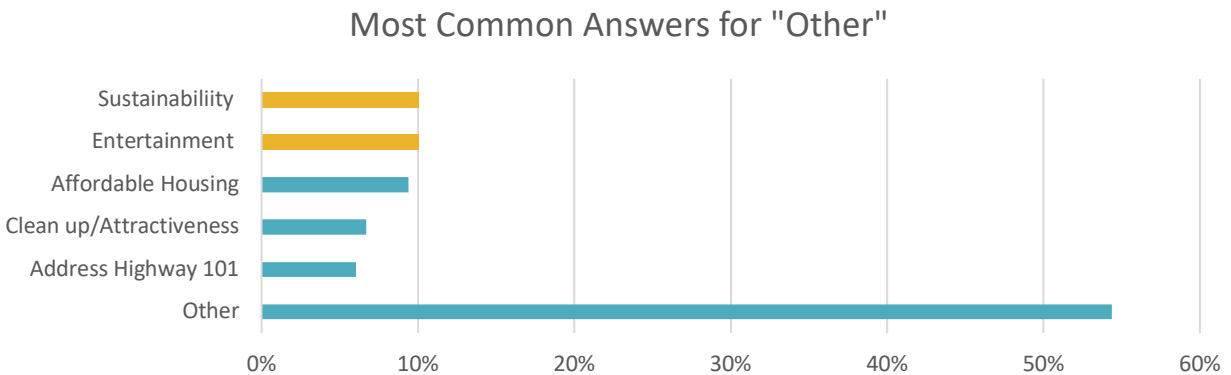
The respondents were then asked if there was anything missing from the list of priorities and were encouraged to leave a comment of what they thought should be South Beach’s investment priority. 167 respondents left a comment describing their investment priorities. After categorizing each comment, ECONorthwest found that **promoting sustainability** and **creating an entertainment source** were the most common answers.

“Sustainability” refers to maintaining natural habitat and promoting green spaces.

“Entertainment” refers to creating music venues, dancing spots, and other areas that would be used as a source of entertainment. “Affordable housing” refers to creating more housing that is accessible to low and middle family incomes. “Clean-up/attractiveness” refers to cleaning up South Beach’s dilapidated structures and keeping the overall city clean. “Addressing highway 101” refers to traffic flow and adding a left turn lane.

Exhibit 6. Missing Priorities

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



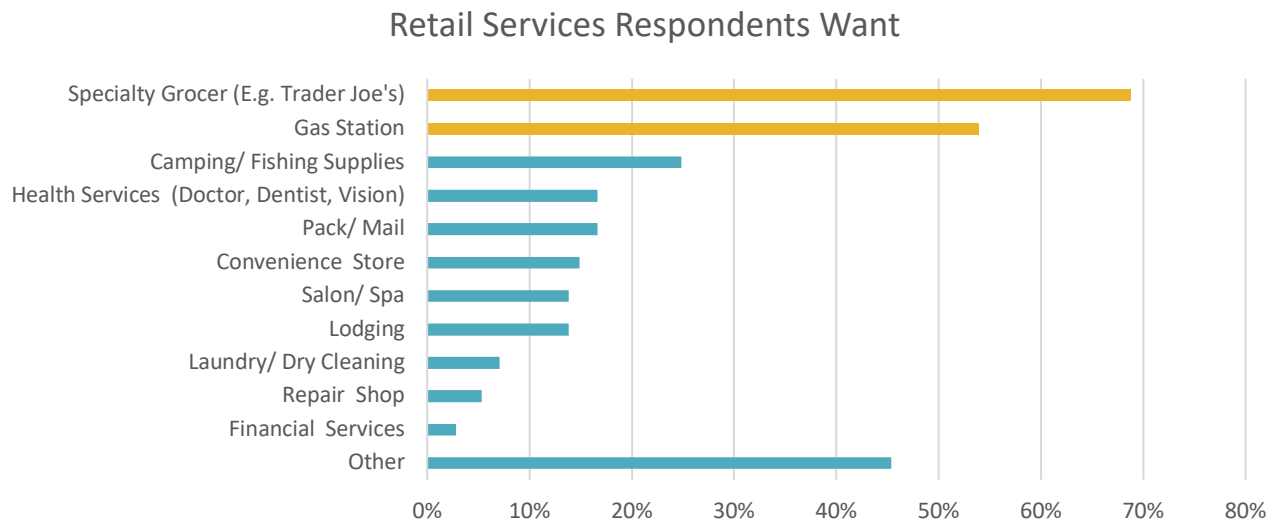
When looking at the comments for each subgroup, ECONorthwest found that South Beach residents want to prioritize protecting natural areas and congestion/traffic, South Beach workers want to prioritize congestion, and Newport residents want to prioritize entertainment and affordable housing.

Question 6: What types of services and retail would you most like to see in South Beach? (pick up to three)

The respondents were asked which three categories of service and retail they would favor most. Out of the options, the most common answers were **specialty grocer** and **gas station**. 212 out of 312 (68%) respondents chose specialty grocer as one of their three options while 167 out of 312 (54%) respondents chose gas station as one of their three options.

Exhibit 7. Preferred Services and Retail

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021

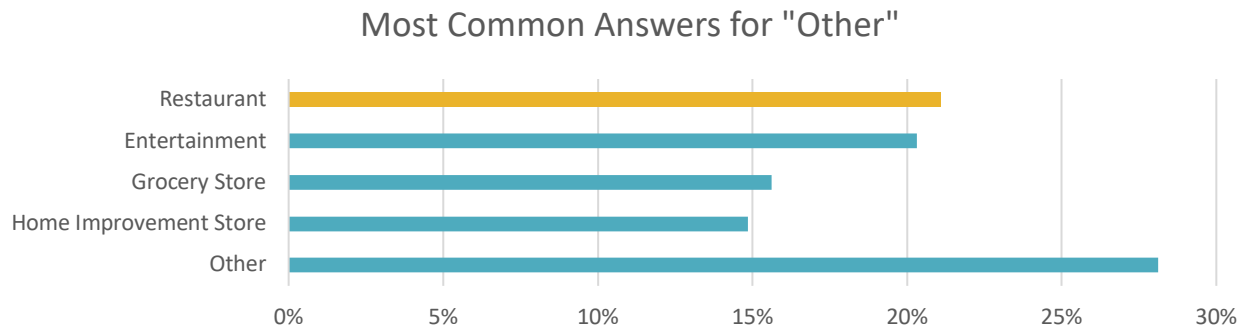


ECONorthwest found that each subgroup's most wanted option was a **specialty grocery store**. Additionally, when looking through the comments, we found that the most common comment for each group was a **restaurant or café**.

Respondents were given the option 'other' where, if chosen, they were required to list the types of services and retail they would want to see in South Beach. After going through and categorizing each comment, ECONorthwest found that 21% of the respondents who marked "other" were interested in a restaurant, 20% of respondents were interested in an entertainment site such as a music venue, 16% were interested in a grocery store, and 15% were interested in a home improvement store like Home Depot or Lowes.

Exhibit 8. Other Types of Services or Retail

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



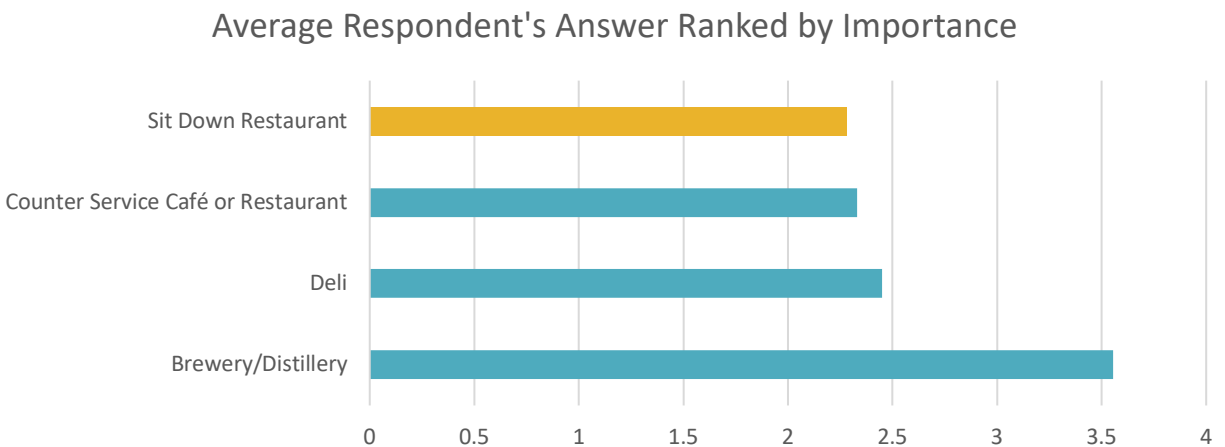
Question 7: Please rank the types of restaurants you would most like to see in South Beach

Respondents were asked to rank the types of restaurants they would most like to see established. Like Question 4, ECONorthwest found each option's average rank among all respondents by totaling respondent's rankings for each option and dividing the total by the number of respondents. The lower the average, the higher the desire. From this, ECONorthwest found that the highest priorities were:

- Sit-Down Restaurant
- Counter Service Café or Restaurant
- Deli
- Brewery/Distillery

Exhibit 9. Preferred Restaurants in South Beach

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



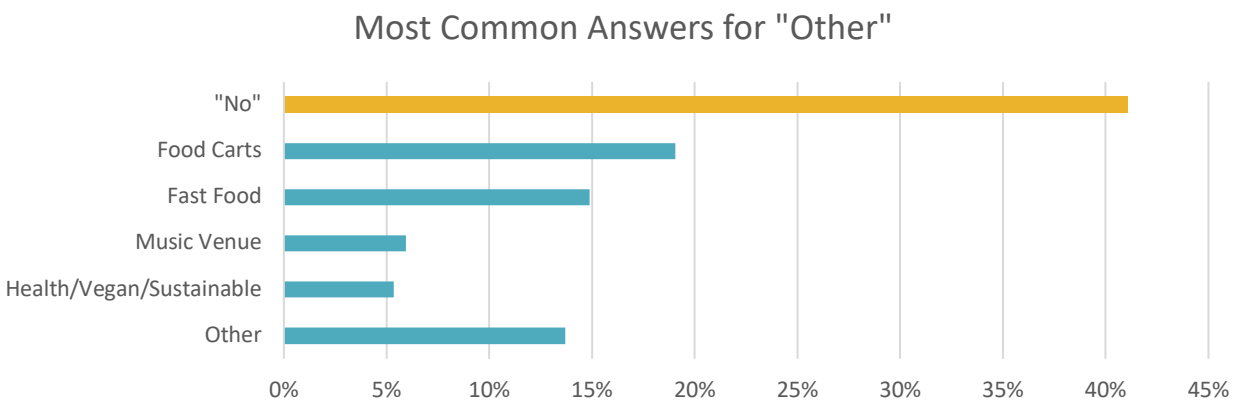
ECONorthwest found that South Beach residents want a **sit-down restaurant** while South Beach workers, Newport residents, and those who reside outside of Newport all want a **counter service café or restaurant**.

Question 8: Were there any restaurant types we missed that you would like to see?

Respondents were asked whether they preferred any restaurant types not included in Question 7. Forty-one percent of the respondents stated, “No”, meaning that the restaurant types offered in Question 7 were sufficient. The next two common answers were “food carts” where 19% of respondents expressed interest, and “fast food” where 15% of respondents expressed interest. Additionally, 6% of respondents expressed interested in a music venue and 5% of respondents expressed interest in a healthy/vegan/sustainable restaurant.

Exhibit 10. Other Types of Restaurants

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



After looking at the comments, ECONorthwest found that the majority of South Beach residents believe that the **options offered in Question 7 were sufficient**, South Beach workers want a **coffee shop**, and Newport residents want a **food cart pod**.

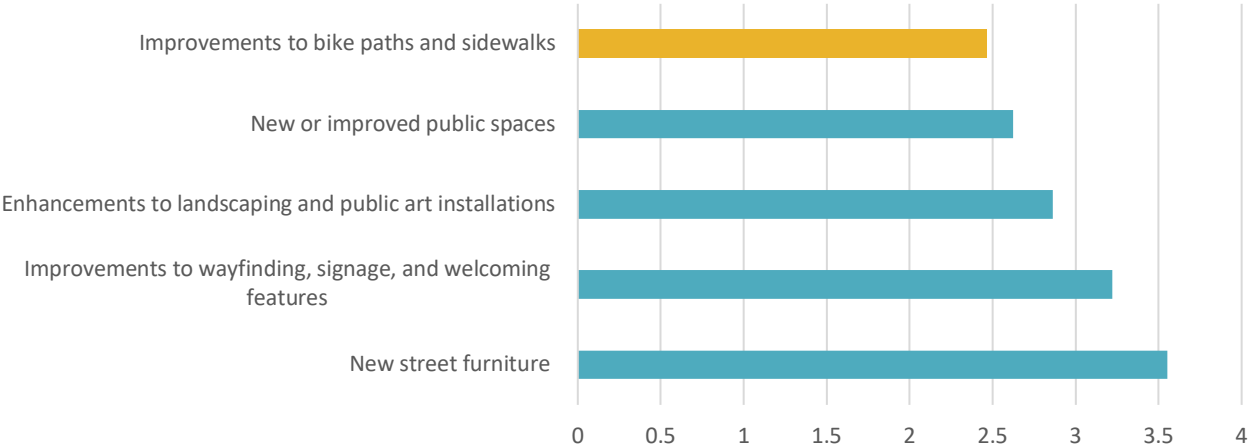
Question 9: Which physical improvements would help enhance the experience of living in and visiting South Beach? Please rank.

Respondents were asked to rank physical improvements to South Beach. Like Questions 4 and 7, ECONorthwest found each option’s average rank among all respondents by totaling respondent’s rankings for each option and dividing the total by the number of respondents. The lower the average, the higher the priority. From this, ECONorthwest found that the highest priority for the largest number of respondents was **improvements to bike paths and sidewalks (1)**. The priorities that followed were: new or improved public spaces (2), enhancements to landscaping and public art installations (3), improvements to wayfinding, signage, and welcoming features (4), and new street furniture (5).

Exhibit 11. Preferred Physical Improvements for South Beach

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021

Average Respondent's Answer Ranked by Importance

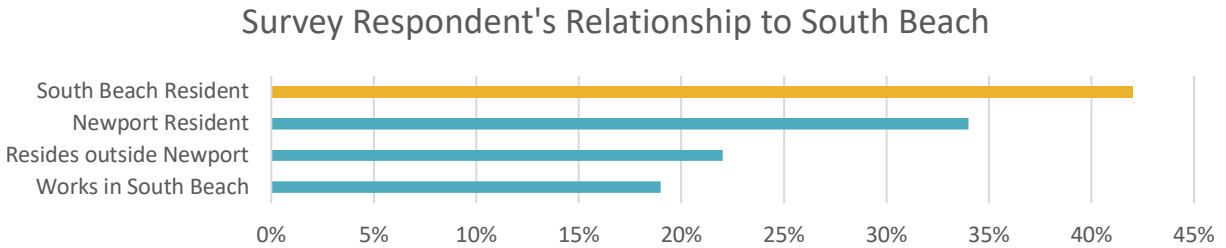


Question 10: Please choose the options that apply to you:

Finally, respondents selected which geographic subgroups applied to them. The options included: I work in South Beach; I live in South Beach; I live in Newport; and I live outside of Newport. Out of the 312 responses, 42% said they lived in South Beach, 34% said they lived in Newport, 22% said they lived outside of Newport, and 19% said they worked in South Beach (respondents could choose more than one option). This question helped inform the subgroup breakdowns mentioned in the above analyses.

Exhibit 12. Survey Respondent's Relationship to South Beach

Source: South Beach Urban Renewal Area Investment Priorities Survey, Summer 2021



Appendix D. Survey #2 Summary of Results

DATE: November 03, 2021
TO: Derrick Tokos, City of Newport
FROM: Nicole Underwood, Emily Picha, and Mary Chase
SUBJECT: South Beach Refinement Plan Survey #2 Summary of Results

The Newport Urban Renewal Agency (Agency) has embarked on a refinement plan process to determine how remaining investments should be prioritized before the South Beach Urban Renewal District closes to new projects in 2025. As a part of its refinement plan process for South Beach, the Newport Urban Renewal Agency released two online surveys in the summer and fall of 2021. The purpose was to gather community feedback on the types of investments it should make with remaining urban renewal funding. This is a summary of the second survey in that process which is focused on gathering input on specific potential project investments. Feedback from this survey informed project prioritization within the plan.

The City distributed the survey to residents and workers in South Beach as well as other interested stakeholders from September 20th to October 17th, 2021. The survey received 154 responses, which is about half the 312 responses received on the first survey. This memorandum provides a summary of the survey results.

Key Takeaways

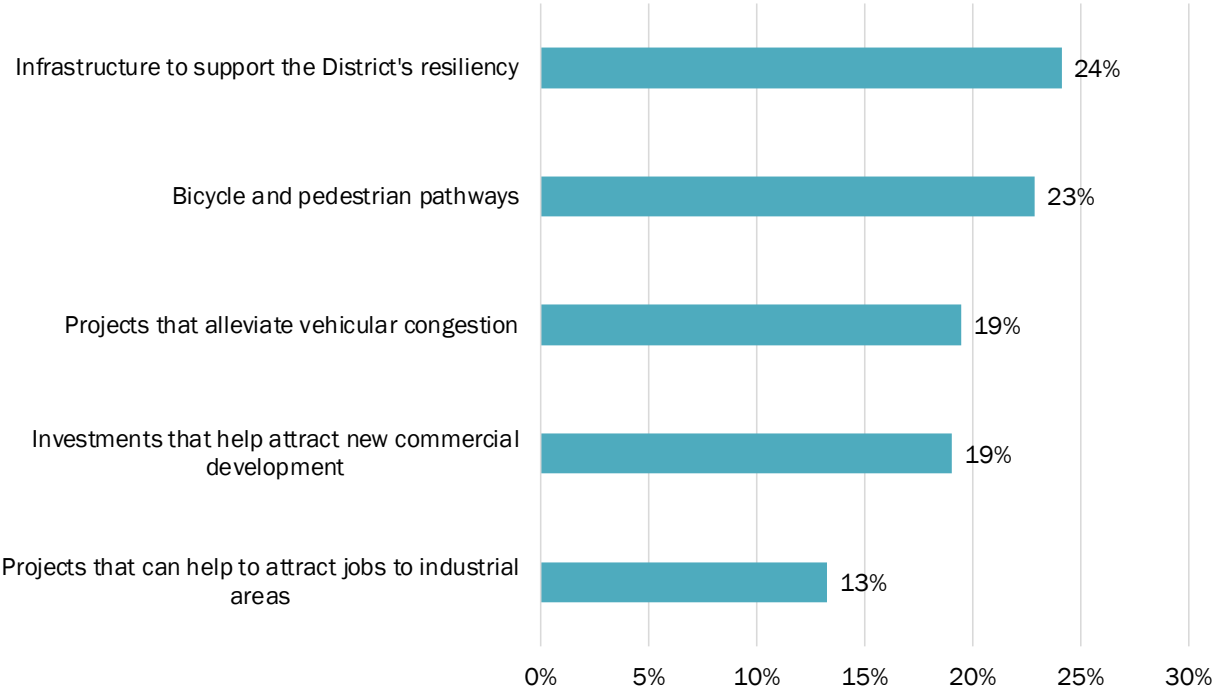
- Respondents generally preferred that the Agency spend the highest percentage of urban renewal funding on infrastructure to support the district's resiliency as well as bicycle and pedestrian paths. Projects that attract jobs to industrial areas were least important to survey respondents.
- A small or specialty grocer, food carts/microrestaurants, and service-oriented retail were the most popular uses for the 35th and Hwy 101 sites. Survey respondents further identified the "Food Destination" specialty grocery concept as their most preferred concept to incorporate these uses.
- The most important improvements to multimodal transportation for respondents were a trail connection near Hwy 101/35th to South Beach State Park and a pedestrian path along SW Jetty Way.
- Water-based themes were the most popular option for themes in wayfinding and public art amongst all respondents. Landscaping was the most preferred type of gateway feature.

Question 1: What percent of the remaining urban renewal funds do you think should be distributed to the following project categories?

This question asked respondents to select their ideal way to allocate urban renewal funds between five different categories to total 100%. Exhibit 1 shows the average allocation recommended amongst respondents. Respondents indicated that nearly a quarter should be given to **infrastructure projects** that support the District’s resiliency (24 %), followed by projects that support bicycle and pedestrian pathways (23 %). Projects that can help to attract jobs to industrial areas were allocated with the least funding (13%).

Exhibit 1. Preferences for Disbursement of Urban Renewal Funding Categories

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Group Differences:

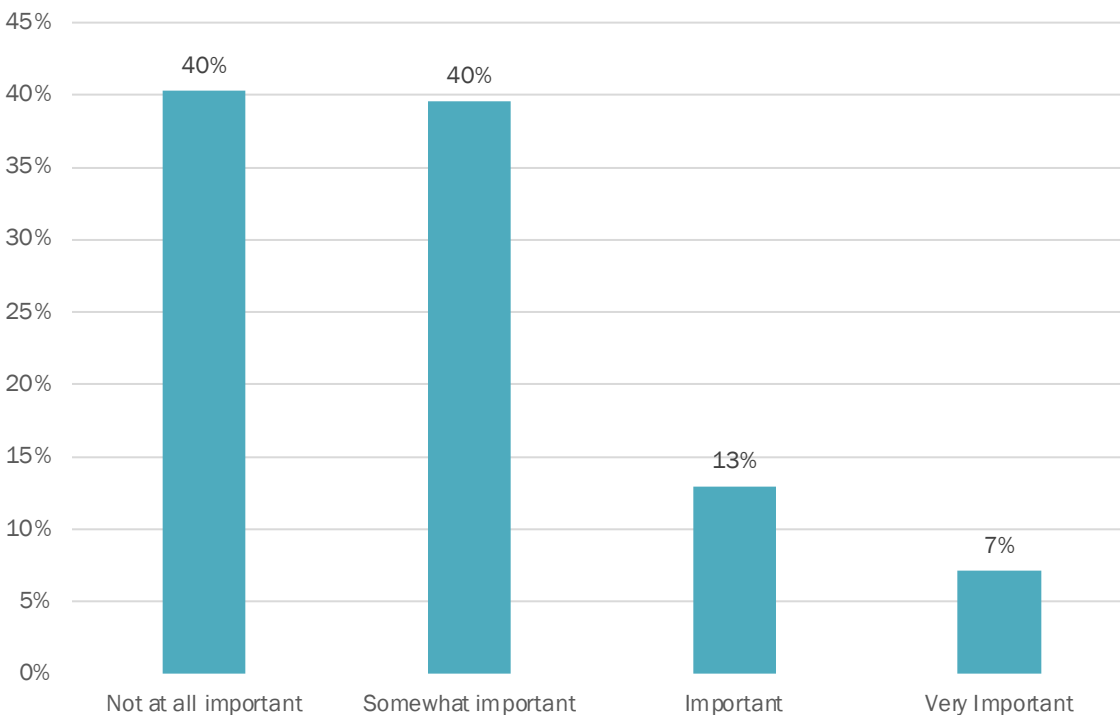
- Those who worked in South Beach tended to value bicycle and pedestrian paths the most, suggesting funding allocations 5% higher than overall respondents.
- South Beach residents rated resiliency infrastructure the highest, giving that category 26% of funds on average.
- Non-residents of South Beach generally prioritized commercial development and attracting jobs to industrial areas, rating both higher than residents and employees.

Question 2: With its remaining funding, how important is it to you for the Agency to fund projects that enable new development and job creation on industrial sites at the Airport?

This question asked respondents to rank the importance of airport investment. Funding projects that enable new development and job creation at the Airport was not a priority of survey respondents. **Forty percent of respondents indicated that it was not important** and another 40% indicated that it was somewhat important. Only 7% of respondents identified it as very important.

Exhibit 2. Preferences for Prioritization of Industrial Sites at the Airport

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Group Differences:

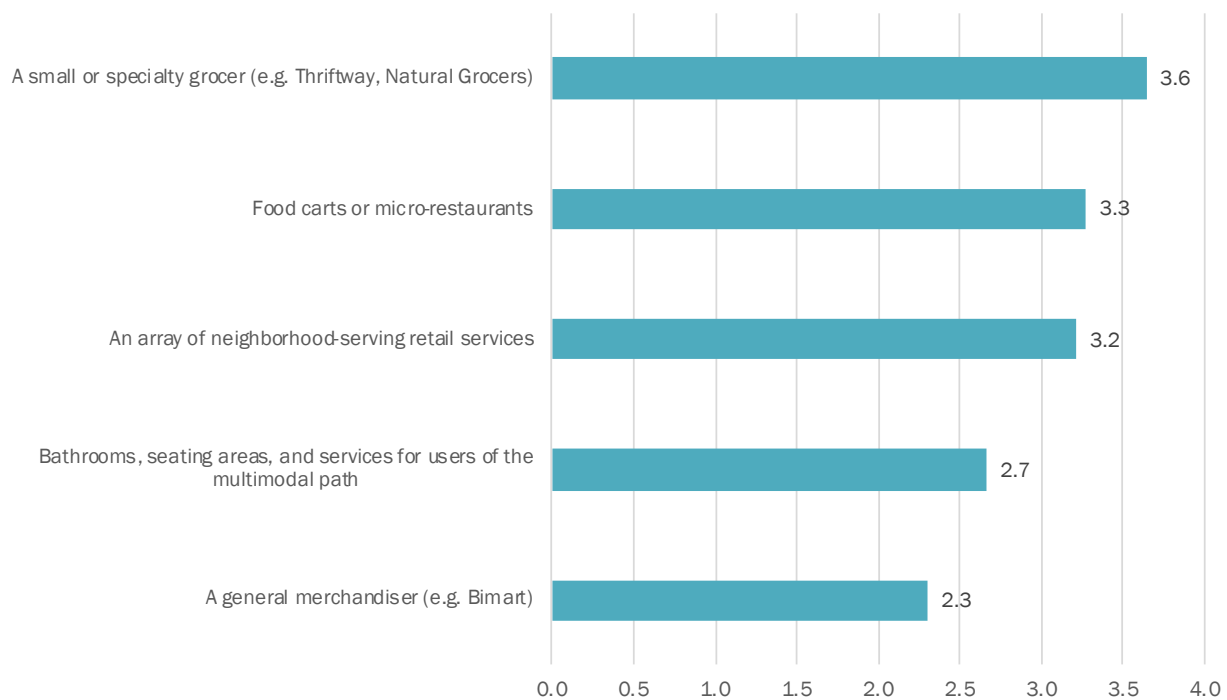
- South Beach residents and workers were more likely to indicate that funding these projects was not at all important (50%) compared to only 26% of those who do not live or work in South Beach.
- No more than 10% of any group rated these projects very important.

Question 3: The Agency would like to attract commercial development to its 2.3-acre site at 35th St. and US 101. Which ideas would you most like to see at this site?

Respondents were asked to rank their preferred use at the 35th Street site. Exhibit 3 presents the average choice of respondents (the higher the score the more respondents liked this idea). The top choice was a **small or specialty grocer** followed by food carts or micro-restaurants and an array of neighborhood serving retail services. Services for users of the multimodal path and a general merchandiser had some interest but ranked fourth and fifth respectively.

Exhibit 3. Preference for Preliminary Concepts to Attract Commercial Development on Agency-Owned site at 35th Street

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Group Differences:

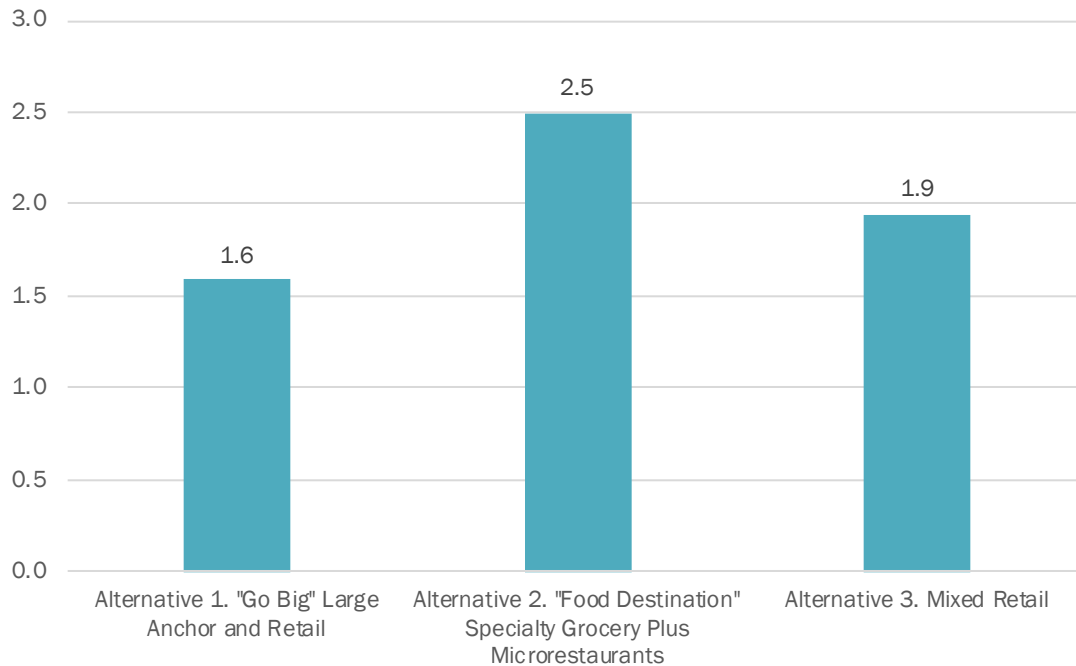
- South Beach residents and employees favored a small or specialty grocer as their first choice whereas those who lived in Newport or elsewhere identified food carts or micro-restaurants as their top choice.

Question 4: The consultant team drafted three preliminary concepts which incorporate the previous uses in varying ways for your evaluation. Which concept would you most like to see at this site?

The survey gave three options for preliminary concepts to be implemented at the 35th Street site and asked respondents to rank them from 1 to 3. Exhibit 4 presents the average score (the higher the score the more respondents liked this concept). The option of a **“Food Destination” specialty grocery plus microrestaurants** was the most popular choice, followed by mixed retail.

Exhibit 4. Preferences for Preliminary Concepts which Incorporate Previous Uses

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Group Differences:

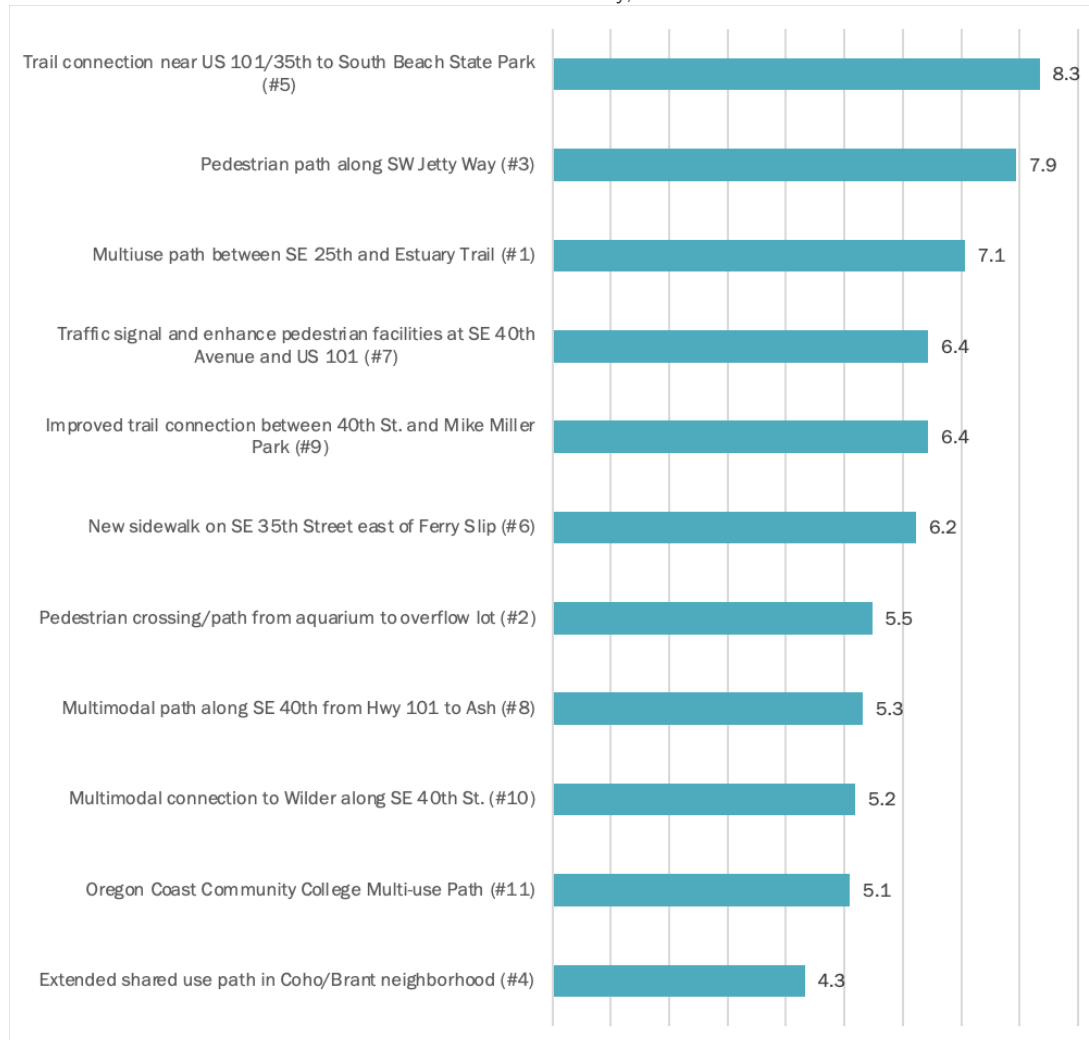
- Although there was little variation between residents and non-residents of South Beach, workers in South Beach demonstrated high support for the “Food Destination” concept: 72% of workers picked this as their first choice, while only 7% selected the “Go Big” concept.

Question 5: There are many opportunities to improve multimodal transportation in South Beach for pedestrians, cyclists, and vehicles, however urban renewal funds are limited. Which improvements are most important to you?

Respondents were asked to rank multimodal transportation options from 1-10. Exhibit 5 shows the average score amongst those alternatives (the higher the score, the higher the priority). The most popular amongst all respondents was a **trail connection near Hwy 101/35th to South Beach State Park**, with an average score of 8.3. In second and third place respectively were a pedestrian path along SW Jetty Way and multiuse path between SE 25th and Estuary Trail. The least popular options were an extended shared use path in Coho/Brant neighborhood, the Oregon Coast Community College multiuse path, and multimodal connection to Wilder along SE 40th from Highway 101 to Ash. There was little variation in the responses between residents, employees, and non-residents of South Beach.

Exhibit 5. Preferences for Multimodal Transportation for Pedestrians, Cyclists, and Vehicles

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



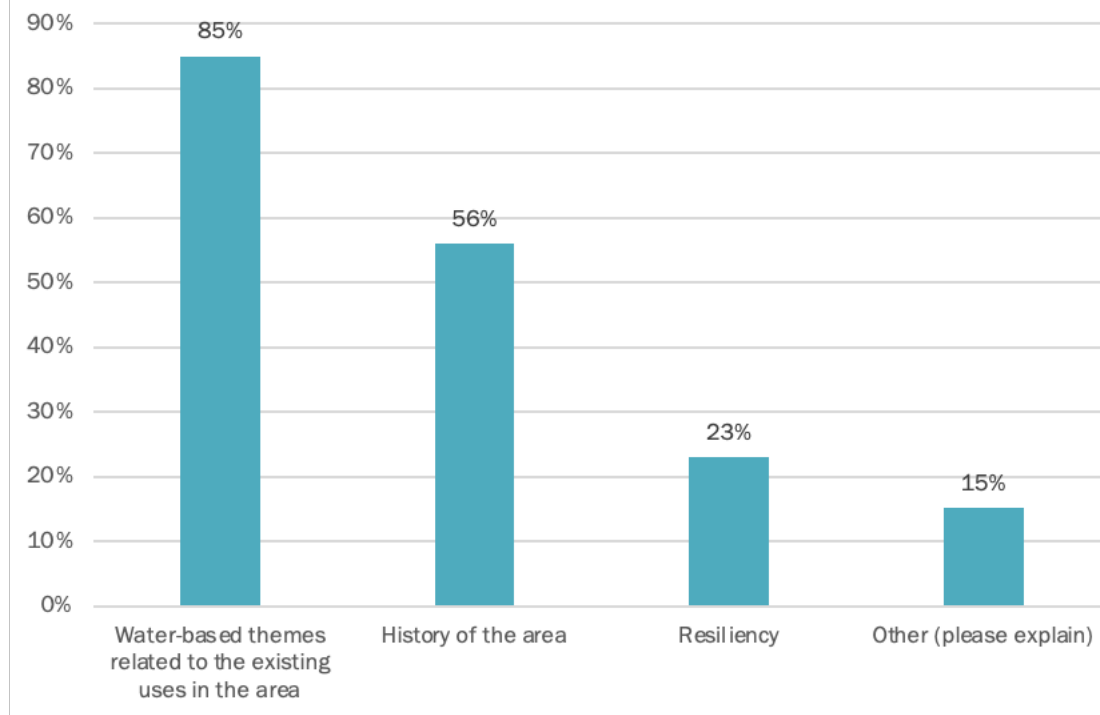
Question 6: As the City and its partners think about how to implement new wayfinding and public art in the area, what kinds of themes should they consider?

To answer this question, respondents were able to select as many options as desired from a list of themes. Exhibit 6 shows that **water-based themes** related to existing uses were the most popular option, resonating with 85% of respondents. The history of the area was preferred by about half of all respondents, while resiliency was selected by about a quarter.

Write-in suggestions added by 15% of respondents could broadly be sorted into several themes: nature and wildlife (9), Indigenous history and heritage (6), considerations about retail/cost (3), reduction of nuisances like vandalism/graffiti (2), a fast path to the community college (1), honoring a specific historical figure (1), and general non-ocean related art (1).

Exhibit 6. Preferences for Wayfinding and Public Art Themes

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Respondent Group Differences:

- There was little variation in this question between residents, employees, and non-residents for water-based themes.
- However, more non-residents and workers in South Beach tended to prefer history or resiliency themes than residents of South Beach.

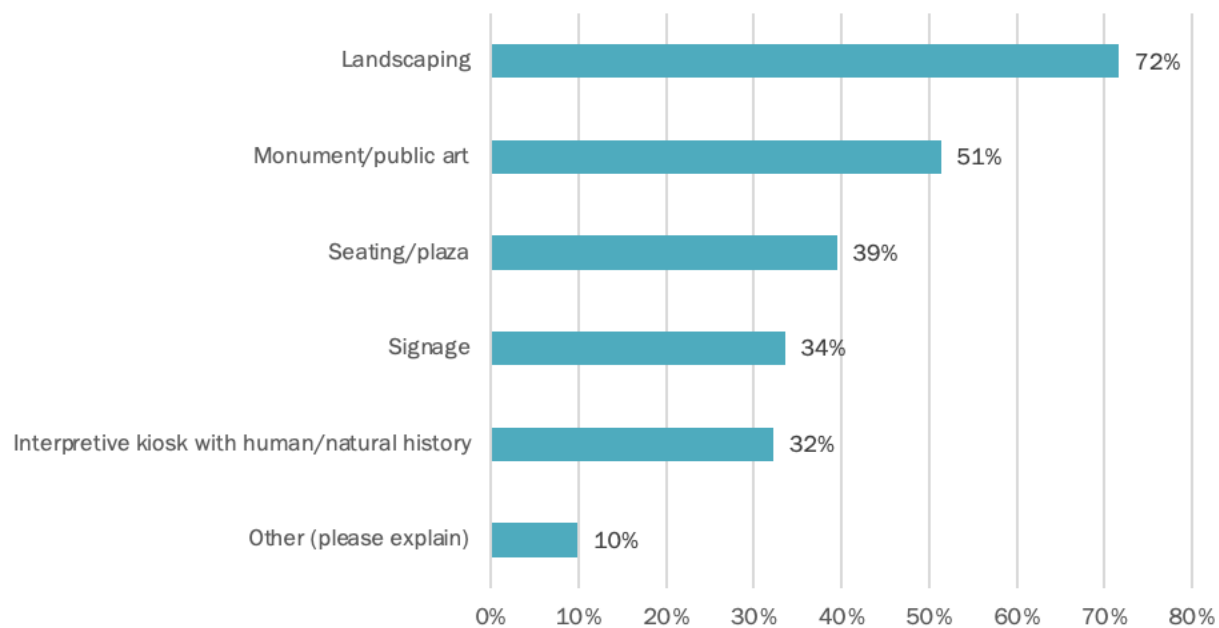
Question 7: What type of gateway features would you like to see south of the 35th St. and US 101 Agency opportunity site?

Respondents to this question could select as many of the five options as they desired and could offer additional input. Exhibit 7 shows that the most popular choice was **landscaping**, which was supported by about three quarters of respondents. A monument or public art was also popular, with support from roughly half of respondents. Seating or a plaza received support from about 40% of respondents while an interpretive kiosk and signage were the least popular, with only a third of overall respondents selecting it.

Write-in options could be grouped into categories, though there was a wider variety of responses given in this question than Question 6. These additional answers included: native plants/pollinators (4), a gas station or retail (3), evacuation routes (2), reduction of nuisances (2), an electric vehicle charging station (1), Indigenous history (1), a sculpture of a specific historic figure (1), mural (1), and wayfinding (1).

Exhibit 7. Preferences for Gateway South of the 35th St. and US 101 Agency Opportunity Site

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Respondent Group Differences:

- South Beach residents and employees were more likely to select landscaping as a preference while those that live and work outside of South Beach were more likely to select monument/public art.

Question 8: Is there anything else we should consider as we evaluate potential projects?

The final question was open-ended with responses that ranged significantly in themes. We broke down answers into broad categories, though many contained unique and specific concerns likely related to personal experiences. Some responses overlapped multiple categories.

Commonly Raised Topics (10-14 Respondents)

- **Bicycle and Pedestrian Paths/Trails (14):** Fourteen respondents referenced bicycle and pedestrian paths, including a desire for increased connectivity of trails, improved quality, creating new multipurpose paths, and adding public bike racks and bike lanes. In addition, two respondents specifically cited the need for reduced use of cars.
- **Retail, Small Business, and Services (14):** Fourteen respondents covered many suggestions for small businesses and services, including desire for a gas station, grocery store (particularly Trader Joe's), coffee shop, and other retailers. Four mentioned avoiding big box retail (two mentioning Bi-Mart), while two supported large retailers.
- **Traffic, Roads, and Street Infrastructure (11):** Eleven respondents raised issues with high volume traffic and concern for increasing the severity of congestion. Related to driving, some also pointed to lack of paving in some neighborhood roads, speeding, problematic intersection, specific traffic lights, and an alternative to the Yaquina Bridge.
- **Gardening, Green Spaces, and Landscaping (10):** Ten respondents suggested several additions related to green space, including new community gardens, heritage trees, an arboretum, preservation of natural areas, general streetscaping, and green infrastructure such as native landscaping and bioswales.

Moderately Raised Topics (4-9 Respondents)

- **Emergency Routes and Evacuation (7):** Seven respondents discussed the tsunami zone, the need to create better paths to higher ground, clear signage for evacuation, and earthquake resiliency.
- **Tourism (7):** Seven respondents referenced the high frequency of tourists in summer months including their impact on traffic congestion, the need to preserve the tourism economy, and a desire to balance tourist needs with resident needs.
- **Housing (4):** Four respondents were concerned about the availability and affordability of housing. This included increased demand for housing, distance between work, affordable housing opportunities, and RV housing.
- **Design, Signage, and Beautification (4):** Four respondents advocated for beautification of South Beach, as well as improved design features including wayfinding, universal design, and clean-up of littered areas.
- **Connectivity (4):** Four respondents conveyed a desire for better connectivity, including general connection of bike trails or to specific areas including the community college, beach, and water trails.

Infrequently Raised Topics (1-3 Respondents)

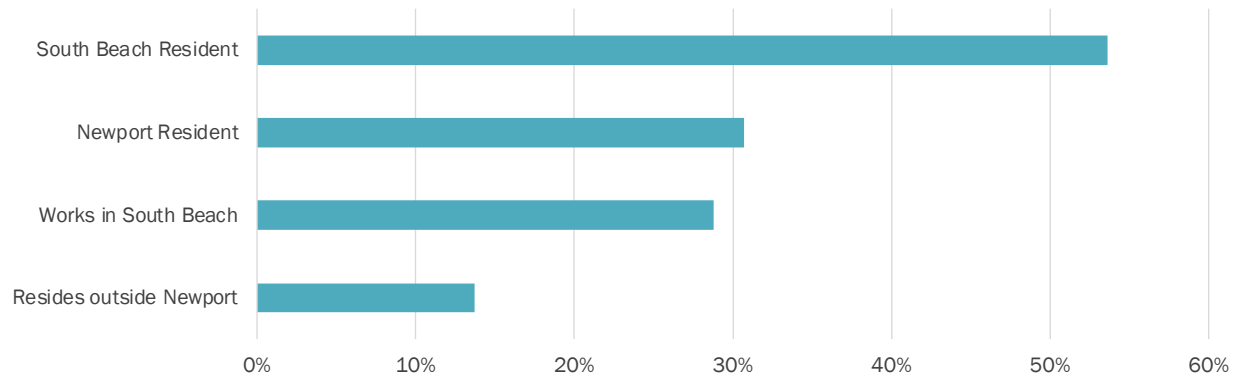
- **Community Engagement and Trust (3):** One response indicated distrust with City of Newport projects generally, one expressed desire for more community surveying around the airport, and one generally advocated for input of residents and businesses.
- **Other Ideas:** Some ideas unique to one or two respondents included incorporating local history and culture generally, Indigenous history and culture specifically, long-term durability, maintenance concerns, general anti-expansion and anti-gentrification sentiments, distrust of a specific developer, overall importance of the Airport, need for office space, interest in the sewers/drainage, a cell phone tower, a post office, a performance space, dog-friendly amenities, and an underwater tunnel.

Question 9: Please choose the options that apply to you:

Finally, respondents selected which geographic subgroups applied to them. The options included: I work in South Beach; I live in South Beach; I live in Newport; and I live outside of Newport. Out of the 153 responses, 54% said they lived in South Beach, 31% said they lived in Newport, 29% said they worked in South Beach, and 14% said they lived outside of Newport (respondents could choose more than one option). This question helped inform the subgroup breakdowns mentioned in the above analyses.

Exhibit 8. Survey Respondent's Relationship to South Beach

Source: South Beach Urban Renewal Area Preferences Survey, Fall 2021



Appendix E. Land Use Code Audit

OCTOBER 18, 2021

LAND USE POLICIES, ZONING & REGULATIONS AUDIT NEWPORT SOUTH BEACH

PREPARED FOR: NEWPORT URBAN RENEWAL AGENCY



Table of Contents

I. Overview & Summary of Findings.....	Page 1
II. Urban Renewal Background.....	Page 5
III. Long-Range Planning Policies.....	Page 6
IV. Annexation.....	Page 11
V. Zoning Regulations.....	Page 16
VI. Land Use Implications for Opportunity Sites.....	Page 31
VII. Regulatory Recommendations.....	Page 34

Figures

Figure 1: Comprehensive Plan Land Use Designations within South Beach (Peninsula).....	Page 8
Figure 2: Comprehensive Plan Land Use Designations within South Beach (Airport).....	Page 9
Figure 3: Distribution of Comprehensive Plan Land Use Designations.....	Page 10
Figure 4: Annexation Status of South Beach Area.....	Page 11
Figure 5: South Beach Unincorporated Areas.....	Page 13
Figure 6: City and County Zoning within South Beach (Peninsula).....	Page 18
Figure 7: City and County Zoning within South Beach (Airport).....	Page 19
Figure 8: South Beach Transportation Overlay Zone.....	Page 29
Figure 9: Identified Opportunity Sites.....	Page 33

I. Overview & Summary of Findings

This land use audit informs the City of Newport's Refinement Plan for the South Beach/US 101 Commercial-Industrial Corridor to enhance understanding of current land use regulations and how they influence development, as well as how well they align with development goals for the South Beach Urban Renewal area. The South Beach area south of the Yaquina Bay Bridge includes the 1,169-acre urban renewal district. As the district reaches the end of its term in 2025, the Newport Urban Renewal Agency seeks to prioritize the allocation of remaining funds for the highest impact projects. Understanding the future development potential and the impact of various investments within the area requires an understanding of the range of land use plans and policies that currently apply within the South Beach area.

The purpose of this commercial-industrial land use audit is to understand how existing land use plans, maps and regulations interact with development goals for the area, and to identify suggested revisions to plans, maps and regulations as warranted to better align with area goals and investments. This audit focuses on commercial and industrial uses within the urban renewal area, oriented along the Highway 101 corridor. Key questions analyzed in this audit include:

- Do land use designations and zones as mapped, and zoning regulations within those zones, support the desired development within the district, particularly for identified opportunity sites and planned infrastructure improvements? Do they support desired uses and development forms, including more retail and service uses such as grocery stores, food options including restaurants and delis, general merchandise, and gas stations?
- Are there conflicts between existing development and proposed development, either in terms of uses, nonconforming status, or development forms, that could be better addressed through map and/or regulatory changes to enhance compatibility?
- Within the patchwork of annexed and unincorporated properties within the Urban Renewal area, what are the differences between City and County regulations that currently apply to those respective properties? Are there strategies that could support future annexations and what would the benefits be for the property owners and the city once annexed?

This analysis is grounded in review of existing land use documents and maps that apply to current and future development in South Beach, including: the City's Vision 2040 Strategies, Comprehensive Plan, Zoning Code (Title XIV of the Municipal Code), and the South Beach

Urban Renewal Plan. Additionally, Lincoln County plans and zoning code were analyzed to inform comparisons between current County status and future City status for unincorporated properties within the City’s Urban Growth Boundary (UGB).

Key Findings & Recommendations: This analysis of existing land use policies and regulations is both descriptive and evaluative, describing existing status and influence and evaluating how well current standards fit with desired district development. The audit incorporates findings with recommended revisions to applicable land use policies to better align with urban renewal and district development goals. Significant findings and recommendations include:

Mapping: Generally, the mix of commercial and light industrial zones along the Highway 101 corridor aligns with the Urban Renewal District development goals and planned infrastructure improvements. The existing supply of commercial and industrially designated lands modestly exceeds demand and provides flexibility for select re-designation from industrial to commercial for key areas within South Beach, as desired to better meet local retail and service demand and activate development of the City’s site at SE 35th St.

Targeted map changes to better align with the evolving district potential include:

- Expanding the commercial district along Highway 101 immediately south of the bridge to encompass the City’s property at SE 35th St, and surrounding properties. Any rezoning should be designed to comply with the City’s overall employment land forecast and transportation capacity within the South Beach Transportation Overlay Zone (SBTOZ), and be sensitive to the existing development to minimize creation of nonconforming development.
- Rezone the NE corner of SE 40th St and Highway 101 for commercial to create an additional large site for commercial development, and take advantage of a likely new signal.
- Reduce potential conflicts from heavy industrial uses by rezoning parcel on south side of SE 40th St east of the highway to light industrial (I-1) rather than existing heavy industrial zoning (I-3), given the proximity to residential and commercial development. Identify additional sites for heavy industrial uses farther south within the district as additional properties are annexed into the City.

Annexation: Nearly 25% of the district is currently outside of the City limits, and cannot be developed to urban levels of intensity and served by urban infrastructure until annexation occurs. More than half of the unincorporated area is designated for industrial use, and

annexation will be vital to support a robust industrial base in South Beach. Near-term recommendations include:

- Actively pursue annexation of industrial properties within the corridor, primarily located south of SE 40th St. Utilize island annexation provisions to spearhead Pursue a City-led annexation effort of larger territories utilizing island annexation provisions coupled with financial incentives for property owners to defray the infrastructure and application costs of annexation. Engage with individual property owners before and during the efforts to better understand priorities and needs.
- The City should continue to engage with Lincoln County to coordinate review of any development within the UGB to ensure that it can be consistent with City goals and standards upon future annexation. The City should coordinate with Lincoln County to complete the Urban Growth Management Agreement to ensure an orderly transition from County to City zoning and infrastructure.

Zoning Code: The City’s Zoning Code clearly delineates commercial, industrial and other zones, with detailed use standards and limited site development standards. The Light Industrial (I-1) zone, which is most prevalent along the Highway 101 corridor, benefits from allowing a flexible mix of industrial and commercial uses akin to a flex zone with limited site development standards. However, this flexibility can result in a lack of certainty about future development and compatibility concerns between adjacent uses. Recommended code updates include:

- Limit uses inconsistent with the district development goals, such as uses typically associated with low employment generation and tax revenue relative to land area, by prohibiting new self-service storage and vehicular towing, wrecking and salvage uses in the I-1 zone.
- Introduce a 15-foot setback for both industrial and commercial properties along Highway 101 south of the bridge in place of the existing 50-foot front setback for industrial properties for a consistent frontage treatment. Require a 15-foot-wide landscape planting strip within the setback.
- Develop landscape screening, buffering and/or fencing standards for industrial uses and outdoor storage uses, such as auto wrecking or building materials, along the highway corridor to enhance compatibility between development sites and the overall look and feel of development along the corridor.
- Maintain existing land use and building permit procedures, which minimize discretionary review for proposed development. As needed, incorporate review of any

additional development standards such as landscaping at the time of building permit application.

Other Considerations: Longer term, the City should continue to monitor issues such as parking demand and trip allocation within South Beach, and make further adjustments as appropriate.

Recommendations include:

- Review the relative employment and tax generation potential of uses permitted within the district, as well as their role within the local and regional economy, to support any future recommendations to modify the range of permitted uses such as limiting new vehicle sales and service uses.
- Consider option to selectively use development agreements to gain greater certainty about proposed development for select sites in order to better manage district cohesion and compatibility, balanced against the effort required.
- Monitor parking demand and implications of current parking ratios for site development feasibility. Explore options for shared parking on individual sites in the short term and site-specific or district-wide parking reductions as warranted in the long term.
- Potential commercial rezones, development at the SE 35th Ave gateway site and installation of new signals at SE 35th St and potentially SE 40th St should be reviewed to determine their impact on trip budgets, including any required analysis as part of a comprehensive plan land use designation change required by NMC 14.43.120(B). If not sooner, the comprehensive reassessment of the trip budget mandated no later than December 2023 per NMC 14.43.120(A) will be a prime opportunity to review the allocation of trips and how they align with desired future development.

Map and zoning code updates are further detailed in Section VII.

II. Urban Renewal Background

The Refinement Plan for the South Beach/US 101 Commercial-Industrial Corridor—including this land use audit and policy recommendations—is charged with implementing the City’s urban renewal goals for the area, and thus those goals are significant review criteria for this audit to determine whether policy and regulatory changes support development in line with urban renewal goals. The 1983 South Beach Urban Renewal Plan included seven objectives:

1. Preserve forest, water, wildlife and other natural resources
2. Identify sites for public uses such as the OSU Marine Science Center
3. Complete a Port facilitated marine recreation area
4. Encouraging marine oriented activities on the northern Shorelands
5. Assure the development of complementary uses adjacent to the Airport
6. Plan new sewer, water, and transportation capacity
7. Allocate a major part of South Beach to heavy commercial and light industrial uses

Commercial-industrial land use policies and regulations can most directly address the final objective, relating to heavy commercial and light industrial uses in South Beach, and indirectly support objectives around natural resource protection and public facilities planning.

2021 Priorities for the Urban Renewal Area developed as part of this Refinement Plan project build on the original 1983 Plan objectives.

1. Promote a sense of place for residents and visitors that reflects the South Beach identity.
2. Improve connectivity for bicyclists and pedestrians to South Beach destinations.
3. Attract new development that can meet the service and retail needs of South Beach residents.
4. Invest in overcoming market and development barriers on underutilized or vacant sites.
5. Reduce sewer, water, and transportation infrastructure barriers to enable job creation on industrial lands near the airport.
6. Invest in improvements that promote long-term community resiliency to address tsunami, flooding, and earthquake hazards.

Similarly, land use plans and implementing regulations can best address objectives around new service and retail development, and eliminating development barriers on vacant sites. Such land use tools can also contribute to infrastructure and natural resource objectives, as well as placemaking through district development standards.

III. Long-Range Planning Policies

Vision: The Vision 2040 adopted in 2017 create a broader vision for the Greater Newport Area, with identified strategies across six “focus areas.” The focus area vision and strategies around “Creating New Businesses and Jobs” directly relates to the goals for the urban renewal area and specifically for commercial/industrial development along the Highway 101 corridor. Notable strategies related to South Beach and urban renewal include revitalizing the Highway 101 corridor to serve as an attractive gateway to the community and creating economic opportunities and living wage jobs, including in the science and marine economy. (Strategies A3, C1, C2 and C3.) Additional economic development strategies include airport improvements, small and local business development, tourism diversification, green and sustainable businesses, and sustainable fisheries and agricultural economies, many of which can be supported by a robust land use regulations for commercial and industrial uses in South Beach. (Strategies C4-C12.)

Finding: Vision 2040 establishes a broad vision for commercial and industrial development in South Beach that generally aligns with the Urban Renewal Plan goals. Vision implementation could be further supported with targeted zoning code and policy changes detailed herein, such as landscaping and screening standards along Highway 101 and maintaining a mix of commercial and industrial zoning for employment-related development.

Comprehensive Planning: The majority of the South Beach urban renewal district is designated for commercial and industrial land uses, in fulfillment of the City’s identified economic development goals. Comprehensive planning around transportation, utilities, public services, and natural hazards including tsunami inundation also relate more generally to future South Beach development. While both housing and waterfront planning affects the South Beach area generally and has connections with commercial and industrial development along the Highway 101 corridor, the key issues analyzed here relate to the City’s Comprehensive Plan goals and policies around the Economy.

The City’s 2012 Economic Opportunity Analysis incorporated into the Comprehensive Plan included an inventory of buildable land and concluded that there is sufficient land for economic development forecast from 2012 to 2032. Newport has more industrial land than the City is projected to need over the 20-year period, with a surplus of 113 gross acres of industrial land. (Newport Comprehensive Plan, Table 12, page 195.) Newport has a surplus of

41 acres of land for commercial uses, though Newport has a deficiency of larger sites for commercial uses particularly over 20 acres or 10-20 acres. Some of the large site deficiency could be met by light industrial sites (zoned I-1) where commercial uses are allowed outright. (Newport Comprehensive Plan, Table 12, page 195.) Thus, there should be capacity to re-designate land between these two classifications to meet commercial development goals specific to South Beach.

In addition to analysis of the physical land supply, the Economic element of the Comprehensive Plan identified key growth sectors in marine and ocean observing research and education, international commerce, fishing and seafood processing, and tourism. (Newport Comprehensive Plan, page 187.) These industries align well with both the Urban Renewal Plan goals and the available industrial and commercial lands within South Beach, ensuring that future South Beach commercial-industrial growth will be consistent with the City's economic development goals.

Finding: Both commercial and industrial development—and suitable sites for its development—will be needed throughout the City and within the urban renewal area to support economic growth targets for the next 20 years. The existing supply of commercial and industrially designated lands exceeds demand and provides flexibility for modest re-designation from industrial to commercial for key areas within South Beach, as desired to better meet local retail and service demand and activate development of the opportunity site at SE 35th St.

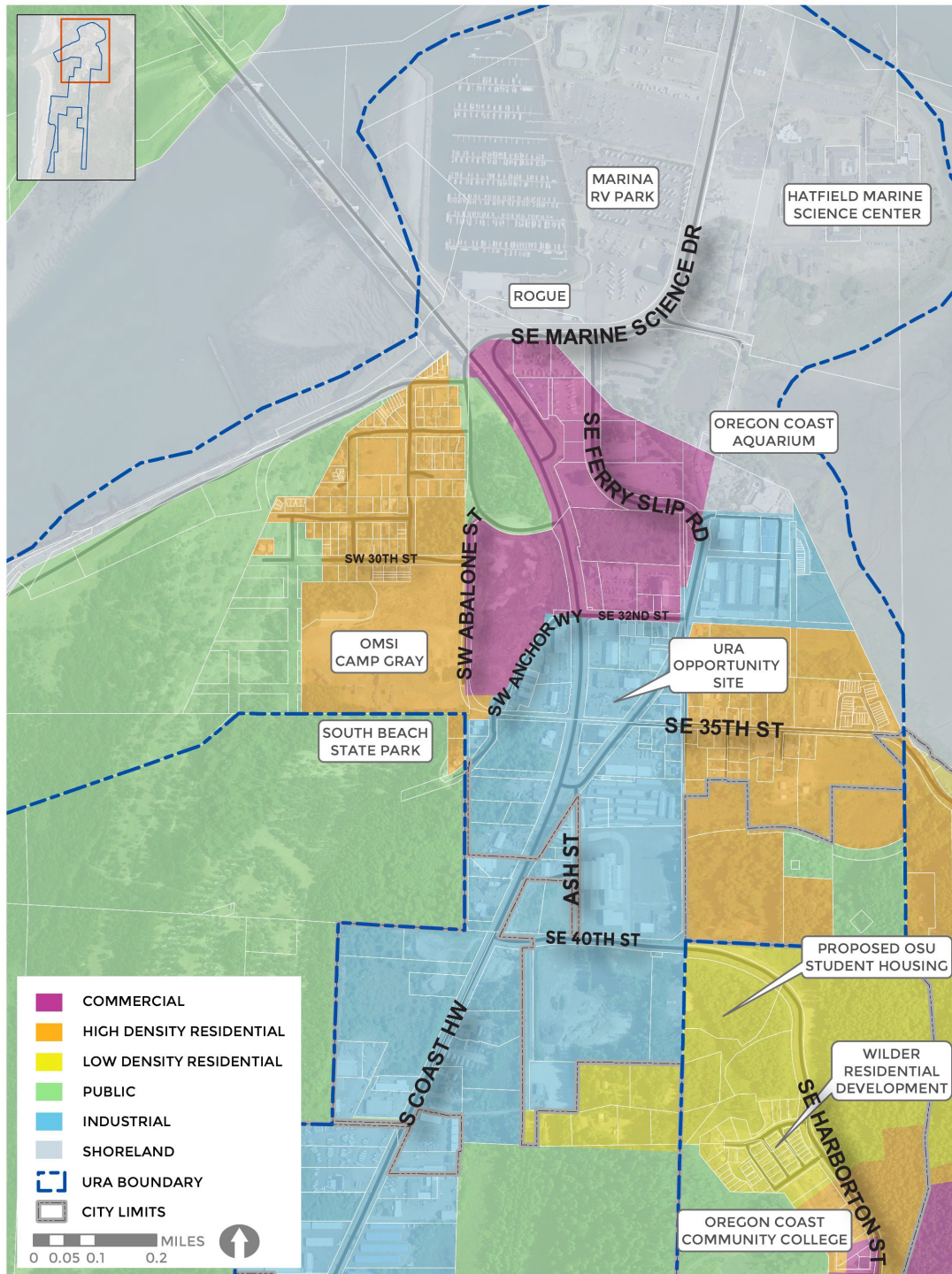
The City's long-range employment goals are well aligned with the Urban Renewal Plan goals, including a focus on marine-related, industrial and commercial economic development. No policy changes are recommended for the Comprehensive Plan to better implement the Urban Renewal Plan goals, though future Comprehensive Plan updates should incorporate any proposed changes to the extent of commercial and industrial designations and demonstrate that employment land needs are still met.

Comprehensive Plan Map: The Comprehensive Plan Map implements the plan goals by designating land for commercial, industrial and other land uses across the UGB. Within the South Beach urban renewal area, the primary designations along the Highway 101 corridor, extending north to south, include Shoreland, Commercial south to SE 32nd St, Industrial south to SE 62nd St with some High and Low Density Residential along the western half of the corridor, and Public for the airport site anchoring the south end of the area. (See Figures 1 and 2.)

Figure 1: Comprehensive Plan Land Use Designations within South Beach (Peninsula)

COMPREHENSIVE PLAN

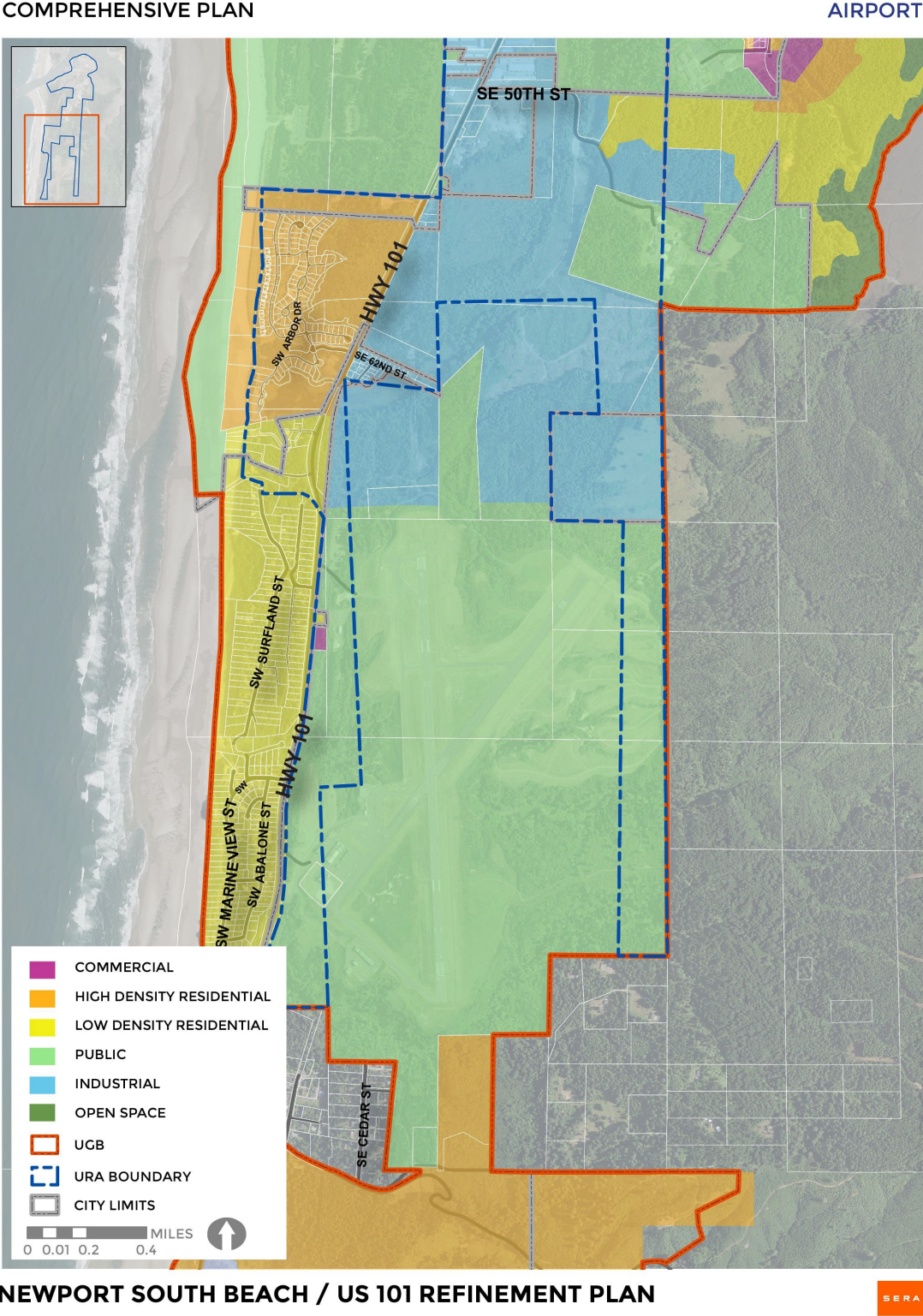
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NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Figure 2: Comprehensive Plan Land Use Designations within South Beach (Airport)



The overall distribution of designations within the urban renewal area shows that both total size and location are important. Approximately one-third of the area is designated for Industrial use, as shown in Figure 3. Within the broader City context, the industrially designated land within South Beach represents nearly all of the City’s industrial land supply and thus is important for meeting citywide industrial development goals as well as urban renewal goals specific

to this area.

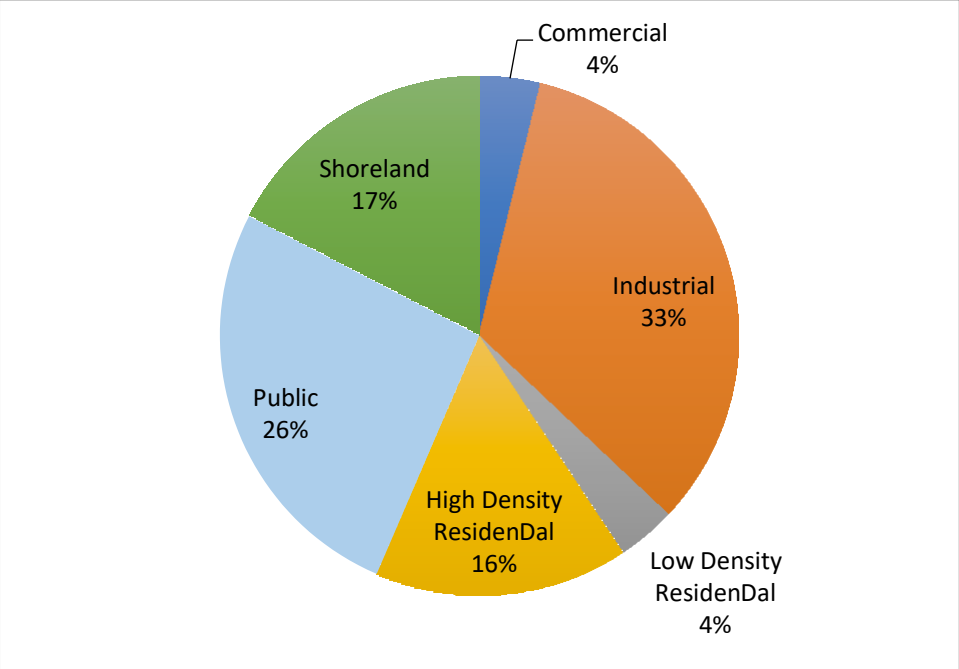
Commercially designated land totals only 4% of the urban renewal area, though its clustering at the south end of the Yaquina Bay Bridge near key attractions like the Oregon Coast Aquarium enhances the significance of this relatively small area. Public and

Shoreland uses along

the bayfront are other large uses within the district at 26% and 17% respectively; publically designated lands include a range of park and utility facility uses along the corridor in addition to the airport site at the south end of the urban renewal area. While Low and High Density Residential total a significant 20% of the district, the majority of these areas are located off of the highway corridor.

Finding: There is adequate land designated for industrial and commercial uses within the City, with the majority of the City’s industrial land supply located in South Beach. Based on the City’s needs and existing supply, some of the industrial land supply could be re-designated for commercial use to support a larger commercial development cluster encompassing the City’s opportunity site at SE 35th St. The extent of any re-designation from industrial to commercial should be analyzed for compliance with the City’s overall economic development goals, and limited in scope to ensure ongoing viability of the City’s industrial base located in South Beach.

Figure 3: Distribution of Comprehensive Plan Land Use Designations

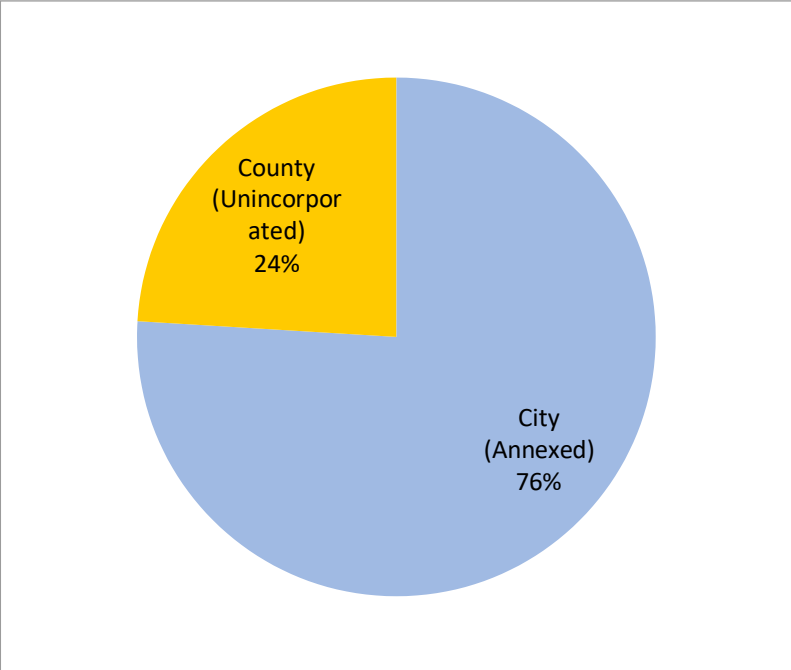


IV. Annexation

The urban renewal district is entirely contained within the City’s Urban Growth Boundary (UGB) and planned for future urban-level development, consistent with the urban renewal plan goals. However, nearly 25% of the district is currently outside of the City limits, as shown in Figure 4, and cannot be developed to urban levels of intensity and served by urban infrastructure until annexation occurs. Though the inclusion of these properties within the UGB supports annexation and development within the plan’s 20-year planning period by 2031, there is no timeline or mandate for annexation to occur and the Plan explicitly states that inclusion within the UGB does not imply that all land will be annexed to the City.

(Comprehensive Plan Urbanization Policy 1, page 428.)

Figure 4: Annexation Status of South Beach Area



As detailed in Table 1, much of the unincorporated property along the US 101 corridor has County Planned Industrial (I-P) zoning currently and is designated for Industrial use upon annexation, with some additional residentially designated parcels off of the corridor but still within the urban renewal district. There are no unincorporated commercial areas.

Table 1: Land Use Designations for Unincorporated Properties within South Beach

County Zoning	City Designation	Acreage	Percent of Unincorporated Area
Planned Industrial (I-P)	Industrial	160	57%
Residential (R-1)	High Density Residential Low Density Residential	73	26%
Public Facilities (P-F)	Public	48	17%
	Total	281	100%

County zoning aligns with future City land use designations, to be implemented with corresponding City zones, which should provide an orderly transition from County to City jurisdiction. There is one small exception on the west side of Highway 101 at the south end of South Beach State Park (Tax account #R184345), where the City land use designation of High Density Residential does not match either the County Public Facilities zoning or the current state park use. (See Figures 2 and 7 to compare.)

Annexation would expand the industrial land base and serve the goals for the urban renewal district, in order to better coordinate provision of infrastructure and increase efficient utilization of those services, in addition to increasing property values and subsequent City tax revenues. Annexation of commercial and industrial lands is identified as an economic development strategy in order to increase the City's development land supply, with particular importance in South Beach. (Comprehensive Plan Economic Policy 7.2, page 225.) Having a well-defined annexation strategy is important to the City because it can ensure efficient provision of municipal services and adequate sites for businesses. (Comprehensive Plan, page 205.)

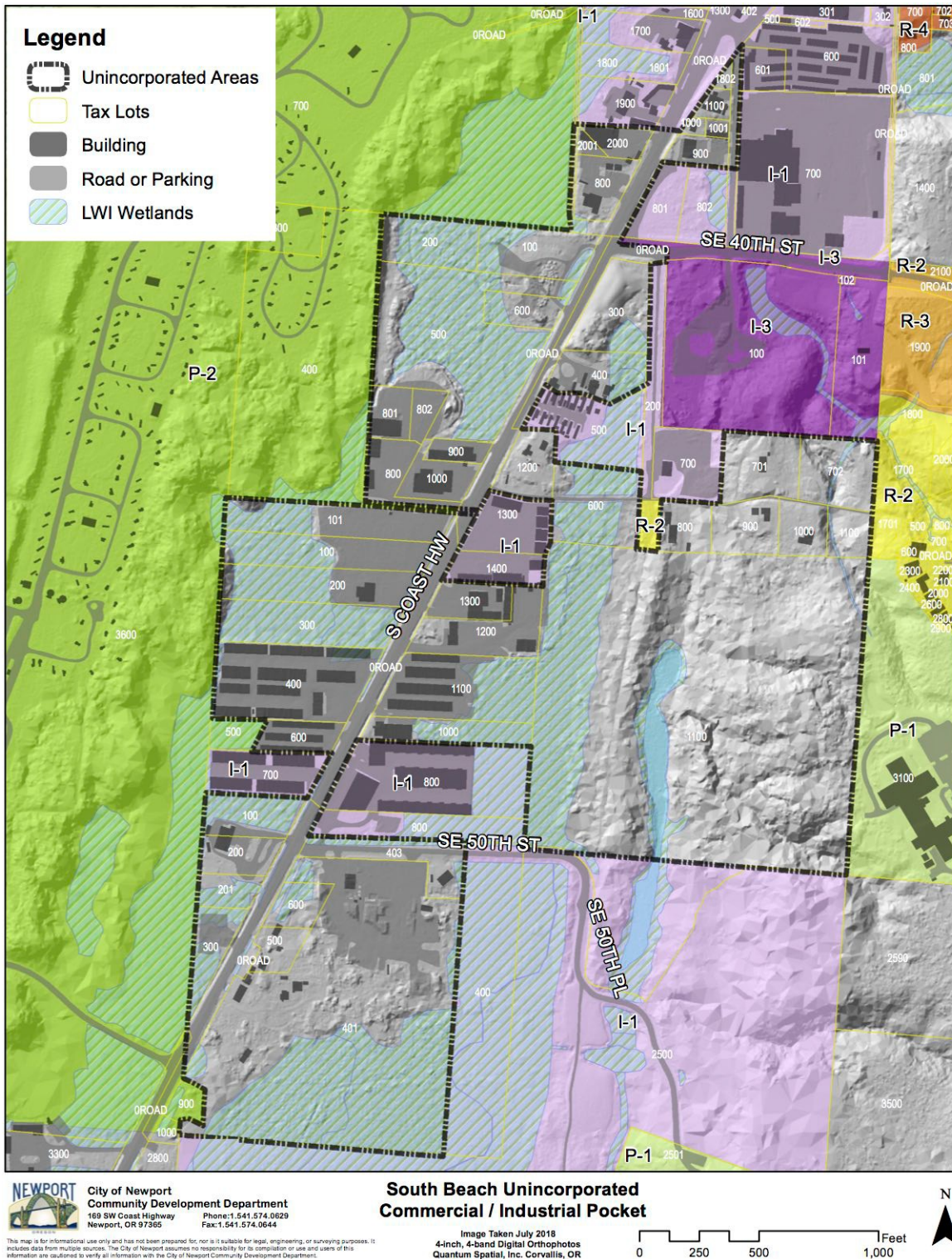
Annexation is primarily initiated by property owners under Oregon law and Newport code, and generally requires consent of owners and residents within the territory to be annexed. (ORS Chapter 222.) Newport annexation provisions permit annexation of any properties for which owner and resident consent has been obtained, the territory is within the UGB, and the territory is contiguous to the City limits. (NMC 14.37.040.) Recent history of annexation in South Beach has been limited to owner-initiated annexations of single parcels in the past 10 years, and has included:

- Surf Sounds Court mobile home park in 2019 at 4263 S Coast Hwy, which annexed into the City because their septic system failed. (File #1-AX-19)
- Airrow Heating in 2018, at 3503 S Coast Hwy. (File #1-AX-18)
- Coastcom in 2013, at 4541 S Coast Hwy. (File #2-AX-13)

At this pace, full annexation of the unincorporated properties in South Beach would take many decades.

Oregon law does provide for City-initiated annexations in specific circumstances, including provisions for "island annexations" in which cities can annex properties without local consent if they are entirely surrounded by the city limits. (ORS 222.750.) Figure 5 illustrates that the majority of unincorporated properties in South Beach could be eligible for island annexation based on the surrounding City limits.

Figure 5: South Beach Unincorporated Areas



Source: City of Newport

The benefit to annexation is the ability to develop at urban levels of intensity under City zoning, served by urban-level public facilities, including water and sewer. The majority of County properties are zoned industrial (I-P), which permits a range of industrial uses from manufacturing to rock and gravel extraction to limited service uses like restaurants and banks, provided that on-site wastewater disposal can be accommodated.¹ (Lincoln County Code 1.1364(2).) All industrial uses in the County require a Type III conditional use permit, which can be a lengthy and costly review process. By contrast, most industrial uses permitted under City zoning, were the properties annexed, are permitted outright without need for a lengthy land use permitting review. However, a property owner would first have to complete the annexation process, which is similarly complex as a conditional use permit, making the overall City land use process more similar to the existing County process in terms of time and effort initially. After annexation, however, a greater range of development would be possible and could be served by planned infrastructure development funded by urban renewal district.

Annexation into the City does typically incur higher costs for property owners, including application and survey costs, system development charges (SDCs) and property taxes. Fewer, larger annexations for multiple properties rather than individual properties would decrease application costs, and could be facilitated by the City. The City is also working to develop a package of financial incentives for property owners to defray initial costs to transition to City infrastructure systems using urban renewal funding, given that annexation could yield significant benefits to the district by facilitating urban-level industrial development.

Until properties are annexed to the City, the City must monitor and review proposed development within the County to ensure that it can be compatible with future City policies. As stated in the Comprehensive Plan, “Unincorporated areas within the UGB will become part of Newport; therefore, development of those areas influences the future growth of the city. Hence, the city has an interest in the type and placement of that growth. “ (Urbanization Policy 3, page 429.) The City is committed to reviewing and commenting on any pending land use developments within the unincorporated portions of the UGB in order to implement this policy. Future development of an Urban Growth Management Agreement (UGMA) between the City of Newport and Lincoln County that includes the South Beach area has also been identified as an additional strategy to coordinate interim infrastructure and site development. (Comprehensive Plan, page 205.)

¹ In practice, requiring on-site wastewater disposal significantly limits the scope of potential industrial development under County zoning, given the high wastewater generation of certain industrial processes. This helps explain the popularity of low-impact developments like self-storage facilities on existing County properties that generate little wastewater.

Finding: Annexation of the remaining 25% of the urban renewal district into City limits is important to support the City's economic development goals generally and in South Beach specifically. Not only will annexation enable development at urban intensities, it will limit development under County regulations that may be less compatible with urban renewal development goals in terms of uses and development standards, such as rock and gravel crushing and self-storage. The City should continue to engage with Lincoln County to coordinate review of any development within the UGB to ensure that it can be consistent with City goals and standards upon future annexation. The City should coordinate with Lincoln County to complete the Urban Growth Management Agreement to ensure an orderly transition from County to City zoning.

The City should update the Comprehensive Plan designation of the South Beach State Park parcel (tax account #R184345) to Public rather than High Density Residential for a smooth transition from County to City zoning upon annexation.

The City should pursue annexation options including island annexation under ORS 222.750 in order to remedy the patchwork of City and County zoning in South Beach and better facilitate cohesive development and infrastructure systems in the significant portion of the urban renewal district that is currently unincorporated. The City should engage with property owners as part of annexation efforts to better understand specific concerns or uncertainties about annexation. Informational resources for property owners would be useful to highlight development potential within the City compared to existing County regulations, in addition to tax and financial implications, as well as outlining any financial incentives for infrastructure development that could be available through the urban renewal district. Financial incentives to defray initial costs would also support any annexation efforts, such as waiving land use fees for annexation applications (currently \$782), conducting survey work, and/or offsetting infrastructure connection fees. The City's annexation provisions in NMC 14.37 are straightforward and no further revisions are recommended to better support the annexation process.

V. Zoning Regulations

Overall code structure: Newport's zoning regulations are codified in Chapter 14 of the City's Municipal Code, along with land division regulations codified in Chapter 13. The zoning code is fairly traditional mix of residential, commercial and industrial zones, focused on defining allowed uses and development types within each zone. There are few geographically specific or mixed-use zones, though considerable flexibility is provided within various zones. The L-1 Light Industrial zone, for example, allows a broad range of commercial and industrial uses beyond typical light industrial manufacturing uses. The zoning code largely focuses on defining use categories, subject to straightforward dimensional standards, with limited focus on the site or architectural design of resulting development, as discussed below. The limited number of zones and limited scope of development and design standards within each provides for a relatively straightforward regulatory environment with few barriers, but provides limited scope to tailor development regulations specific to geographic areas such as South Beach.

Overlay zones are generally related to a specific, limited purpose with limited implications or restrictions on uses and development permitted by the underlying zoning district. Notable overlays within the urban renewal district include:

- Airport Development Zone Overlay, which details certain allowed airport-related commercial and recreational uses including standards for skydiving uses. (NMC Chapter 14.22)
- South Beach Transportation Overlay Zone, which establishes a framework for distribution of available transportation capacity and requires additional transportation planning for proposed South Beach development. (NMC Chapter 14.43)
- Tsunami Hazard Overlay Zone, which limits placement of critical emergency services and large gathering spaces such as schools within areas subject to tsunami inundation and requires provision of evacuation routes for development. (NMC Chapter 14.46)

Finding: The City's broad code structure with a limited number of zones requires careful consideration in order to make changes specific to South Beach: changes would need to be either crafted to apply within the zoning district across the entire city, restricted to the South Beach area within the existing zones through additional code provisions or footnotes, or implemented through a focused South Beach corridor overlay zone. The recommendations throughout this section should be analyzed to determine whether they could effectively be implemented within the existing code structure, with potential impacts beyond the South

Beach area, or warrant a more targeted approach potentially tied to the extent of existing overlay zones or the urban renewal area. Given the limited utilization of special purpose zones within the City, introduction of new zones or overlays is not the preferred option.

Zoning Districts: There are 10 City zoning districts within the South Beach district in addition to three County zoning districts, as shown in Figures 6 and 7. The zoning maps implement the Comprehensive Plan designations discussed in Section III, with a cluster of commercial zoning at the northern end of the corridor, industrial zoning along much of the corridor between SE 32nd St and SE 62nd St, and public zoning along the southern end of the corridor for the airport site, with residential and additional public zoning generally located off of the highway corridor. Commercial zones together make up 3% of the urban renewal district and industrial zones total 21% of the area—35% when including County industrial zoning—as detailed in Table 2; these zones are clustered along the highway corridor.

Table 2: South Beach Zoning Districts

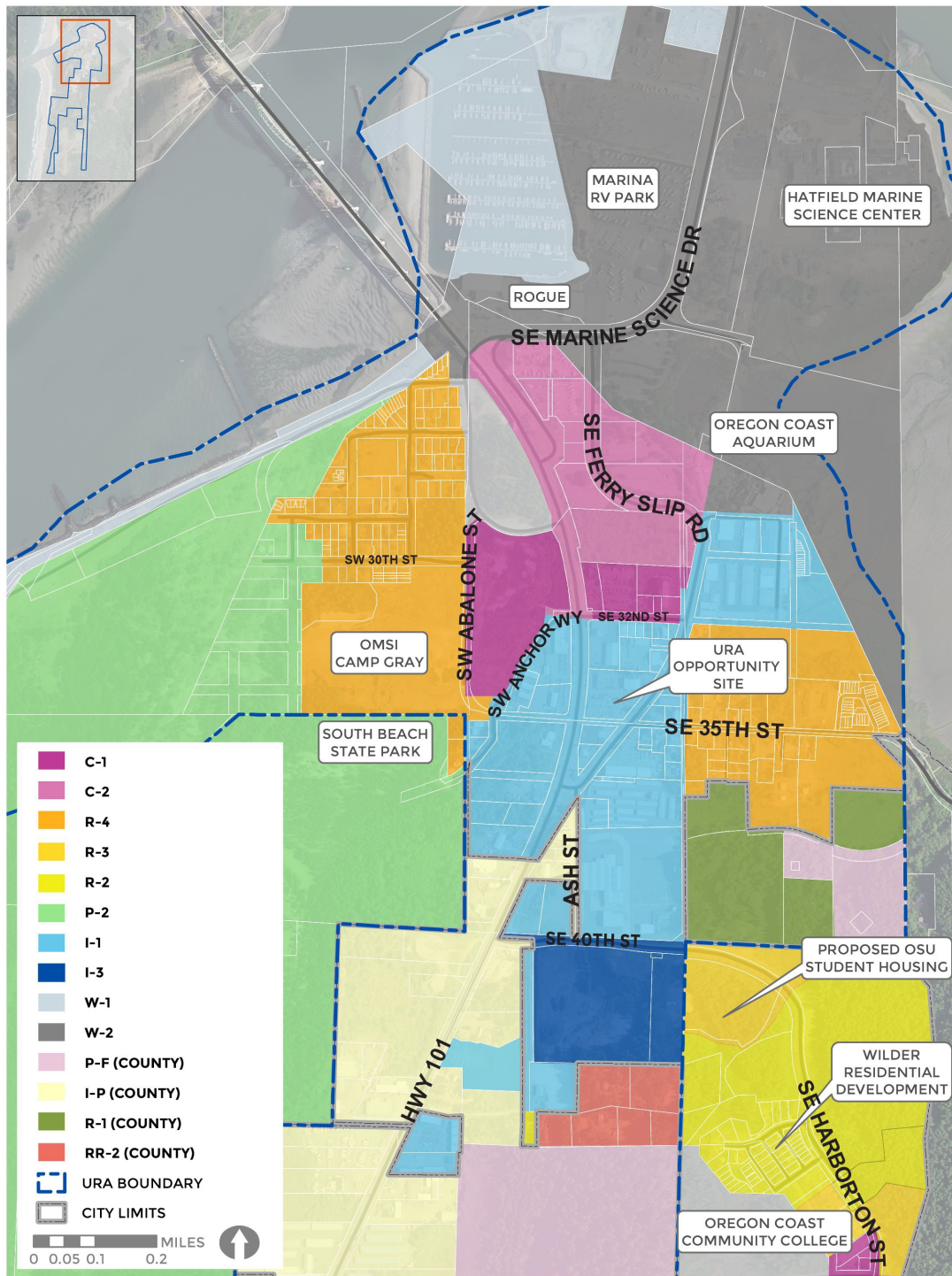
	Zone	Acreage	Percent of Urban Renewal District
City	Retail and Service Commercial (C-1)	17	1%
	Tourist Commercial (C-2)	27	2%
	Light Industrial (I-1)	235	20%
	Heavy Industrial (I-3)	16	1%
	Public (P-1)	174	15%
	Public (P-2)	83	7%
	Low Density Single-Family Residential (R-1)	6	0%
	High Density Multi-Family Residential (R-4)	148	13%
	Water-Dependent (W-1)	46	4%
	Water-Related (W-2)	135	12%
County	Public Facilities (P-F)	48	4%
	Planned Industrial (I-P)	160	14%
	Residential (R-1)	73	6%
	Total	1,169	100%

Within the commercial node, implementing zones include tourist-oriented commercial (C-2) near the bridge and retail and service commercial (C-1) on either side of the highway near SE 32nd St. There is no Heavy Commercial (C-3) zoning along the corridor, which permits larger scale, traditionally auto-served regional commercial development.

Figure 6: City and County Zoning within South Beach (Peninsula)

CITY + COUNTY ZONING

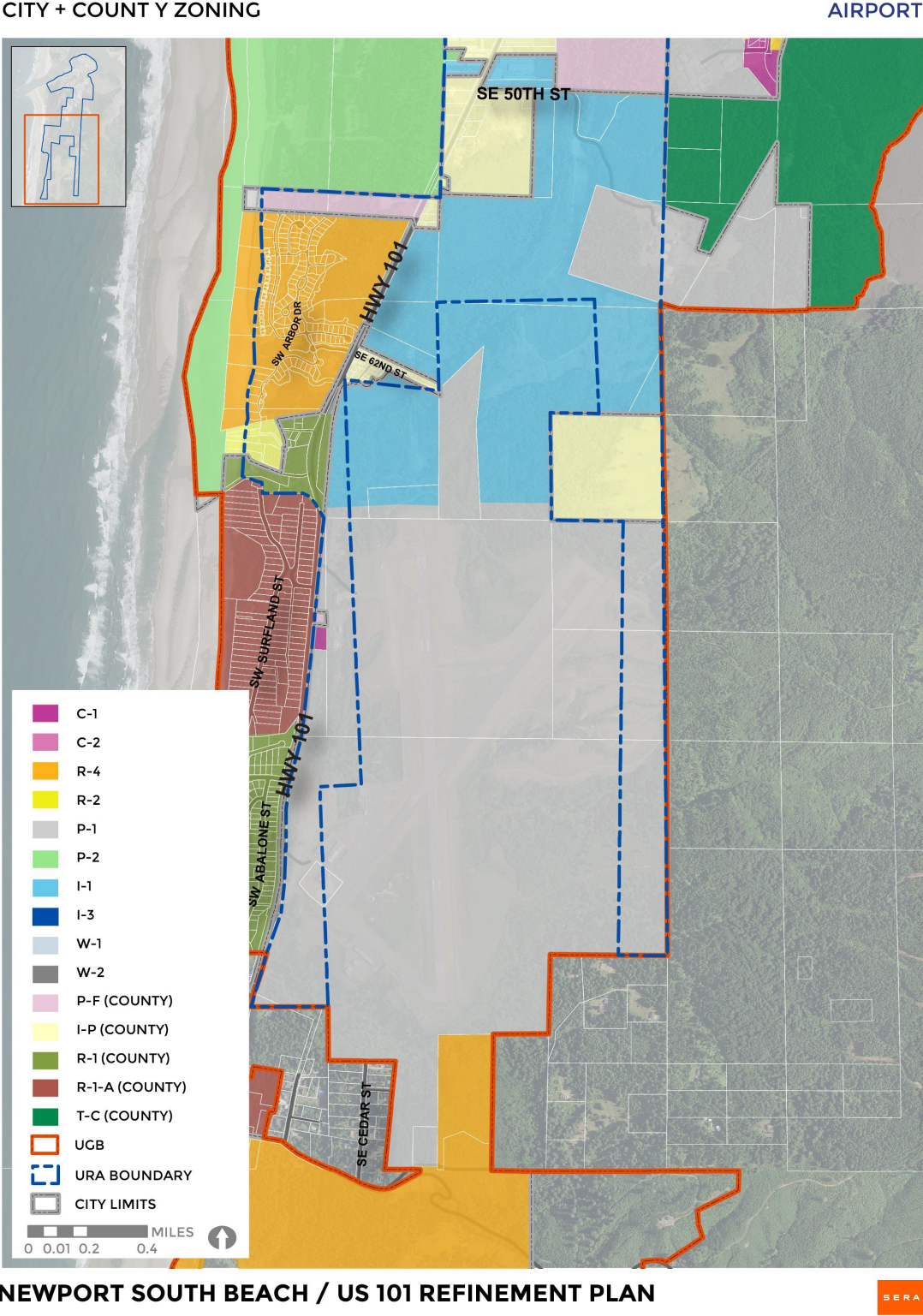
PENINSULA + US 101



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



Figure 7: City and County Zoning within South Beach (Airport)



Industrial zoning along the corridor is primarily Light Industrial (I-1), with a single site zoned for Heavy Industrial (I-3) on the east side of Highway 101 at SE 40th St. The I-3 site directly abuts residential zoning farther east, which could cause compatibility issues. The County's Planned Industrial (I-P) along the corridor generally south of SE 40th St is designated for future City industrial zoning, though there is little direction about which of the City's industrial zones would best apply to these parcels taking into account site character and existing development relative to desired City economic development goals and employment land needs.

The opportunity sites identified for future development are currently zoned for industrial uses under current City and County zoning, discussed further in Section VI. The property at SE 35th St owned by the Urban Renewal Agency is zoned Light Industrial. There is only one commercially zoned opportunity site, located on SW Abalone St.

Finding: There would be benefit to expanding the extent of commercial zones along the highway corridor in place of existing light industrial districts to better support a cluster of commercial goods and services serving South Beach residents and visitors. Extending the C-1 zone along the east side of the highway farther south to encompass the opportunity site as SE 35th St would increase the concentration of commercial services. Additional commercial sites should be considered around the potential new signal at SE 40th St. Because the light industrial zone permits such a wide range of industrial and commercial uses, the concern with retaining the current light industrial zoning is not that desired commercial uses would not be permitted, but that there would be increased competition and potential conflict with light industrial uses developed on abutting properties.

For the industrially zoned properties, existing City zoning appears adequate to meet the City's industrial development needs. Further discussion and analysis should consider which zones are desirable for County industrial properties when they are annexed, particularly to identify sites that would be appropriate for heavy industrial zoning (I-3).

Allowed uses: The commercial and industrial zones permit a wide range of retail, service, office and industrial employment uses, in line with commercial and industrial development goals adopted by the City and specific to South Beach. (NMC 14.03.070.) Residential uses are also permitted on upper floors only in commercial districts. Many of these core uses are permitted outright in the commercial and industrial zones, but larger format uses such as Major Event Entertainment, as well as uses that are less aligned with the zone's overall purpose, such as General Retail in the Heavy Industrial I-3 zone, require a conditional

use permit. Any new or expanded commercial use in the Tourist Commercial C-2 district requires a conditional use permit as well.

Notably, the I-1 light industrial zone includes a wide range of commercial retail and service uses in addition to traditional employment uses, and functions more as a flex zone than a strictly industrial zone. Rather than targeting a narrow range of uses for this zone, the Comprehensive Plan identified a strategy of negotiating development agreements with property owners of opportunity sites to prioritize target industry uses, such as marine research and fishing-related. (Economic Policy 7.1, page 223.)

Both the commercial and industrial zones permit a range of retail and service uses identified by project stakeholders as desired services in South Beach. (Opportunities and Constraints Memo, Exhibit 12.) The existing zones should thus provide ample development potential for desired uses, as shown in Table 3, however, the I-3 zone provides limited opportunities.

Table 3: Desired Retail and Service Uses Permitted by Zone

Desired Use	Grocery store	General retail	Gas station	Restaurant
Zoning Classification	<i>Retail Sales and Service: Sales-oriented, general retail</i>			<i>Retail Sales and Service: Entertainment oriented</i>
C-1	P	P	P	P
C-2	P	P	P	P
I-1	P	P	P	P
I-3	C	C	C	X

P=permitted, C=conditional, X=prohibited

Source: Zoning classifications shown in italics from NMC 14.03.060, 14.03.070.

However, the great flexibility provided within these zones comes with a lack of certainty about future development patterns and potential compatibility concerns between uses. Uses across these zones, particularly in the I-1 zone, are very wide-ranging and also include uses that may be less desirable within the urban renewal district because they do not align with urban renewal and public goals around generating significant living-wage employment, generating significant tax revenue providing goods and services for visitors and residents, and revitalizing the highway corridor. Further review of the following uses is warranted:

- Self-service storage: Permitted in C-3, I-1 and I-2, prohibited elsewhere. There are at least three self-storage facilities already located within the district, and while this indicates demand for such uses, these uses tend to generate relatively few jobs per acre with relatively limited demand for urban-level infrastructure.
- Vehicle Repair: Permitted in C-3, I-1 and I-2, prohibited elsewhere.

- Auto sales, included as part of Sales-oriented, bulk retail category: Permitted in C-3, I-1 and I-2, conditional in C-1 and I-3, and prohibited in C-2.
- Towing, wrecking and salvage of vehicles, trucks and heavy machinery, included as part of Contractors and Industrial Service category: Permitted in C-3, I-1, I-2 and I-3, prohibited elsewhere.
- Heavy Manufacturing that “should not be located near residential areas due to noise, dust, vibration or fumes:” Permitted only in I-3 and conditionally in I-2. (NMC 14.03.060(D)(2)(b)(ii).)
- Waste and Recycling Related: Conditional in all zones.
- Mining: Permitted only in I-3 and conditionally in I-2.

There is a considerable range of uses permitted in the I-1 that could conflict with some of the desired retail and service uses along the corridor, while many of these uses are not permitted in the commercial C-1 or C-2 zones. Potential conflicts with heavy manufacturing uses in the I-3 zone could be eliminated by rezoning the existing I-3 parcels on SE 40th St. Any consideration of these uses should also be balanced against regional industrial and employment needs, given that the industrial land base in South Beach is the primary industrial base for the entire city.

There are also several nonconforming uses located within the Light Industrial area, including a manufactured home park; these uses are permitted to continue with additional limitations for any future modifications or expansions, but a similar new use could not be established. (NMC 14.32) Nonconforming uses can present a challenge for long-range planning, given that they are not in line with the intended purpose of the zone but are “grandfathered in” and unlikely to be changed unless economically viable.

Several overlay zones within South Beach introduce additional use limitations. The Airport Development Zone Overlay applies to the Newport Municipal Airport property, totaling approximately 700 acres on the east side of Highway 101 at SE 84th St. (NMC 14.22.100.) The airport overlay zone overrides use standards for the underlying zoning districts in favor of permitting aviation-related uses ranging from airports to skydiving to emergency services; all non-aviation uses including commercial and industrial uses require a conditional use permit. (NMC 14.22.100(E)(5).) The Tsunami Hazards Overlay zone generally maintains the existing uses permitted in the underlying zones, but limits those uses with high potential consequences in the event of a tsunami, from schools to emergency services. (NMC 14.46.) Generally, these overlays introduce reasonable limitations on development in areas with potential safety conflicts, and in the case of the airport, to ensure priority is given to aviation-related uses.

Food Carts

Recently adopted updates to the City's food cart regulations will greatly benefit potential food cart uses, and better align with potential development concepts at the City's SE 35th St site. Whereas previous standards prohibited food carts within one-half mile of any existing eating or drinking location and limited carts to a two-year permit, updated provisions permit food carts individually and in pods of four or more throughout the South Beach area. (NMC 14.09, updated September 2021.) Food cart pods on private property are required to provide permanent utility connections and pay system development charges (SDCs), provide covered seating and trash receptacles, and provide access to a restroom, all of which should improve the user experience while balancing improvement costs with the level of impact generated by such uses. No further modifications are recommended to the food cart regulations in the South Beach context; a potential pod at the SE 35th St site or elsewhere in the district should greatly benefit from these new regulations.



Finding: The existing commercial and industrial districts support the desired range of retail, service and employment uses identified in the Urban Renewal Plan as well as in recent stakeholder engagement completed as part of this refinement plan. The recent food cart regulatory changes in particular fully address previous concerns about the viability of food carts and food cart pods in the district. The use limitations of the airport and tsunami overlay zones are in line with the needs of those areas.

However, the very broad range of uses permitted in the industrial and commercial zones, the I-1 in particular, means that there is considerable flexibility with relative less certainty about the exact mix of uses or ways to prioritize the more desirable uses relative to area goals. Greater certainty about the future range of commercial and industrial uses could be addressed through a variety of strategies including changes to the allowed uses, negotiating development agreements, and/or applying site development standards that minimize potential off-site development impacts such as landscaping and screening standards discussed below, in addition to rezoning select parcels to C-1 commercial use as discussed above.

Changes to permitted uses could help to limit less desirable uses in South Beach area. Initial changes should prohibit new self-service storage and vehicular towing, wrecking and salvage uses in the I-1 zone along the highway corridor due to their low employment densities.

Additional consideration should be given to limiting vehicle sales and service uses within the district as part of further review of the relative employment and tax generation potential of uses, as well as their role within the local and regional economy, to support any future recommendations to modify the range of permitted uses.

Care should also be taken to minimize creation of nonconforming uses as a result of any zoning changes, as that can cause uneven transitions over time. The City could also initiate conversations with existing nonconforming users about their future development ideas, and any necessary infrastructure or other support needed.

An additional tool would be to utilize development agreements for specific sites, as identified in the Comprehensive Plan, however, this approach should be reserved for key sites given the time and effort required on behalf of the City and property owner to negotiate such agreements.

Development standards: The dimensional standards for the commercial and industrial zones in South Beach are relatively simple and permissive:

- 50-foot maximum height limit (NMC 14.13.020 Table “A.”) No existing development along the corridor has approached the height limit, nor are proposed uses likely to need additional height.
- Zero foot front, side and rear setbacks, with the exception of a 50-foot required setback from Highway 101 for industrial properties. (NMC 14.13.020 Table “A,” 14.19.050.B.) Staff reported that the setback was developed to reserve potential area for future highway widening, but there are no longer state or local plans to add lanes south of the Yaquina Bay Bridge.
- 85-90% lot coverage permitted, with 10% site landscaping. (NMC 14.13.020 Table “A,” 14.19.050.A.)

Although most setbacks for industrial and commercial sites are zero feet, a setback and some softening of those frontages can be achieved through the required landscaping along property frontage(s) equal to 10% of the site area. (NMC 14.19.050(A).) There are no standards about the required width or mix of plant materials required along the frontage, other than a requirement that “Landscaping shall be located along a street frontage or frontages.” (NMC 14.19.050(B).)

There are no requirements for screening or buffering between uses, with exception of nonresidential abutting residential zones requiring graduated height limits and a 10-foot landscaping buffer. (NMC 14.18.) There are no limitations on outdoor storage or location of parking or loading areas, nor specific screening and buffering that would apply beyond a requirement for 5% of the parking area to be landscaped. (NMC 14.19.050(D)(1).)

No other architectural or site design standards apply to commercial and industrial properties within South Beach. Design review standards and procedures in Newport are currently limited to the Historic Nye Beach Design Review District, though the Comprehensive Plan identifies six potential urban design districts and future neighborhood plans could adopt design goals for additional areas. (NMC 14.30.010.)

Finding: Limited site design standards provide considerable flexibility with minimal constraints for site development, however, they provide little assurance of adequate screening and buffering between sites. The outlier is the 50-foot required front setback for industrial development along Highway 101, which no longer appears necessary for future highway expansion and is out of line with setbacks elsewhere in the City for industrial and other development. The front setback for development along Highway 101 in both commercial and industrial zones should be set at 10-20 feet to provide room for a modest landscaping strip as well as retain flexibility for minor right-of-way modifications to Highway 101 in the future if needed.

Screening and buffering standards are recommended for uses such as industrial outdoor storage that could create visual detractions and functional conflicts particularly between commercial and light industrial uses allowed within the I-1 zone. Specific landscape buffer widths and required materials, such as numbers of shrubs or trees, would provide greater certainty about frontage treatments throughout the district. In particular, a landscaping frontage standard for properties fronting the highway could create an enhanced and consistent image for South Beach, and replace the previous 50-foot industrial setback.

Creation of a design district is not recommended at this time based on the development goals and limited design conflicts identified to date along the corridor, however, development of limited objective design standards for portions of the district could minimize potential for future conflicts. While design review often connotes a particular vision of walkable, pedestrian-scale, mixed retail, office and/or residential areas—unlike the active commercial and industrial highway corridor in South Beach—design standards can be tailored to suit the functional and aesthetic goals of a variety of situations. One potential example is the mixed industrial district in the City of Tillamook, the Hoquarton Waterfront Overlay zone that incorporates limited

objective design standards to enhance compatibility between commercial and industrial uses. (Tillamook Zoning Code 153.033.)

Recent brewpub development in Tillamook’s Hoquarton overlay zone incorporating industrial aesthetic



Parking Requirements: A major driver of site design is off-street parking, which can occupy a significant portion of the site area. Vehicle parking is required at minimum ratios established in NMC 14.14.030, ranging from one space per 150 square feet for restaurants to one space per 3,333 square feet for industrial uses. While the ratios are fairly typical for comparable cities, the result can be a significant amount of parking that may limit development potential in certain cases. As detailed in Table 4, the potential development scenarios being considered for the site at SE 35th St require 87-114 parking spaces, which could constitute nearly 40% of the site at an estimated 350 square feet per space on the 2.3-acre site. However, it is likely that many uses in South Beach will primarily be served by auto access and parking availability will be important for visitors and residents.

Table 4: Potential Parking Requirements for SE 35th St Opportunity Site

Scenario	Development Proposed	Parking Required	Total
1: General Merchandiser and Retail	30,000 SF general retail 5,000 SF retail cluster 6,000 SF restaurant	100 spaces 17 spaces 40 spaces	100 spaces on site at NE corner (City owned), up to 57 additional on SE corner if acquired
2: Grocery plus Microrestaurants	6,000 SF grocery/retail 7,000 SF restaurant (inc 2,000 SF coffee) 5,000 SF food cart pod (8-10 carts + 1,500 SF seating)	20 spaces 47 spaces 20 spaces	87 spaces
3: Retail and Microrestaurants	12,000 SF general retail 8,000 SF restaurant (inc 2,000 SF coffee) 5,000 SF food cart pod (8-10 carts + 1,500 SF seating)	40 spaces 54 spaces 20 spaces	114 spaces

Source: Required parking per NMC 14.14.030, 14.09.060(D).

There may be opportunity to reduce parking requirements at the SE 35th St opportunity site and elsewhere in South Beach through provisions for shared parking on sites developed with a mix of uses, through a parking demand analysis. (NMC 14.14.040.) A Type III variance process can also be used to reduce parking requirements for a specific site. (NMC 14.14.130.) In specific areas of the City with high demand and limited land area—Nye Beach, Bayfront and City Center—parking districts allow alternate parking ratios, and make use of shared public parking areas to meet demand. (NMC 14.14.100.) A district-wide strategy has not been proposed for South Beach, but could be considered in the future depending on growth.

Finding: While parking can be a significant portion of development sites, much development in South Beach is anticipated to serve users arriving by car and seeking parking. No changes to the parking ratios or creation of a parking district for South Beach is recommended at this time, but monitoring of both parking requirements as applied to specific sites and parking demand is recommended to identify any particular conflicts or opportunities to modify parking standards.

Permitting and Review Procedures: Land use permitting requirements for potential development in South Beach are relatively limited. Because most commercial and industrial uses are permitted outright, no separate land use review is required outside of the building permit process. Newport does not use a separate site plan review process common in many other jurisdictions to review development against land use provisions, which expedites the overall permitting process. Site plan review is less applicable in Newport, however, given the relatively limited site development standards such as setbacks. The City could consider introducing site plan review only if warranted by introduction of more detailed development standards; for example, there is a design review process used for development in areas with specific design standards.

More complex land use permitting is also required for some uses, including conditional uses and most modifications of existing nonconforming uses. Development that generates more than 100 PM peak hour trips also requires a pre-application conference and review of a traffic impact analysis. (NMC 14.45.020.) Development throughout South Beach within the SBTOZ that is below the 100 PM peak hour trip threshold must alternatively submit a trip assessment letter, which can be completed concurrent with any land use permits or at the time of building permit application. (NMC 14.43.080.)

Finding: Permitting requirements for most commercial and industrial development in South Beach is straightforward and proportional to the limited land use standards applied to site development while addressing key issues such as traffic generation. Additional land use review may be warranted in the future if additional development standards are introduced for South Beach.

Transportation Planning: Future development and mix of uses along the Highway 101 corridor will need to comply with special transportation planning rules developed to allocate and manage existing highway capacity, given capacity constraints along this stretch of Highway 101. The majority of the urban renewal district is located within the South Beach Transportation Overlay Zone (SBTOZ), established in the 2012 Transportation System Plan and implemented through NMC 14.43. The SBTOZ was created in order to permit greater levels of development than would otherwise be permitted along the highway, accepting an increased level of congestion at peak times as a trade-off for greater economic development.

The SBTOZ establishes a total number of trips available within each of the transportation analysis zones (TAZs) and the area as a whole. The existing distribution of trips between TAZs was based on development potential of buildable land and existing zoning, and is meant to support economic development. New development must be able to be accommodated within the available trips, or apply to use trips reserved for the area as a whole, which has implications on the scope and types of development that can be planned and accommodated within this area. Notably, as shown in Table 5, commercial uses tend to have significantly greater trip generation rates up to 10 times greater than industrial uses.

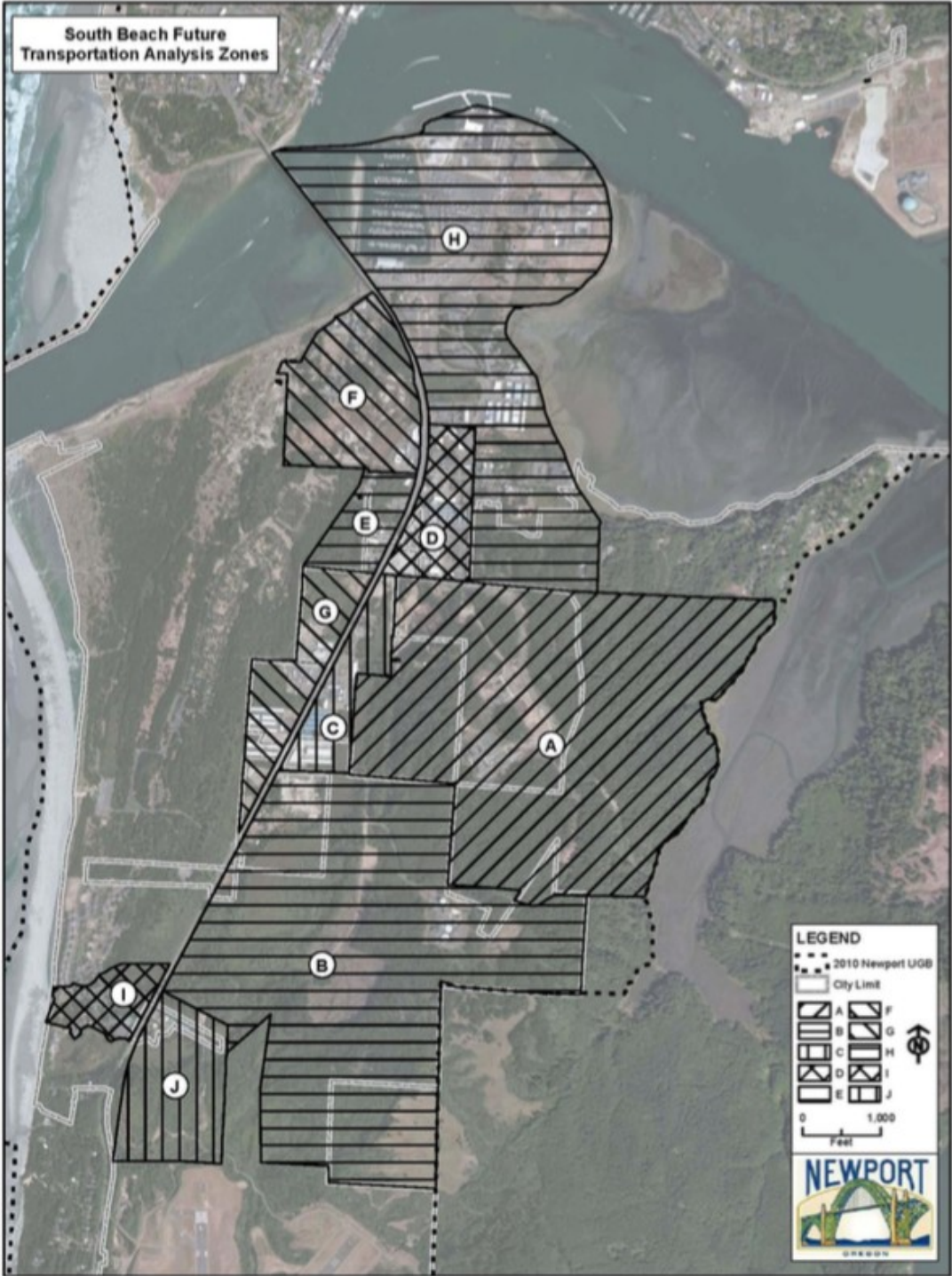
Table 5: Sample Trip Generation Rates

ITE Code	Description	Unit of Measure	Trips per Unit ¹
110	General Light Industrial	1,000 SF GFA	0.63
180	Specialty Trade Contractor	1,000 SF GFA	1.97
710	General Office Building	1,000 SF GFA	1.15
850	Supermarket	1,000 SF GFA	9.24 ¹
930	Fast Casual Restaurant	1,000 SF GFA	14.13 ¹
926	Food Cart Pod	Food Cart	3.08 ¹
944	Gasoline/Service Station	1,000 SF GFA	109.27 ¹

¹ Commercial and service uses eligible for 40-60% reduction to account for “pass-by” trips per ITE methodology as well as NMC 14.43.060(B).

Source: Institute of Transportation Engineers Common Trip Generation Rates (PM Peak Hour), Trip Generation Manual, 10th Edition

Figure 8: South Beach Transportation Overlay Zone



Source: Newport Transportation System Plan

The trip generation differentials between various uses, and the overall trip budget, means that any future developments should be considered within a transportation planning context to ensure that development complies with the adopted trip budget and moreover, uses trips wisely. Any changes to comprehensive plan land use designations within the SBTOZ, such as would be needed to rezone property around SE 35th St from Light Industrial to Commercial, requires review of the trip budget. (NMC 14.43.120(B).) The relatively high trip generation associated with many commercial uses compared to industrial uses supports selective commercial rezoning to stay within the trip budget. However, the Light Industrial zone already permits a wide range of industrial and commercial uses so the relative impact of rezoning may not be a significant change in terms of trips relative to the initial planning assumptions.

While the number of trips available for a given development proposal can only be assessed at the time individual projects come forward, it behooves the City to continue monitoring the trip budgets and reallocate trips as needed to facilitate locally desired development. In particular, the City should consider reallocating trips between districts based on proposed rezones and location of future traffic signals at SE 35th St and potentially at SE 40th St that may attract higher-trip generating uses. The SBTOZ also includes specific provisions for a trip reserve fund of approximately 10% of the total trips available that can be allocated to desired development over and above the specific trips available at the site, and this could be used strategically to support development in the urban renewal area.

Finding: Continue to implement transportation planning requirements and monitor trip budgets for areas within the SBTOZ consistent with NMC 14.43, which were developed to support planned industrial and commercial development throughout the South Beach area. Potential commercial rezones, development at the SE 35th Ave gateway site and installation of new signals at SE 35th St and potentially SE 40th St should be reviewed to determine their impact on trip budgets, including any required analysis as part of a comprehensive plan land use designation change required by NMC 14.43.120(B). If not sooner, the comprehensive reassessment of the trip budget mandated no later than December 2023 per NMC 14.43.120(A) will be a prime opportunity to review the allocation of trips and how they align with desired future development.

VI. Land Use Implications for Opportunity Sites

Identified opportunity sites along the corridor are primarily zoned Light Industrial, with one commercial property closest to the Yaquina Bay Bridge in the north, as shown in Figure 9. Table 6 summarizes relevant zoning considerations and potential for rezoning or other modifications to development regulations to better serve South Beach urban renewal and broader City economic development goals.

Table 6: Opportunity Site Zoning and Development Considerations

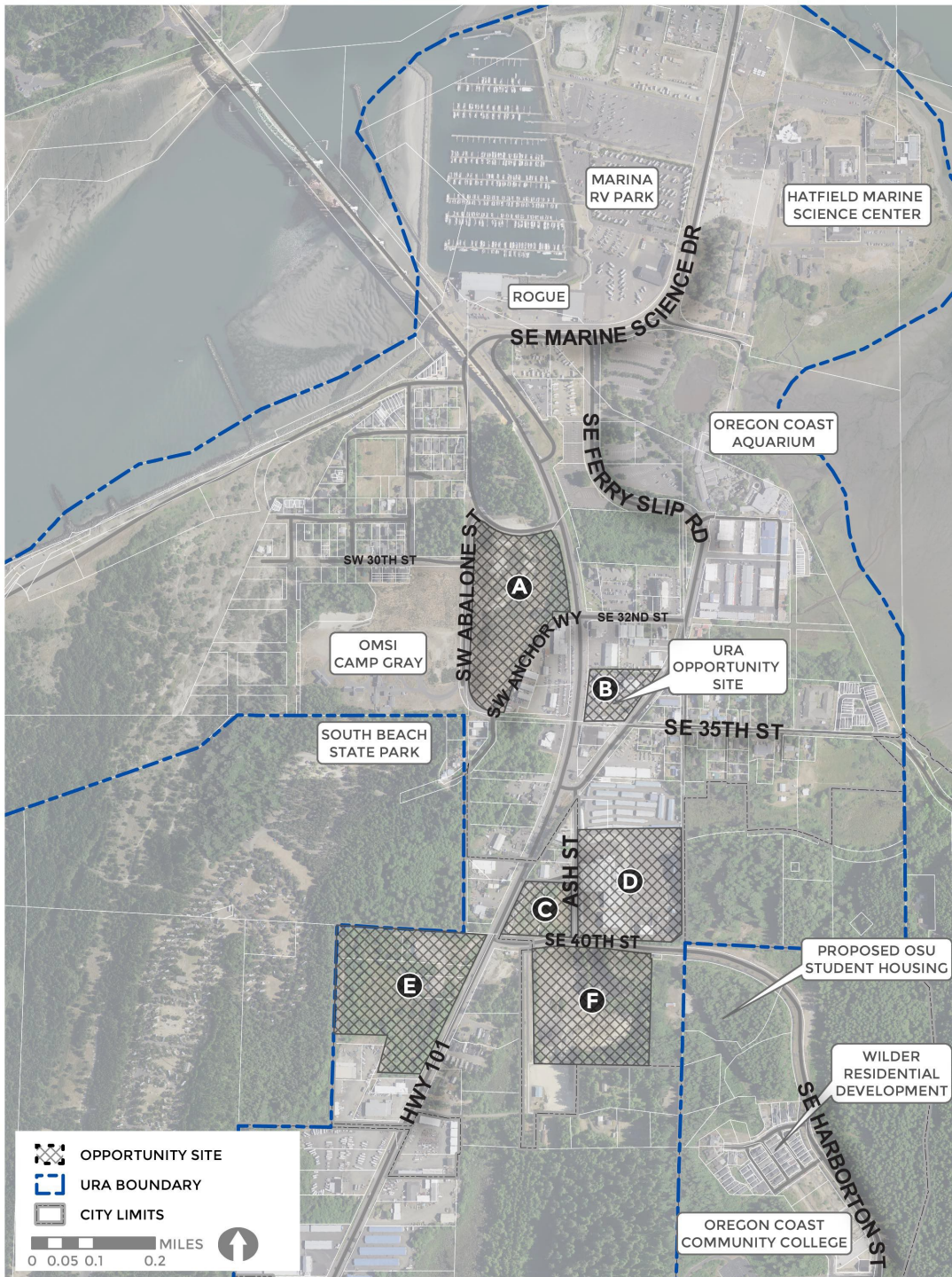
Site	Current Zoning	Development Considerations
A	C-1 Retail and Service Commercial	<ul style="list-style-type: none"> • Prime commercial development opportunity, consistent with existing zoning • Consider compatibility of use, development with OMSI Camp Gray located immediately west
B	I-1 Light Industrial	<ul style="list-style-type: none"> • Intended to serve as gateway to South Beach, located with new signal • I-1 zoning permits the uses under consideration (retail, restaurants) • Urban Renewal Agency ownership provides some degree of control over future development • Surrounded by light industrial sites which the Agency does not control, could create detractors from site's appeal • Recommended rezoning to C-1 along with properties north to SE 32nd St, consider inclusion of additional properties south to Ferry Slip Rd after review of potential to create nonconforming uses
C	I-1 Light Industrial	<ul style="list-style-type: none"> • Prominent site along highway located at likely new signal • Current zoning would permit range of commercial or industrial uses, flexible • Surrounded by light industrial sites that could develop with mix of uses, little certainty about compatibility of future development • Potential for large scale commercial use on property, may warrant rezoning to C-1 or C-3
D	I-1 Light Industrial	<ul style="list-style-type: none"> • No highway frontage or visibility, but developed frontage and utilities along SE 40th St and Ash St • Current zoning would permit range of commercial or industrial uses, flexible • Surrounded by existing light industrial uses • Undeveloped residential property to the east may raise compatibility concerns

Site	Current Zoning	Development Considerations
E	I-P Planning Industrial (County)	<ul style="list-style-type: none"> • Has not been annexed, uncertain which industrial zone would be applied • Significant highway frontage and visibility at likely new signal location • Current zoning would permit range of commercial or industrial uses, flexible • Potential for large-scale industrial or commercial use • Consider I-1 implementing zone for broader flexibility
F	I-3 Heavy Industrial	<ul style="list-style-type: none"> • Has been used for sand or gravel mining • Significant wetland on site serves as regional storm drainage facility, which may limit development potential • No highway frontage or visibility, but developed frontage and utilities along SE 40th St • Only existing I-3 area in the City, no other heavy industrial opportunities at present • Proposed OSU student housing to the east raises compatibility concerns if developed for heavy industrial use • Consider rezoning to I-1, finding ways to limit heavy industrial uses, and/or enhancing buffering requirements for site. Consider offsetting any loss of I-3 zoning by applying to industrial parcels farther south in South Beach

Figure 9: Identified Opportunity Sites

OPPORTUNITY SITES

PENINSULA + US 101



NEWPORT SOUTH BEACH / US 101 REFINEMENT PLAN



VII. Regulatory Recommendations

Map Recommendations: The first part of recommended updates in response to the land use audit for the South Beach Urban Renewal District includes revisions to the Comprehensive Plan Map and Zoning Map to better align districts with proposed development needs for individual sites and the district more generally.

Table 7: Recommended Comprehensive Plan and Zoning Map Updates

Properties & Rationale	Plan Designation <i>(existing)</i>	Zoning <i>(existing)</i>
<p>Extended Commercial Node around SE 35th St Opportunity Site: Block bounded by Highway 101, SE 32nd St and Ferry Slip Rd, centered around Opportunity Site B owned by Urban Renewal Agency and new signal at SE 35th St. Rezoning these areas creates a consistent commercial frontage along the highway, and creates expanded retail and service opportunities for district residents and visitors with greater compatibility between uses and fewer potential conflicts with light industrial uses allowed in current zone. (Parcels #R11616, R482059, R479745, R477320, R474928, R472651, R16486, R505007, R14107, R507596, R25812, R54175, R49476, R51896)</p>	Commercial <i>(Industrial)</i>	C-1 Retail and Service Commercial <i>(I-1 Light Industrial)</i>
<p>New Commercial Site at SE 40th St: Rezoning properties under common ownership at SE 40th St (Opportunity Site C) near potential new traffic signal prioritizes the site for a significant retail or service use to serve the district, rather than potential light industrial use allowed in current zone. (Parcels #R370660, R515982)</p>	Commercial <i>(Industrial)</i>	C-1 Retail and Service Commercial *C-3 Heavy Commercial alternative possible <i>(I-1 Light Industrial)</i>
<p>Eliminate Heavy Industrial Conflict at SE 40th St: Site abuts other light industrial properties as well as residential uses to the east; light industrial will provide flexibility for range of commercial or industrial uses with less impact. (Parcels #R509944, R526777, R526776)</p>	No change <i>(Industrial)</i>	I-1 Light Industrial <i>(I-3 Heavy Industrial)</i>
<p>Consistent Public Designation for State Park: Correct current inconsistency between County zoning and current use of southern-most South Beach State Park parcel and City zoning to support future annexation. (Parcel #R184345)</p>	Public <i>(High Density Residential)</i>	P-2 Public, upon annexation <i>(County Public Facilities)</i>

Zoning Code Recommendations: The second category of recommended updates to address audit findings is revisions to the City’s Zoning Code to fine-tune the use and development standards that apply to development on individual sites within the district. Notably, proposed code updates are minor revisions to the existing zones and standards, rather than creation of a new zoning district or overlay for the South Beach area. The proposed code updates have potential to further refine the uses and development within the existing and proposed zones to better match the goals for the district.

Table 8: Recommended Zoning Code Updates

Code Section	Proposed Update & Rationale
14.03.070 Commercial and Industrial Uses	<p>Add footnote to ‘Self-Service Storage’ use in the I-1 zone stating: “New self-service storage uses established after (effective date of ordinance) are prohibited within the South Beach Transportation Overlay Zone, as defined in Section 14.43.020.”</p> <p>The proposed change would limit new self-storage facilities within the district given their low employment density and tax generation potential. Alternatively, the limitation could be targeted at only those properties within the SBTOZ abutting Highway 101 if there is desire for some flexibility to site new uses within the district, while limiting their impact on the highway corridor itself.</p>
14.03.070 Commercial and Industrial Uses	<p>Add footnote to ‘Contractors and Industrial Service’ use in the I-1 zone stating: “New sales, repair, storage, salvage or wrecking of heavy machinery, metal, and building materials; towing and vehicle storage; auto and truck salvage and wrecking uses established after (effective date of ordinance) are prohibited within the South Beach Transportation Overlay Zone, as defined in Section 14.43.020.”</p> <p>The proposed change would limit incompatible vehicle wrecking and salvage operations within the district given the visual clutter and low employment density associated with these uses. Alternatively, the limitation could be targeted at only those properties within the SBTOZ abutting Highway 101 if there is desire for some flexibility to site new uses within the district, while limiting their impact on the highway corridor itself. Another approach could be to split this use category into two subcategories, such as the distinction between light and heavy manufacturing, and then limit these more impactful contractor and service uses by prohibiting in C-3 and I-1 zones.</p>
14.13.020 Table “A” Density and Other Dimensional Standards	<p>For C-1 zone, amend front setback from “0” to read “0 or 15-ft from US 101 south of Yaquina Bay Bridge.”</p> <p>Recommendation is focused on C-1 zone proposed for expansion within South Beach to provide a more consistent frontage and buffering between development and the highway. Setback could also apply to existing C-2 properties, but little benefit is expected because those sites are already developed within South Beach.</p>

<p>14.13.020 Table "A" Density and Other Dimensional Standards</p>	<p>For I-1 zone, amend front setback from "50-ft from US 101" to read "15-ft from US 101 south of Yaquina Bay Bridge."</p> <p>Proposed change would expand site development potential along the highway corridor where significant highway widening is no longer planned, while maintaining a consistent frontage with buffering between development and the highway. Setback could also be revised for I-2 and I-3 properties, however, there are currently none along the highway corridor. Consider desired setbacks for small industrial node in the north abutting US 101, and whether a similar reduction to a 15-ft setback or retention of 50-ft setback is desired.</p>
<p>14.19.050(B) Location of Landscaping Required for New Development</p>	<p>Add subsection (1) stating that: "For sites zoned C-1 or I-1 abutting US 101 located south of Yaquina Bay Bridge, landscaping shall include a minimum 15-foot-wide landscaping buffer."</p> <p>This specificity would add direction to concentrate landscaping within the recommended 15-ft front setback along the corridor. Additional details could be added about the number of trees, shrubs and other plant materials required, and/or a limitation on the amount of bark dust, gravel or rocks that can be used for landscaping, but this level of detail is out of keeping with the rest of the landscaping chapter. Any planting requirements should not cause view obstruction of intersections or driveways, as specified in NMC 14.19.040(C). A longer-term consideration could be to develop a more detailed matrix of required buffer widths and plant materials between properties based on zone and street frontage.</p>
<p>14.19.060(B) Location of Landscaping Required for New Development</p>	<p>Add subsection (1) stating that: "For sites zoned C-1 or I-1 abutting US 101 located south of Yaquina Bay Bridge, landscaping shall include a minimum 15-foot-wide landscaping buffer."</p> <p>See above.</p>