



PLANNING COMMISSION WORK SESSION AGENDA

Monday, June 13, 2022 - 6:00 PM

City Hall, Council Chambers, 169 SW Coast Hwy, Newport, OR 97365

All public meetings of the City of Newport will be held in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway, Newport. The meeting location is accessible to persons with disabilities. A request for an interpreter, or for other accommodations, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613, or p.hawker@newportoregon.gov.

All meetings are live-streamed at <https://newportoregon.gov>, and broadcast on Charter Channel 190. Anyone wishing to provide written public comment should send the comment to publiccomment@newportoregon.gov. Public comment must be received four hours prior to a scheduled meeting. For example, if a meeting is to be held at 3:00 P.M., the deadline to submit written comment is 11:00 A.M. If a meeting is scheduled to occur before noon, the written comment must be submitted by 5:00 P.M. the previous day. To provide virtual public comment during a city meeting, a request must be made to the meeting staff at least 24 hours prior to the start of the meeting. This provision applies only to public comment and presenters outside the area and/or unable to physically attend an in person meeting.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. CALL TO ORDER

Jim Patrick, Bill Branigan, Bob Berman, Jim Hanselman, Gary East, Braulio Escobar, Dustin Capri, and Greg Sutton.

2. NEW BUSINESS

2.A Draft South Beach Comprehensive Plan Map, Zoning Map, and Zoning Ordinance Amendments for the South Beach Commercial/Industrial Corridor (File 1-CP-22/2-Z-22).

[Memorandum](#)

[Jet Planning Comprehensive Plan Map Change Recommendation](#)

[JET Planning Zoning Map Change Recommendation](#)

[Expanded Zone Change Option](#)

[Jet Planning Code Amendment Recommendations, June 13, 2022 draft](#)

[Full copy of Jet Planning Audit \(Appendix E, South Beach US 101 Corridor Refinement Plan\)](#)

2.B Results of Housing Capacity Analysis Draft Buildable Lands Inventory.

[Memorandum](#)

[ECONorthwest Buildable Lands Inventory Presentation, dated 6/8/22](#)

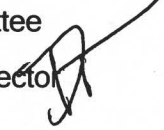
3. UNFINISHED BUSINESS

3.A Updated Planning Commission Work Program.

[PC Work Program 6-8-22](#)

4. ADJOURNMENT

Memorandum

To: Planning Commission/Commission Advisory Committee
From: Derrick I. Tokos, AICP, Community Development Director 
Date: June 9, 2022
Re: Draft South Beach Comprehensive Plan Map, Zoning Map, and Zoning Ordinance
Amendments for the South Beach Commercial/Industrial Corridor (File 1-CP-22/2-Z-22)

Included with the South Beach US 101 Corridor Refinement Plan that ECONorthwest completed in November of 2021 was a land use policy, zoning & regulatory audit by Jet Planning. It was attached as Exhibit E to the Plan and a copy of the final draft of the audit is enclosed.

Jet Planning's recommendations are outlined at the end of the report, and they reflect the input received from the Commission and Commission Advisory Committee when it met last fall/winter to review the draft concepts. In short, Jet Planning recommends the City extend its commercial zoning south of the new 35th and US 101 intersection in recognition of how that area is likely to redevelop. I have prepared a couple of map options illustrating those potential changes and would appreciate your feedback. They also recommend that the I-3/"Heavy Industrial" zoning along SE 40th be changed to I-1/"Light Industrial," and that mini-storage, wrecking yard, and similar uses be prohibited along the US 101 corridor considering the low-employment and tax generation potential of these uses when compared to the level of investment the Urban Renewal Agency and City have made to position the area for redevelopment. The Commission had expressed an interest in seeing the 50-foot US 101 setback for industrial property reduced to 15-feet, that a 15-foot US 101 setback be applied to commercial zoned property, and that landscaping be required within the buffer area. These changes are contained within a set of draft amendments to Newport Municipal Code Chapters 14.03, 14.13 and 14.19.

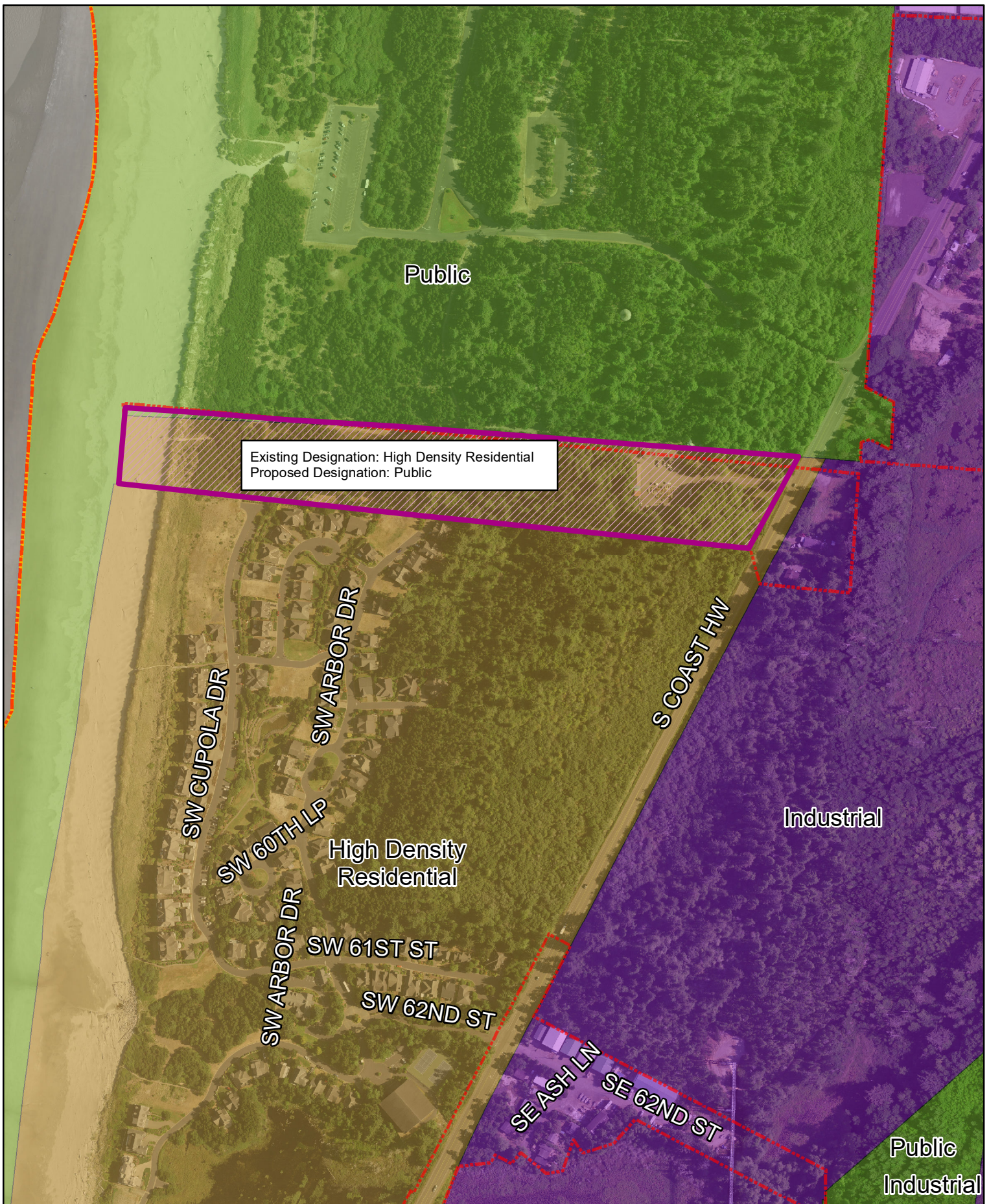
An inflationary adjustment has been applied to the thresholds for when landscaping is required for additions and remodels. The existing thresholds contain construction values that are more than 20 years old, and the Commission expressed an interest in seeing them updated. It is timely to make the change since that subsection of the code is being amended to address Jet Planning's US 101 landscape buffer recommendation.

There is one minor Comprehensive Plan map amendment. It involves the South Beach State Park maintenance facility. If that property were to be annexed, it would receive a high density residential zoning designation akin to that which applies to the Southshore development that is immediately to the south. The map amendment would change the Comprehensive Plan designation to "Public."

If the Commission is comfortable with the package of revisions, then it could initiate the Comprehensive Plan Map, Zoning Map, and Zoning Ordinance amendments by motion at Monday evenings regular meeting.

Attachments

Jet Planning Comprehensive Plan Map Change Recommendation
JET Planning Zoning Map Change Recommendation
Expanded Zone Change Option
Jet Planning Code Amendment Recommendations, June 13, 2022 draft
Full copy of Jet Planning Audit (Appendix E, South Beach US 101 Corridor Refinement Plan)



City of Newport
Community Development Department
169 SW Coast Highway
Newport, OR 97365
Phone: 1.541.574.0629
Fax: 1.541.574.0644

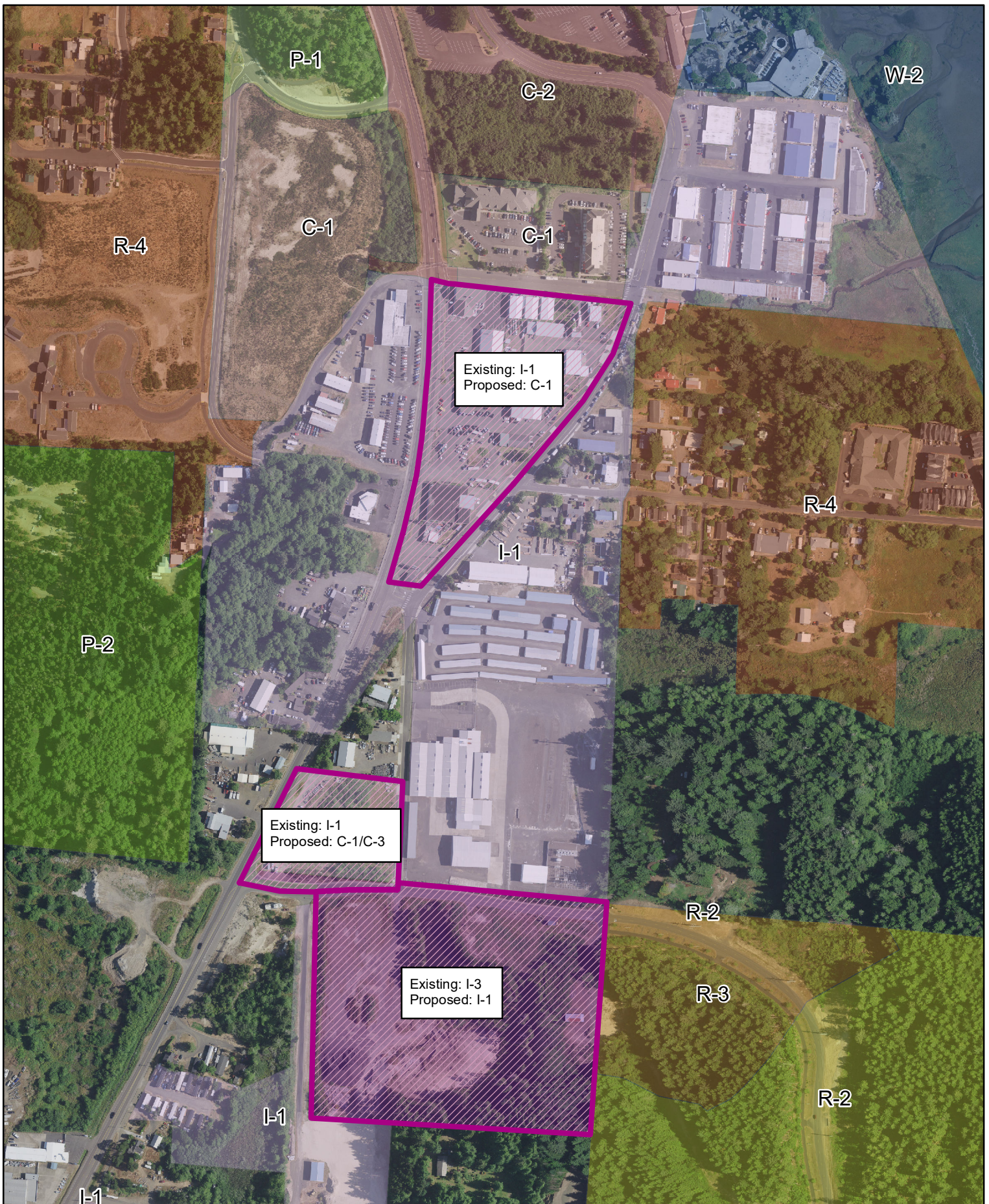
Jet Planning Code Audit Comp Plan Map Change Recommendation

Image Taken July 2018
4-inch, 4-band Digital Orthophotos
Quantum Spatial, Inc. Corvallis, OR

This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

0 200 400 800 Feet





City of Newport
Community Development Department
169 SW Coast Highway
Newport, OR 97365
Phone: 1.541.574.0629
Fax: 1.541.574.0644

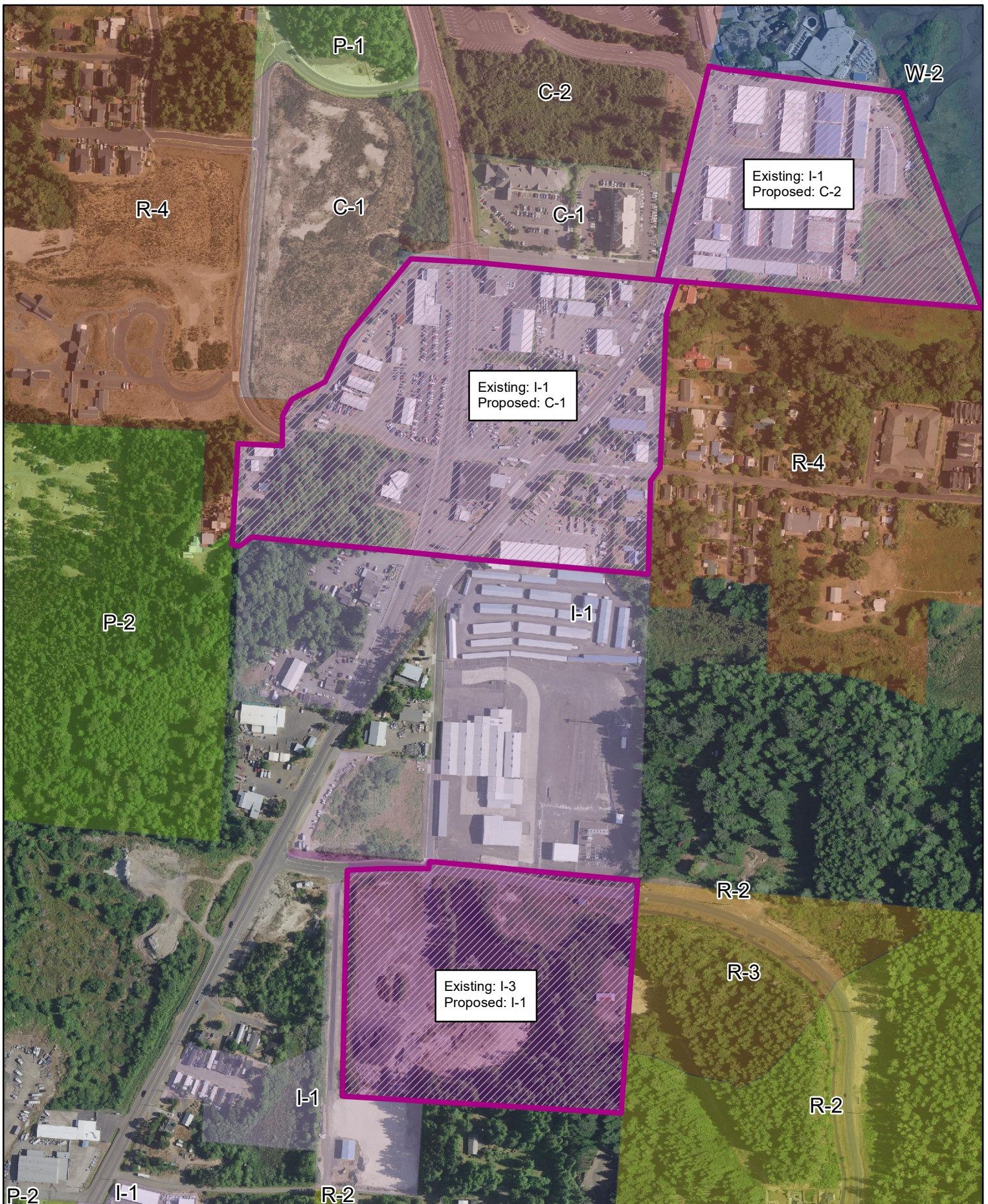
Jet Planning Code Audit Zone Change Recommendations

Image Taken July 2018
4-inch, 4-band Digital Orthophotos
Quantum Spatial, Inc. Corvallis, OR

This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

0 200 400 800 Feet





City of Newport
Community Development Department
169 SW Coast Highway
Newport, OR 97365
Phone: 1.541.574.0629
Fax: 1.541.574.0644

Expanded Zone Change Options

This map is for informational use only and has not been prepared for, nor is it suitable for legal, engineering, or surveying purposes. It includes data from multiple sources. The City of Newport assumes no responsibility for its compilation or use and users of this information are cautioned to verify all information with the City of Newport Community Development Department.

Image Taken July 2018
4-inch, 4-band Digital Orthophotos
Quantum Spatial, Inc. Corvallis, OR

0 200 400 800 Feet



(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~strike through~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

CHAPTER 14.03 ZONING DISTRICTS

14.03.010 Purpose.

It is the intent and purpose of this section to establish zoning districts for the City of Newport and delineate uses for each district. Each zoning district is intended to service a general land use category that has common location, development, and use characteristics. The quantity and availability of lands within each zoning district shall be based on the community's need as determined by the Comprehensive Plan. Establishing the zoning districts also implements the General Land Use Plan Map as set forth in the Comprehensive Plan.

14.03.070 Commercial and Industrial Uses.

The following list sets forth the uses allowed within the commercial and industrial land use categories.

"P" = Permitted uses.

"C" = Conditional uses; allowed only after the issuance of a conditional use permit.

"X" = Not allowed.

		C-1	C-2 ¹	C-3	I-1	I-2	I-3
1.	Office	P	X	P	P	P	X
2.	Retails Sales and Service						
	a. Sales-oriented, general retail	P	P	P	P	P	C
	b. Sales-oriented, bulk retail	C	X	P	P	P	C
	c. Personal Services	P	C	P	P	C	X
	d. Entertainment	P	P ²	P	P	C	X
	e. Repair-oriented	P	X	P	P	P	X
3.	Major Event Entertainment	C	C	P	P	C	X
4.	Vehicle Repair	X	X	P	P	P	X
5.	Self-Service Storage ⁶	X	X	P	P	P	X
6.	Parking Facility	P	P	P	P	P	P
7.	Contractors and Industrial Service ⁶	X	X	P	P	P	P
8.	Manufacturing and Production						
	a. Light Manufacturing	X	X	C	P	P	P

June 13, 2022 Draft, Implementing Jet Planning's Recommended
Land Use Regulatory Amendments

	b. Heavy Manufacturing	X	X	X	X	C	P
9.	Warehouse, Freight Movement, & Distribution	X	X	P	P	P	P
10.	Wholesale Sales	X	X	P	P	P	P
11.	Waste and Recycling Related	C	C	C	C	C	C
12.	Basic Utilities ³	P	P	P	P	P	P
13.	Utility Corridors	C	C	C	C	C	C
14.	Community Service	P	C	P	P	C	X
15.	Family Child Care Home	P	P	P	X	X	X
16.	Child Care Center	P	P	P	P	P	X
17.	Educational Institutions						
	a. Elementary & Secondary Schools	C	C	C	X	X	X
	b. College & Universities	P	X	P	X	X	X
	c. Trade/Vocational Schools/Other	P	X	P	P	P	P
18.	Hospitals	C	C	C	X	X	X
19.	Courts, Jails, and Detention Facilities	X	X	P	C	X	X
20.	Mining						
	a. Sand & Gravel	X	X	X	X	C	P
	b. Crushed Rock	X	X	X	X	X	P
	c. Non-Metallic Minerals	X	X	X	X	C	P
	d. All Others	X	X	X	X	X	X
21.	Communication Facilities ⁴	P	X	P	P	P	P
22.	Residences on Floors Other than Street Grade	P	P	P	X	X	X
23.	Affordable Housing ⁵	P	P	P	P	X	X
24.	Transportation Facilities	P	P	P	P	P	P

1. Any new or expanded outright permitted commercial use in the C-2 zone district that exceeds 2,000 square feet of gross floor area. New or expanded uses in excess of 2,000 square feet of gross floor area may be permitted in accordance with the provisions of Chapter 14.34, Conditional Uses. Residential uses within the C-2 zone are subject to special zoning standards as set forth in Section 14.30.100.

2. Recreational Vehicle Parks are prohibited on C-2 zoned property within the Historic Nye Beach Design Review District.

3. Small wireless facilities shall be subject to design standards as adopted by City Council resolution.

4. Communication facilities located on historic buildings or sites, as defined in Section 14.23, shall be subject to conditional use review for compliance with criteria outlined in Sections 14.23 and 14.34.

5. Permitted as outlined in Chapter 14.15 or, in the case of hotels/motels, the units may be converted to affordable housing provided they are outside of the Tsunami Hazard Overlay Zone defined in NMC Chapter 14.50.

6. Self-service storage use; sales, repair, storage, salvage or wrecking of vehicles, heavy machinery, metal and building materials; and vehicle towing uses are prohibited within the South Beach Transportation Overlay Zone, as defined in Section 14.43.020.

Staff: Implements the first two recommendations from Jet Planning (Page E35, Appendix E, South Beach US 101 Corridor Refinement Plan). The low-employment and tax generation potential of self-storage within the Overlay is not a good fit given the level of investment the Urban Renewal Agency and City have made in the infrastructure to support development. Salvage, towing and wrecking operations also have a low employment density and detract from the "Gateway to Newport" aesthetic the City is looking to establish over time, along the highway corridor.

CHAPTER 14.13 DENSITY LIMITATIONS

14.13.010 Density Limitations

A residential building structure or portion thereof hereafter erected shall not exceed the maximum living unit density listed in Table A, as hereinafter set forth, for the zone indicated, except in the case of a lot having less than is required and of record prior to December 5, 1966, which may be occupied by a single-family dwelling unit, providing other requirements of this ordinance are complied with, except to the extent that a higher density may specifically be allowed by any term or provision of this Ordinance.

(BY THIS REFERENCE, THERE IS INCLUDED HEREIN AND MADE A PART HEREOF, A TABLE OF DENSITY AND OTHER REQUIREMENTS, DESIGNATED "TABLE A".)

NMC 14.13.020

Table "A"

Zone District	Min. Lot Area (sf)	Min. Width	Required Setbacks ^{3, 7}			Lot Coverage (%)	Max. Building Height	Density (Land Area Required Per Unit (sf))
			Front/2 nd Front ¹	Side	Rear			
R-1	7,500 sf	65-ft	15-ft / 15-ft or 20-ft / 10-ft	5-ft & 8-ft	15-ft	54 %	30-ft	SFD - 7,500 sf ² Duplex - 3,750 sf ²
R-2	5,000 sf ³	50-ft	15-ft / 15-ft or 20-ft / 10-ft	5-ft	10-ft	57%	30-ft	SFD - 5,000 sf ² Duplex - 2,500 sf ² Townhouse - 2,500 sf ³
R-3	5,000 sf ³	50-ft	15-ft / 15-ft or 20-ft / 10-ft	5-ft	10-ft	60%	35-ft	1,250 sf ³
R-4 ⁴	5,000 sf ³	50-ft	15-ft / 15-ft or 20-ft / 10-ft	5-ft	10-ft	64%	35-ft	1,250 sf ^{3, 5}
C-1	5,000 sf	0	0 <u>or 15-ft from US 101</u> ⁸	0	0	85-90% ⁶	50-ft ⁶	n/a
C-2 ⁴	5,000 sf	0	0 <u>or 15-ft from US 101</u> ⁸	0	0	85-90% ⁶	50-ft ⁶	n/a
C-3	5,000 sf	0	0 <u>or 15-ft from US 101</u> ⁸	0	0	85-90% ⁶	50-ft ⁶	n/a
I-1	5,000 sf	0	50 15-ft from US 101	0	0	85-90% ⁶	50-ft ⁶	n/a
I-2	20,000 sf	0	50 15-ft from US 101	0	0	85-90% ⁶	50-ft ⁶	n/a
I-3	5 acres	0	50 15-ft from US 101	0	0	85-90% ⁶	50-ft ⁶	n/a
W-1	0	0	0	0	0	85-90% ⁶	40-ft ⁶	n/a

June 13, 2022 Draft, Implementing Jet Planning's Recommended
Land Use Regulatory Amendments

W-2	0	0	0	0	0	85-90% ⁶	35-ft ⁶	n/a
MU-1 to MU-10 Mgmt. Units	0	0	0	0	0	100%	40-ft ⁶	n/a
P-1	0	0	0	0	0	100%	50-ft	n/a
P-2	0	0	0	0	0	100%	35-ft	n/a
P-3	0	0	0	0	0	100%	30-ft	n/a

¹ Front and second front yards shall equal a combined total of 30-feet. Garages and carports shall be setback at least 20-feet from the access street for all residential structures.

² Density limitations apply where there is construction of more than one single-family dwelling (SFD) or duplex on a lot or parcel.

³ Density limitations for townhouses and cottage clusters is the minimum area required per townhouse or cottage cluster unit; whereas, minimum lot area, minimum lot width, and setbacks, apply to the perimeter of the lot, parcel, or tract dedicated to the townhouse or cottage cluster project.

⁴ Special Zoning Standards apply to R-4 and C-2 zoned property within the Historic Nye Beach design Review District as outlined in NMC 14.30.100.

⁵ Density of hotels, motels, and non-residential units shall be one unit for every 750 sf of land area.

⁶ Height limitations, setbacks, and lot coverage requirements for property adjacent to residential zones are subject to the height and yard buffer requirements of NMC Section 14.18.

⁷ Front and 2nd front setbacks for a townhouse project or cottage cluster project shall be 10-feet except that garages and carports shall be setback a distance of 20-feet.

⁸ The 15-foot setback from US 101 applies only to land situated south of the Yaquina Bay Bridge.

Staff: Implements the third and fourth recommendations from Jet Planning (Pages E35 and E36, Appendix E, South Beach US 101 Corridor Refinement Plan). US 101 setbacks for industrial zoned property reduced to 15-feet. The current 50-foot setback is so large that it is an impediment to development. A 15-foot setback is added for commercial zoned properties south of the Yaquina Bay Bridge. Collectively, the setbacks will provide separation between buildings and the heavily travelled US 101 corridor in South Beach.

CHAPTER 14.19 LANDSCAPING REQUIREMENT

14.19.010 Purpose

The purpose of this section is to provide for the installation, long-term maintenance and protection of trees, vegetation and other landscape elements within the City of Newport recognizing however, that development often times requires the removal of trees and other plant material. When removal is done, the purpose of this section is to require replacement that is attractive, well placed and enhances the overall appearance of the property and the City as a whole. It is further the purpose of this section to:

- A. Aid in air purification and storm water runoff retardation;
- B. Aid in the reduction of noise and glare;
- C. Provide visual buffers;
- D. Enhance the beauty of the city;
- E. Improve property values;
- F. Reduce erosion; and
- G. To protect and enhance the natural beauty, environment and greenspace within the City of Newport to advance economic development, attract residents and promote tourism.

14.19.050 Landscaping Required for New Development, Exceptions

All new development, except for one and two family residences, shall be required to install landscaping per this section. For purposes of this section, new development shall mean construction upon a vacant lot or a lot that becomes vacant by virtue of the demolition of an existing building. Landscaping shall be provided as follows:

- A. Area. Landscaping shall be ten percent of the total square footage of a lot or parcel.
- B. Location. Landscaping shall be located along a street frontage or frontages.

1. For commercial and industrial zoned lots south of the Yaquina Bay Bridge that abut US 101, landscaping shall include a minimum 15-foot wide landscape buffer.

- C. Exceptions. The right-of-way between a curb and a property line, not counting any sidewalk, driveway or other hard surfaces, may be used and counted toward the required landscaping as long as it has been determined by the Planning Director that the right-of-way is not needed for future street expansion. A developer may also plant a street tree within the sidewalk and it shall count toward meeting landscaping requirements subject to approval by the Planning Director and the City Engineer. A window or planter box may also be used to meet landscaping requirements at a ratio of 1 to 1. If the developer chooses to exercise this option, he or she shall enter into an agreement that the landscaping in the right-of-way is to be maintained as landscaping.
- D. Landscaping and Screening for Parking Lots. The purpose of this subsection is to break up large expanses of parking lots with landscaping. Therefore, all parking areas or each parking bay where a development contains multiple parking areas shall comply with the following provisions:
1. A minimum of 10 percent of the total surface area of all parking areas, as measured around the perimeter of all parking spaces and maneuvering areas, shall be landscaped. This 10 percent landscaping requirement includes landscaping around the perimeter of parking areas as well as landscaped islands within parking areas. Such landscaping shall consist of canopy trees distributed throughout the parking area. A combination of deciduous and evergreen trees, shrubs, and ground cover plants is required. At a minimum, one tree per 12 parking spaces on average shall be planted over and around the parking area.
 2. All parking areas with more than 20 spaces shall provide landscape islands with trees that break up the parking area into rows of not more than 12 contiguous parking spaces. Landscape islands and planters shall have dimensions of not less than 48 square feet of area and no dimension of less than 6 feet, to ensure adequate soil, water, and space for healthy plant growth;

3. All required parking lot landscape areas not otherwise planted with trees must contain a combination of shrubs and groundcover plants so that, within 2 years of planting, not less than 50 percent of that area is covered with living plants; and
4. Wheel stops, curbs, bollards or other physical barriers are required along the edges of all vehicle-maneuvering areas to protect landscaping from being damaged by vehicles. Trees shall be planted not less than 2 feet from any such barrier.
5. Trees planted in tree wells within sidewalks or other paved areas shall be installed with root barriers, consistent with applicable nursery standards.
6. The edges of parking lots shall be screened to minimize vehicle headlights shining into adjacent rights-of-way and residential yards. Parking lots abutting sidewalk or walkway shall be screened using a low-growing hedge or low garden wall to a height of between 3 feet and 4 feet.
7. The provisions of this subsection do not apply to areas for the storage and/or display of vehicles.

14.19.060 Landscaping Requirements for Additions and Remodels

For purposes of this section, addition means any development that increases the floor area of a building. Remodel is any work requiring a building permit. For additions and remodels, landscaping shall be provided as follows:

- A. Area. If the subject development after completion complies with the requirements for new development, no additional landscaping is required. If the subject development does not comply with the requirement for new development, landscaping shall be installed so as follows:
 1. For projects with a value of \$~~5080~~,000 or less, no additional landscaping is required.
 2. For projects with a value of \$~~5080~~,001 to \$~~100160~~,000, the amount of landscaping shall be no less than 25% of that required for new development.

3. For projects with a value of \$~~100160~~175250,001 to \$~~175250~~300475,000, the amount of landscaping shall be no less than 50% of that required for new development.
4. For projects with a value of \$~~175250~~300475,001 to \$~~300475~~100160,000, the amount of landscaping shall be no less than 75% of that required for new development.
5. For projects with a value greater than \$~~300475~~100160,000, the amount of landscaping shall be 100% of that required for new development.

Values shall be based on year ~~2000~~2022 dollars and adjusted on July 1 of each year for inflation. The adjustment shall be based on the latest available ~~Portland, Oregon Consumer Price Index~~U.S. Department of Labor, Bureau of Labor Statistics, Consumer Price Index for All Urban Consumers (CPI-U).

For purposes of this section, the value shall be based on the amount placed on the application for a building permit. If the Building Official determines that the value is below the actual value as calculated by the formulas developed by the State of Oregon Building Codes Division, the value on the permit shall be as determined by the Building Official. If there is a dispute as to the value, the matter shall be referred to the Planning Commission for resolution. The procedure used shall be the same as for a Type I variance contained in [Section 14.33](#) of this Ordinance.

In the case where a second addition or remodel is commenced within one year of the first addition or remodel, the two projects shall be counted as one with regard to determining the above landscaping requirements.

B. Location. Landscaping shall be located along a street frontage or frontages.

1. For commercial and industrial zoned lots south of the Yaquina Bay Bridge that abut US 101, landscaping shall include a minimum 15-foot wide landscape buffer.

C. Exceptions. The right-of-way between a sidewalk and a property line may be used and counted toward the required landscaping as long as it has been determined by the Planning Director that the right-of-way is not needed for future street expansion. If the developer chooses to

exercise this option, he or she shall enter into an agreement that the landscaping in the right-of-way is to be maintained as landscaping. In addition, window boxes may be substituted for surface landscaping. The calculation shall be one square foot of window box accounts for three square feet of surface landscaping as required in Subsection A of this Section. A developer may also plant a street tree within the sidewalk and it shall count toward meeting landscaping requirements subject to approval by the Planning Director and the City Engineer.

Staff: Implements the last two recommendations from Jet Planning (Page E36, Appendix E, South Beach US 101 Corridor Refinement Plan). Requires a 15-foot landscape buffer along US 101 south of the bridge for new development (NMC 14.19.050(B)(1) and for additions/remodels (NMC 14.19.060(B)(1)). An inflationary adjustment has been applied to thresholds for when landscaping is required for additions/remodels given that the previous figures are more than 20 years old. The U.S. Bureau of Labor Statistics discontinued the CPI for the Portland Region, so it has been replaced with the CPI for all urban consumers.

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.

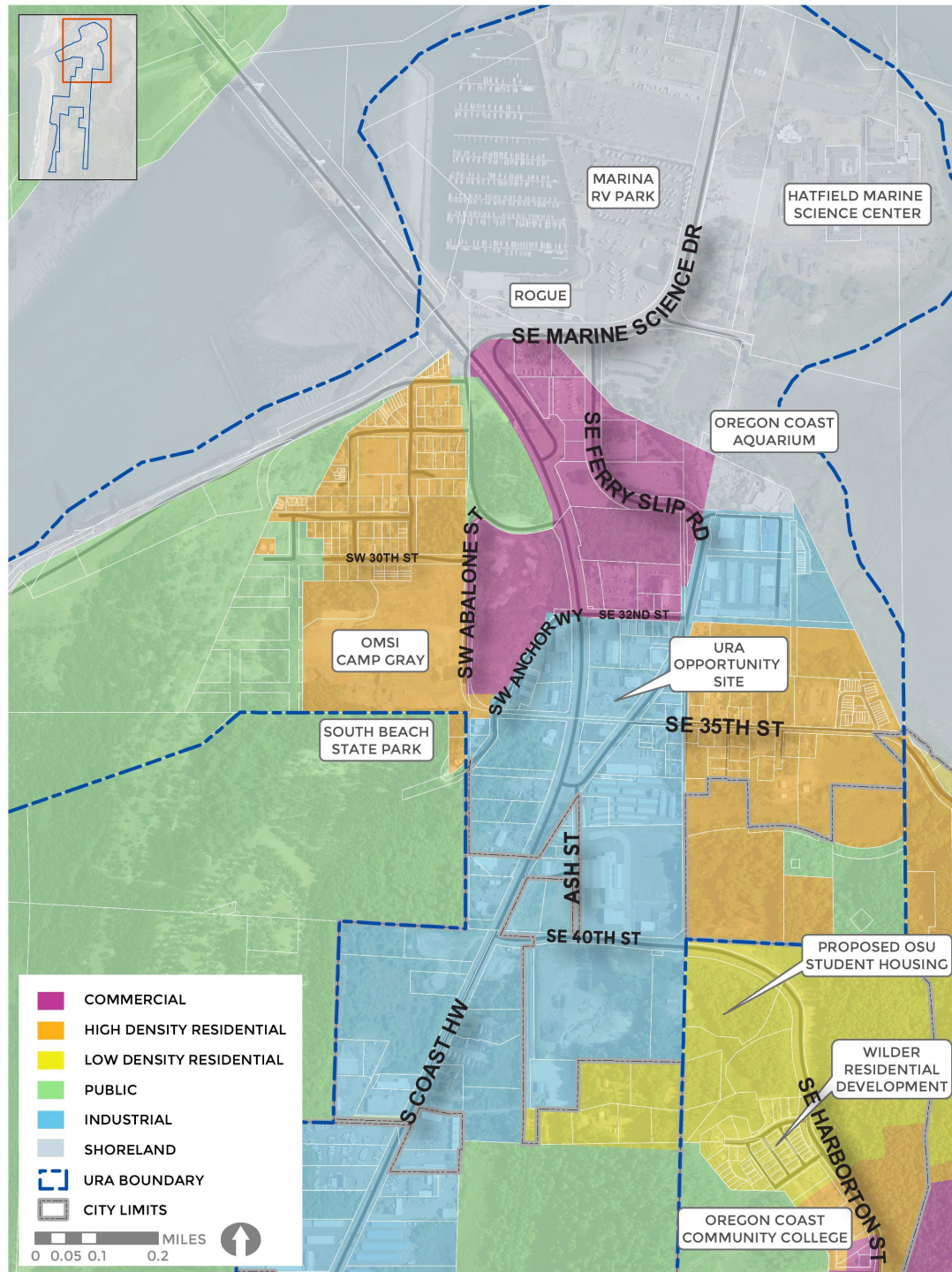
The City's long-range employment goals are well aligned with the Urban Renewal Plan goals, including a focus on marine-related, industrial and commercial economic development. No policy changes are recommended for the Comprehensive Plan to better implement the Urban Renewal Plan goals, though future 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

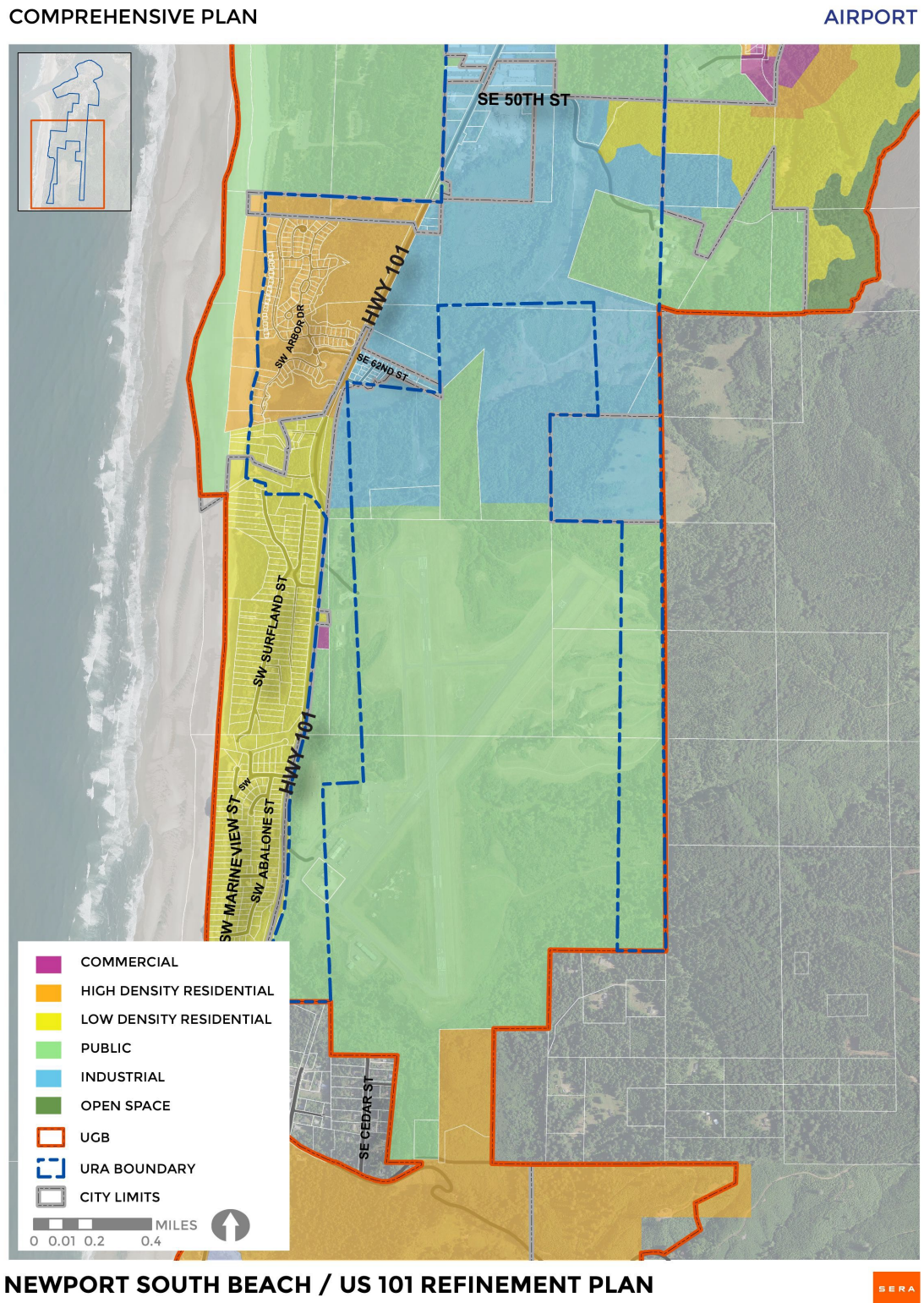
PENINSULA + US 101



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

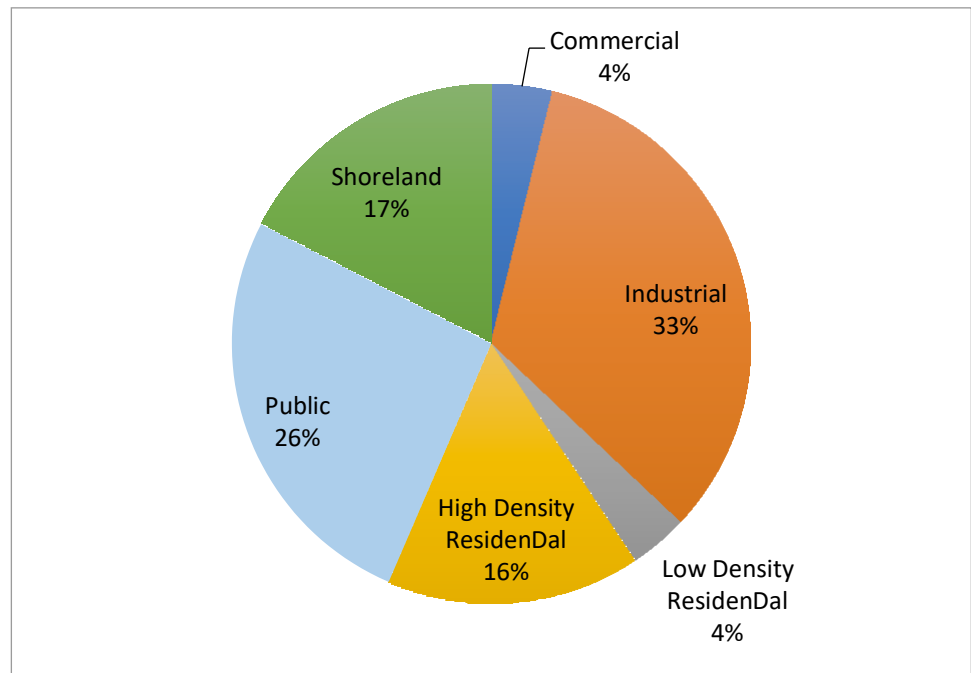
to this area.

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

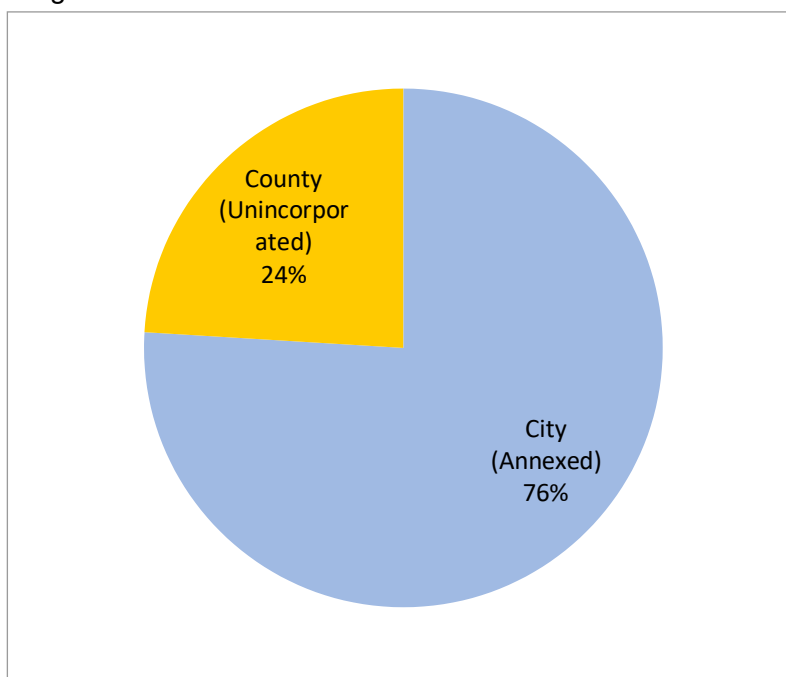


IV. Annexation

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	73	26%
	Low Density Residential		
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.)

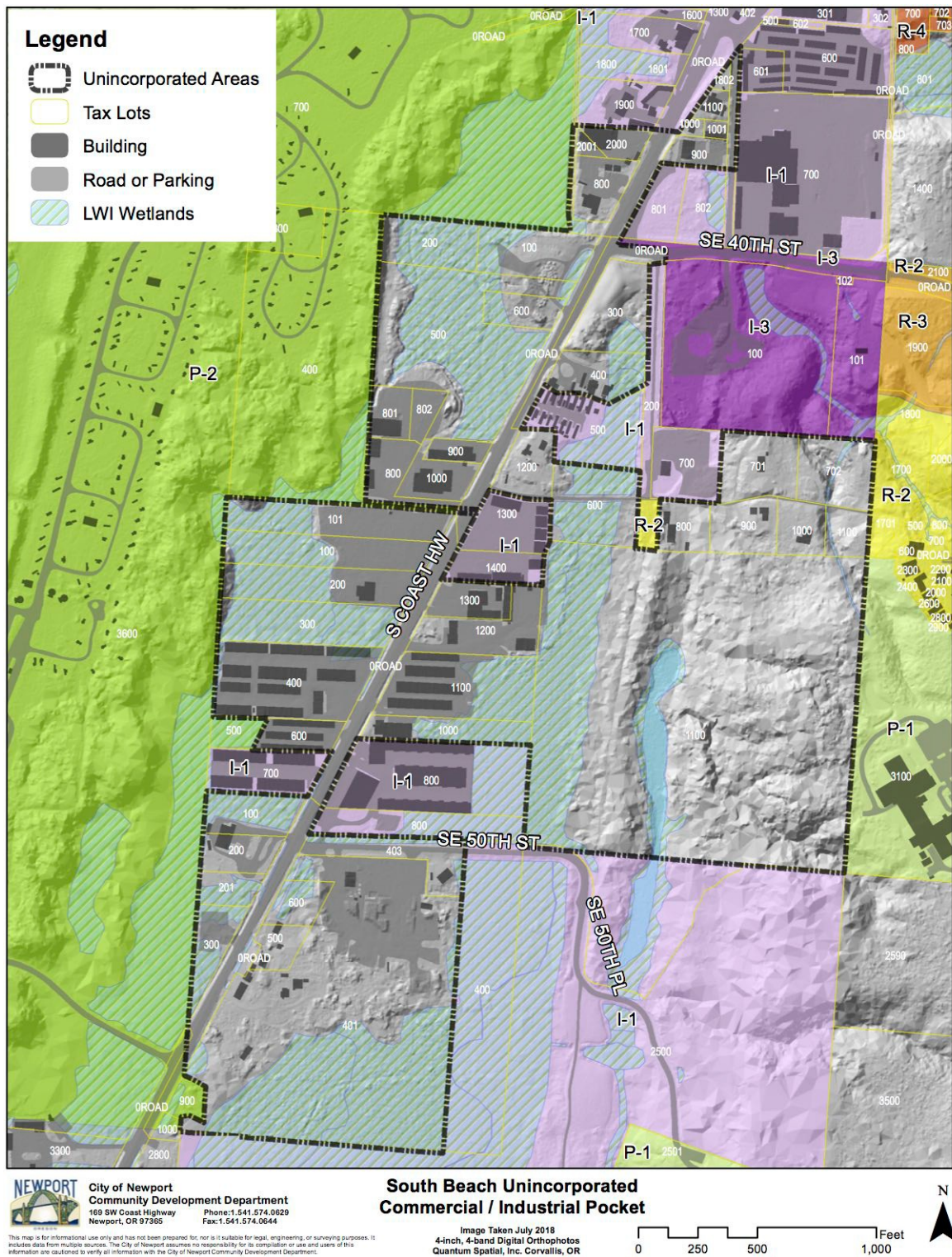
Annexation is primarily initiated by property owners under Oregon law and Newport code, and generally requires consent of owners and residents within the territory to be annexed. (ORS Chapter 222.) Newport annexation provisions permit annexation of any properties for which owner and resident consent 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)

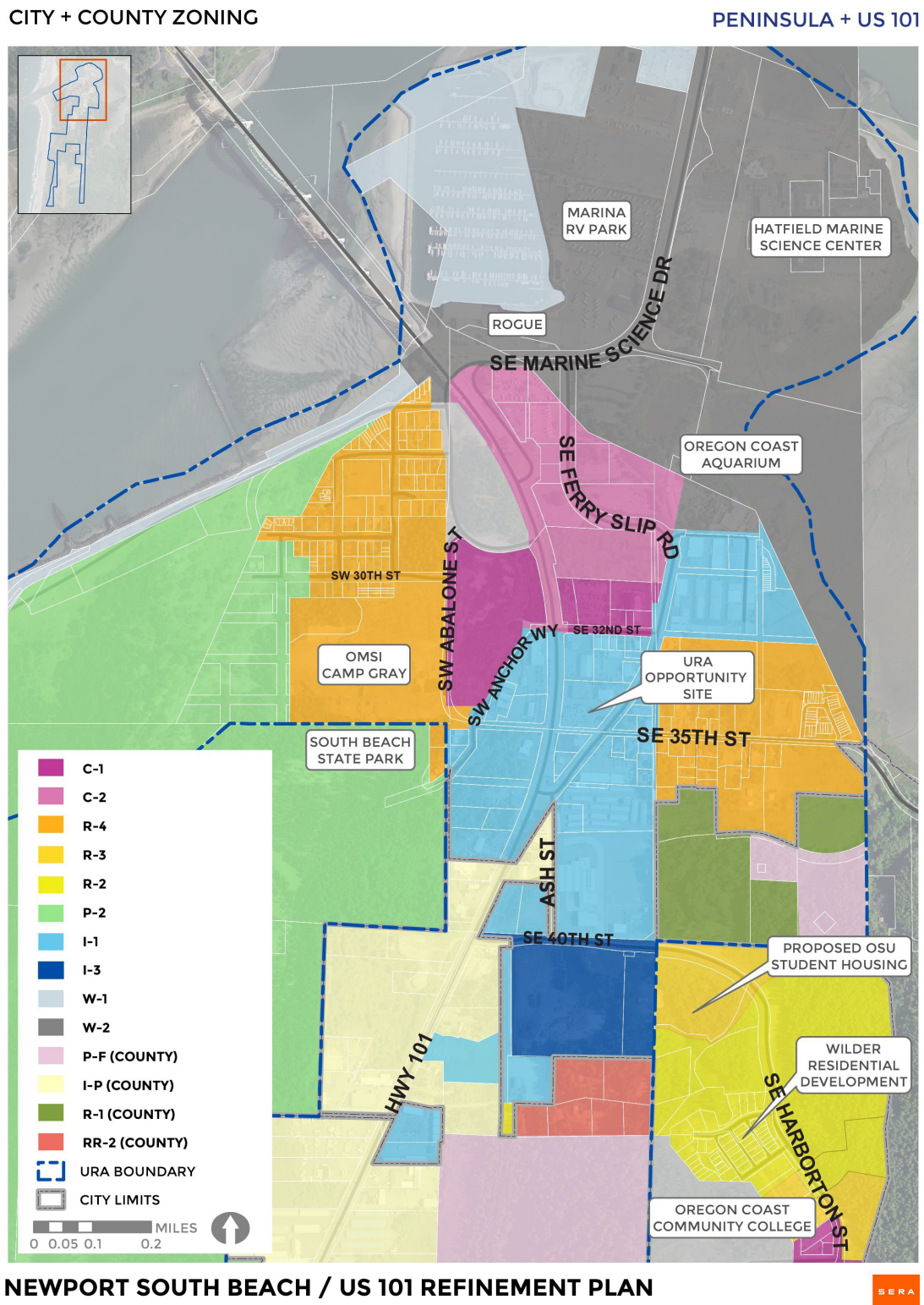
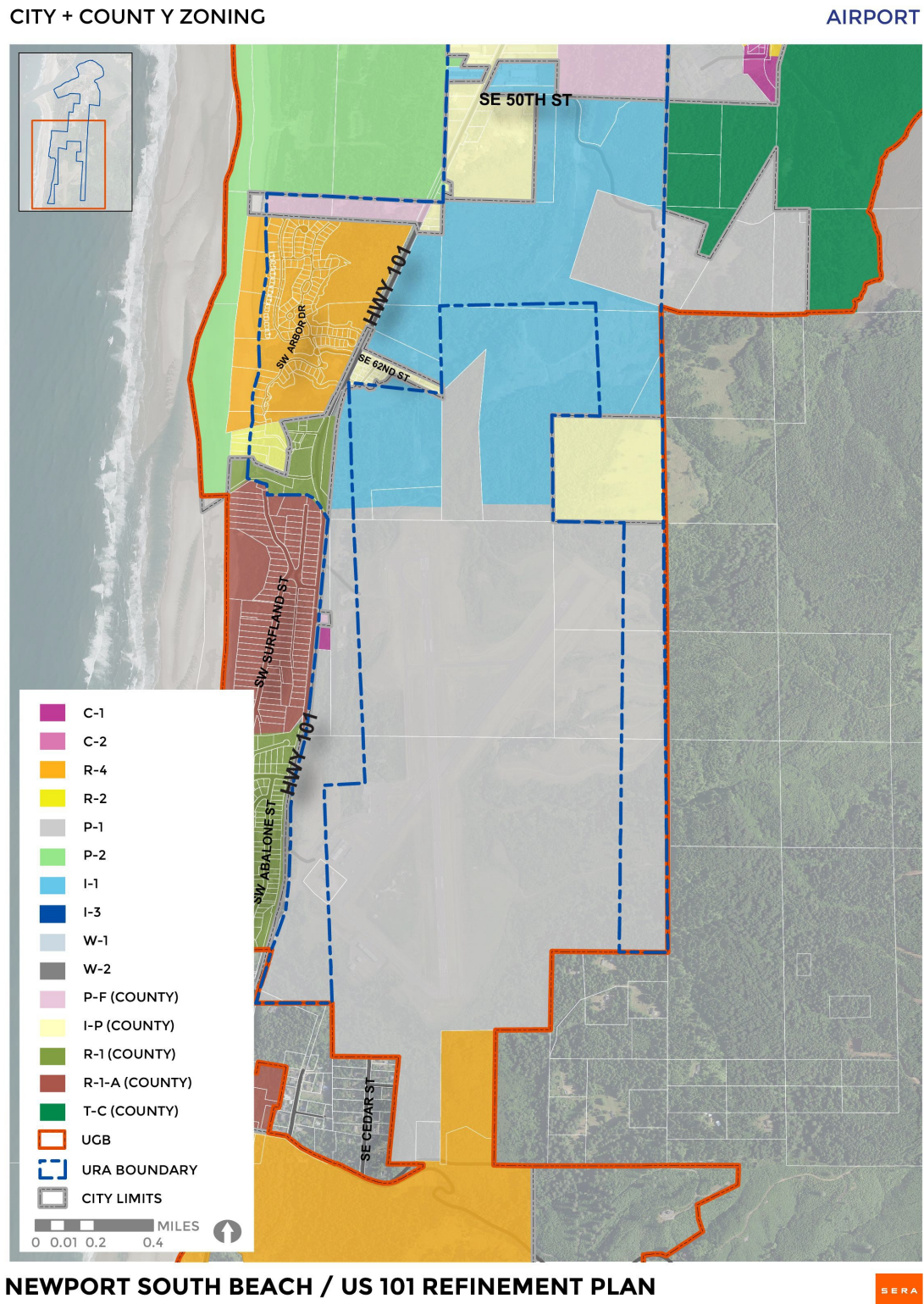


Figure 7: City and County Zoning within South Beach (Airport)



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 Hoquartan 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.

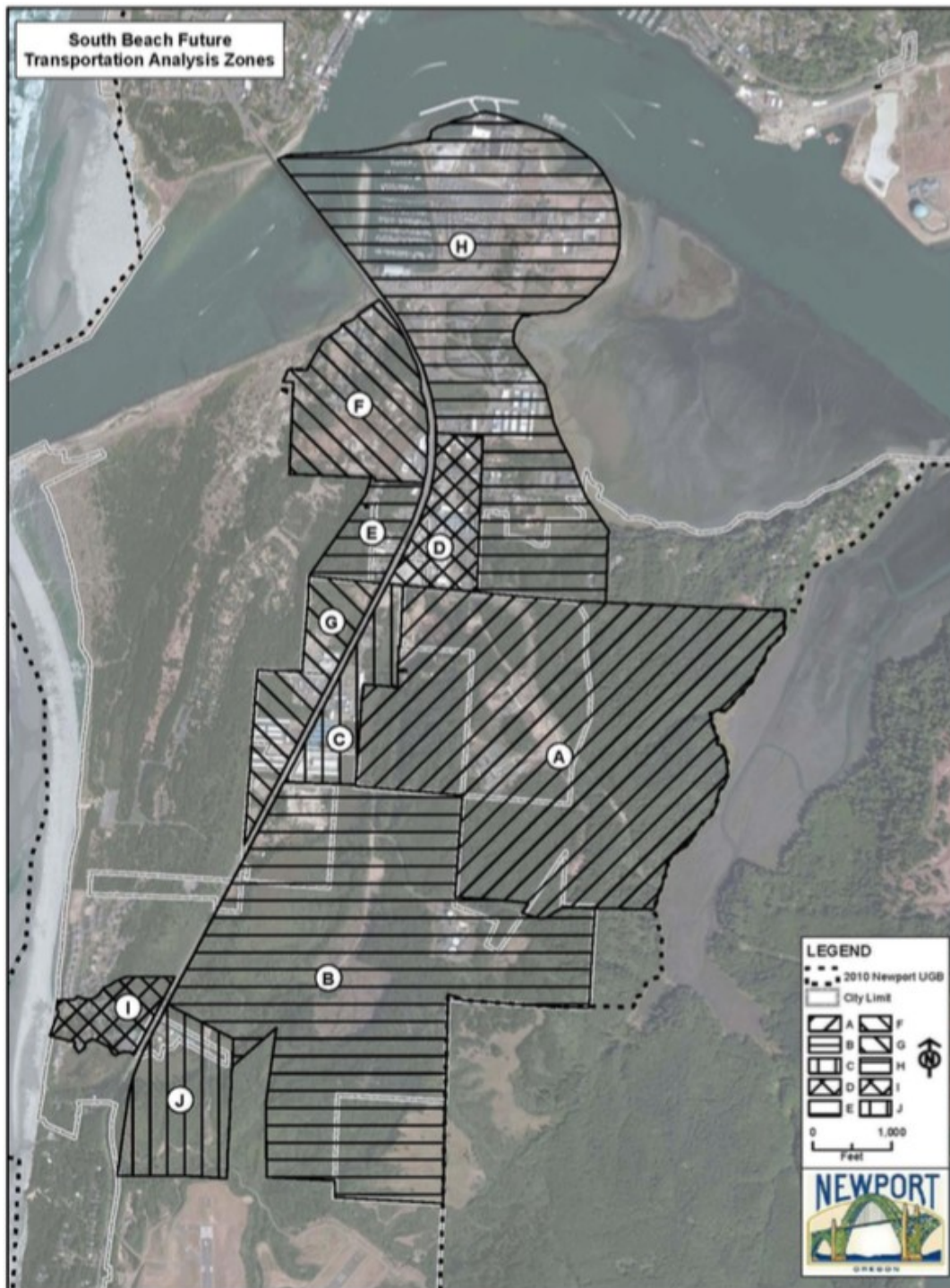
Table 5: Sample Trip Generation Rates

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

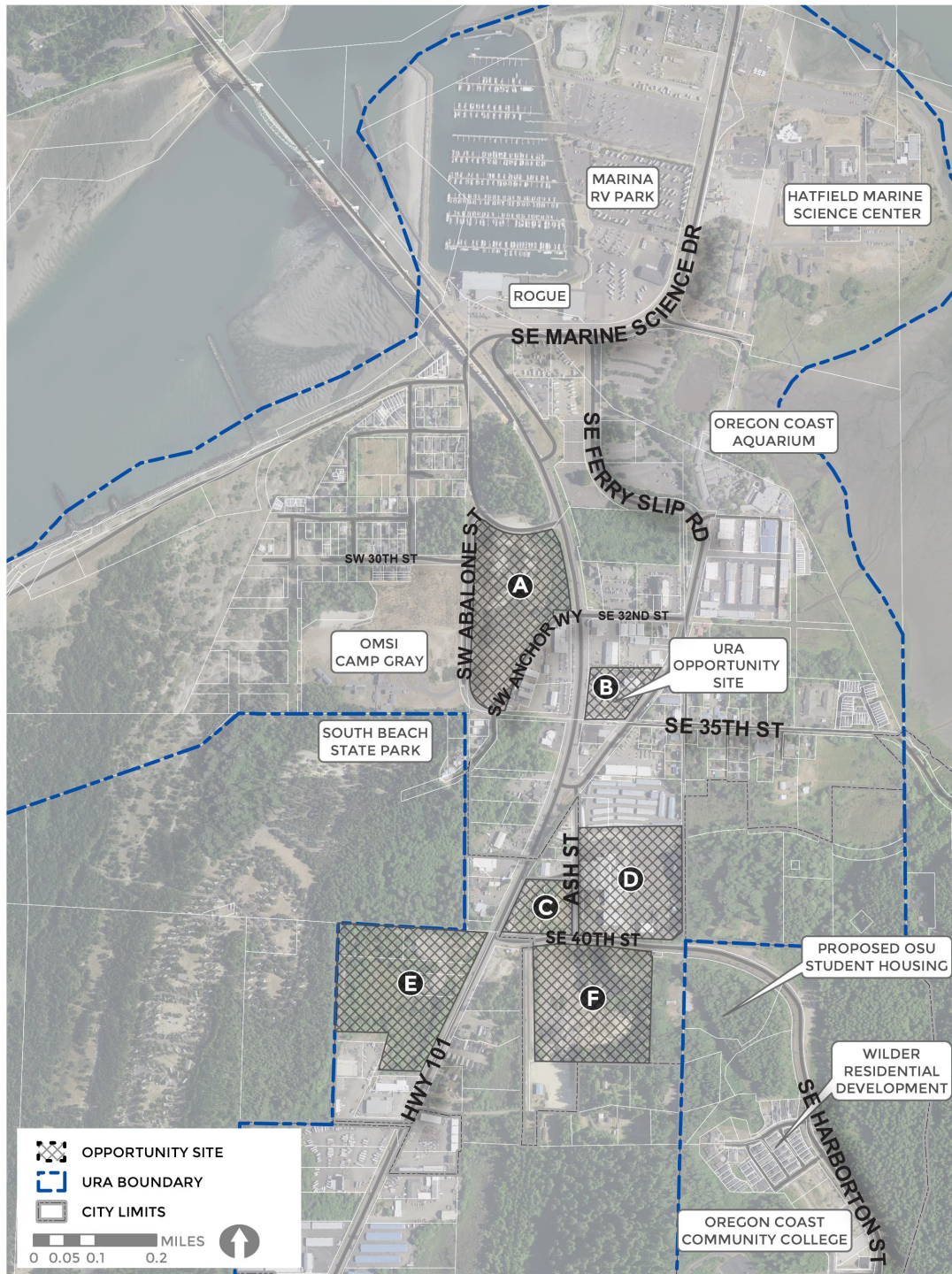
Site	Current Zoning	Development Considerations
A	C-1 Retail and Service Commercial	<ul style="list-style-type: none"> • Prime commercial development opportunity, consistent with existing zoning • Consider compatibility of use, development with OMSI Camp Gray located immediately west
B	I-1 Light Industrial	<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 detractions 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>
Extended Commercial Node around SE 35th St Opportunity Site: Block bounded by Highway 101, SE 32 nd St and Ferry Slip Rd, centered around Opportunity Site B owned by Urban Renewal Agency and new signal at SE 35 th 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)	Commercial <i>(Industrial)</i>	C-1 Retail and Service Commercial <i>(I-1 Light Industrial)</i>
New Commercial Site at SE 40th St: Rezoning properties under common ownership at SE 40 th 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)	Commercial <i>(Industrial)</i>	C-1 Retail and Service Commercial *C-3 Heavy Commercial alternative possible <i>(I-1 Light Industrial)</i>
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)	No change <i>(Industrial)</i>	I-1 Light Industrial <i>(I-3 Heavy Industrial)</i>
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)	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>

14.13.020 Table "A" Density and Other Dimensional Standards	<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>
14.19.050(B) Location of Landscaping Required for New Development	<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>
14.19.060(B) Location of Landscaping Required for New Development	<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>

Memorandum

To: Newport Planning Commission/Commission Advisory Committee
From: Derrick Tokos, Community Development Director
Date: June 9, 2022
Re: Results of Housing Capacity Analysis Draft Buildable Lands Inventory

Below is a link to an interactive web map of the draft Buildable Lands Inventory that we will be using for the Housing Capacity Analysis. Also enclosed is a PowerPoint presentation from ECONorthwest explaining the methodology used to prepare the buildable lands inventory. It was presented to the Housing Study Advisory Committee at its June 8, 2022 meeting.

Interactive web map link: <https://arcg.is/1fb4fD0>

Please take a moment to access, and familiarize yourself with the web link. You can provide comments in the form field "PAC Comments" on any tax lot that you believe has been mis-classified. I can show you how that works at the work session, and will be prepared to walk through the key assumptions used to prepare the Buildable Lands Inventory. I am also happy to field any questions you may have regarding the methodology. We are hoping to finalize the Inventory by the end of the month, so I would appreciate it if you could log your comments no later than June 20, 2022.

Attachments

ECONorthwest Buildable Lands Inventory Presentation, dated 6/8/22



Newport Housing Capacity Analysis

Project Advisory Committee Meeting #3

June 8, 2022

PAC Meeting Dates and Topics

HAC	Date	Topic(s)
PAC 3	June 8	Buildable lands inventory
PAC 4	Jul 21	Constructability assessment
PAC 5	Aug 25	Residential land needs
PAC 6	Oct 13	Housing measures and introduce the Housing Production Strategy
PAC 7	Jan 12	Identify additional potential housing strategies
PAC 8	Feb 16	Refine and narrow housing strategies
PAC 9	Mar 30	Finalize housing strategies



Newport Housing Conversation Guide

ECONorthwest

ECONOMICS • FINANCE • PLANNING



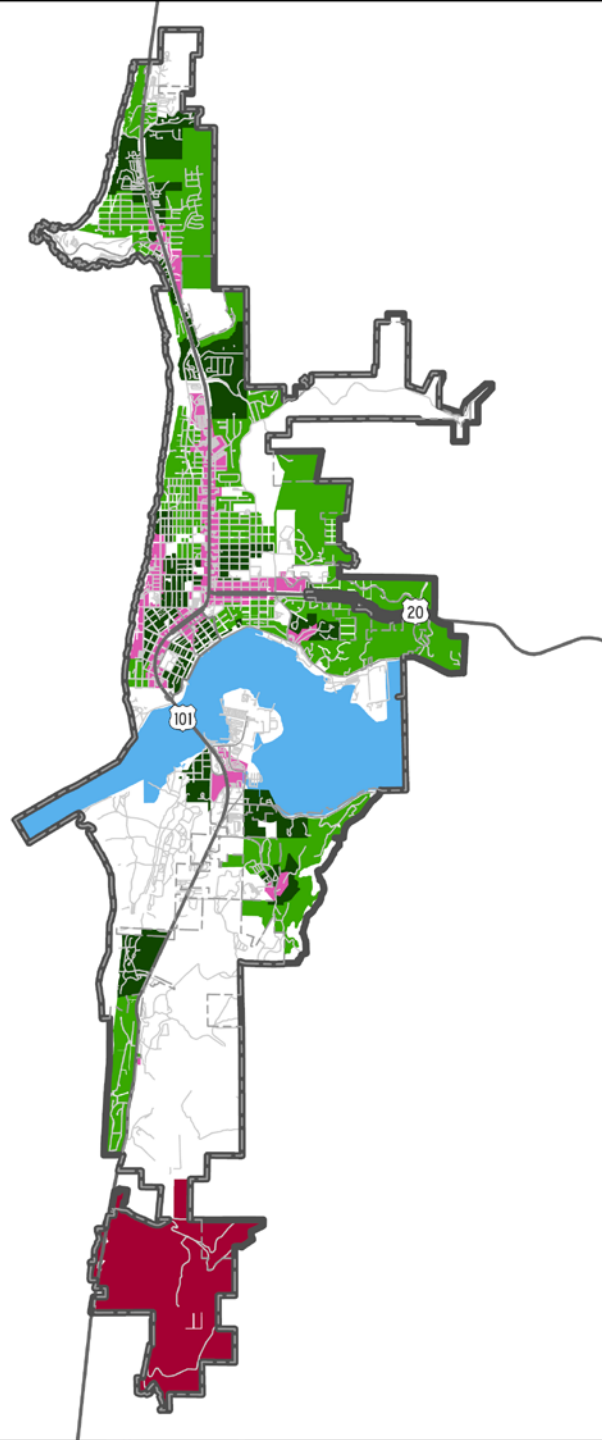
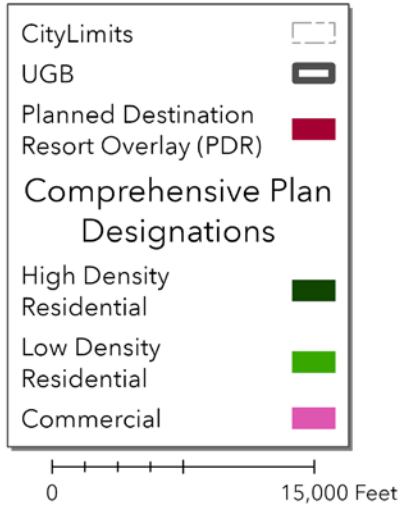
Buildable Lands Inventory

(2) “Buildable Land” means residentially designated land within the urban growth boundary, including both vacant and developed land likely to be redeveloped, that is suitable, available and necessary for residential uses. Publicly owned land is generally not considered available for residential uses.

1. Gather and Assemble Data
2. Classify Land
3. Identify and Remove Constraints
4. Verification
5. Summarize Results
6. Constructability Analysis
 - Identify land with services where development could reasonably happen in the next 20 years
 - Pro forma analysis of financially feasible development, considering construction and infrastructure costs

Newport Buildable Lands Inventory

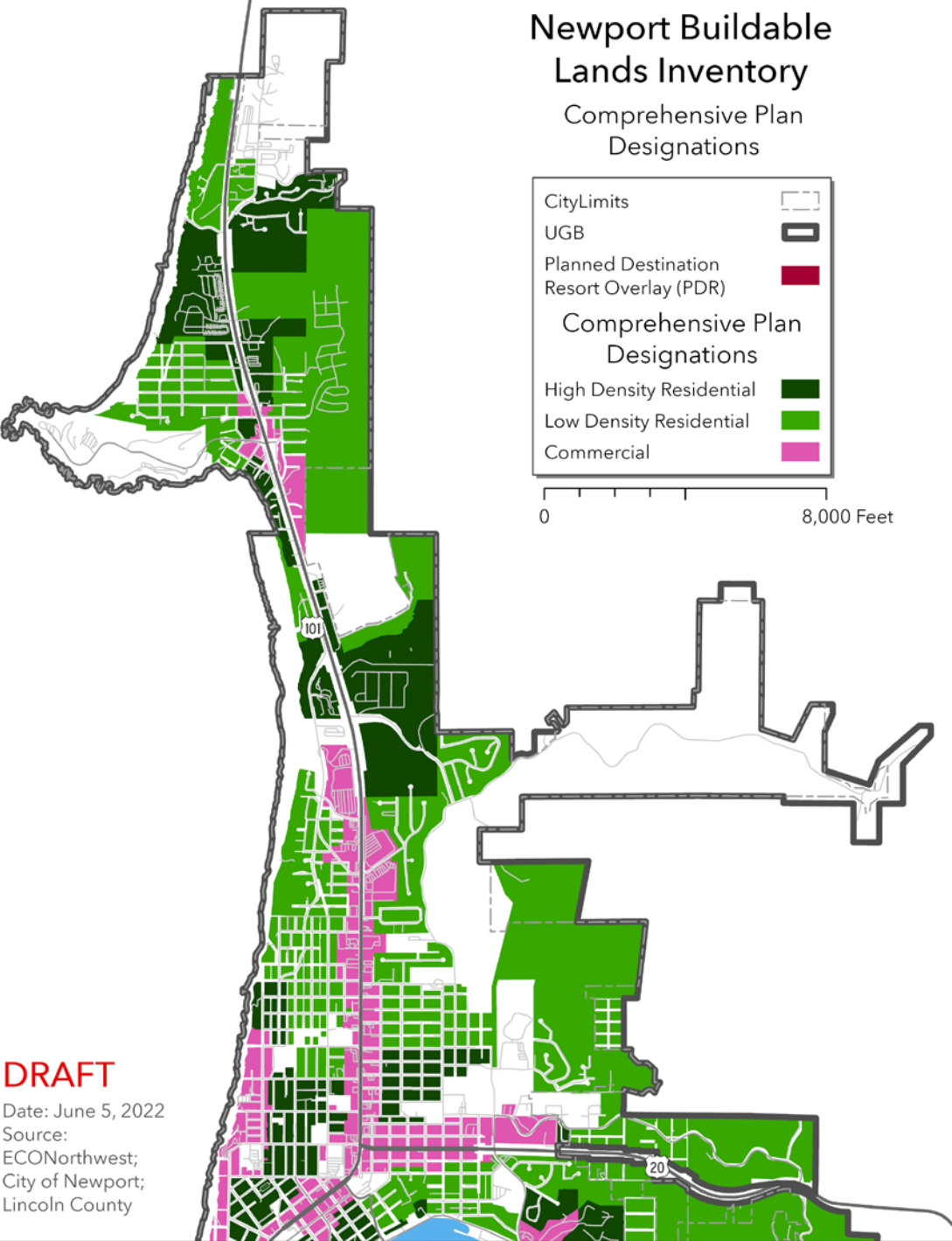
Comprehensive Plan
Designation



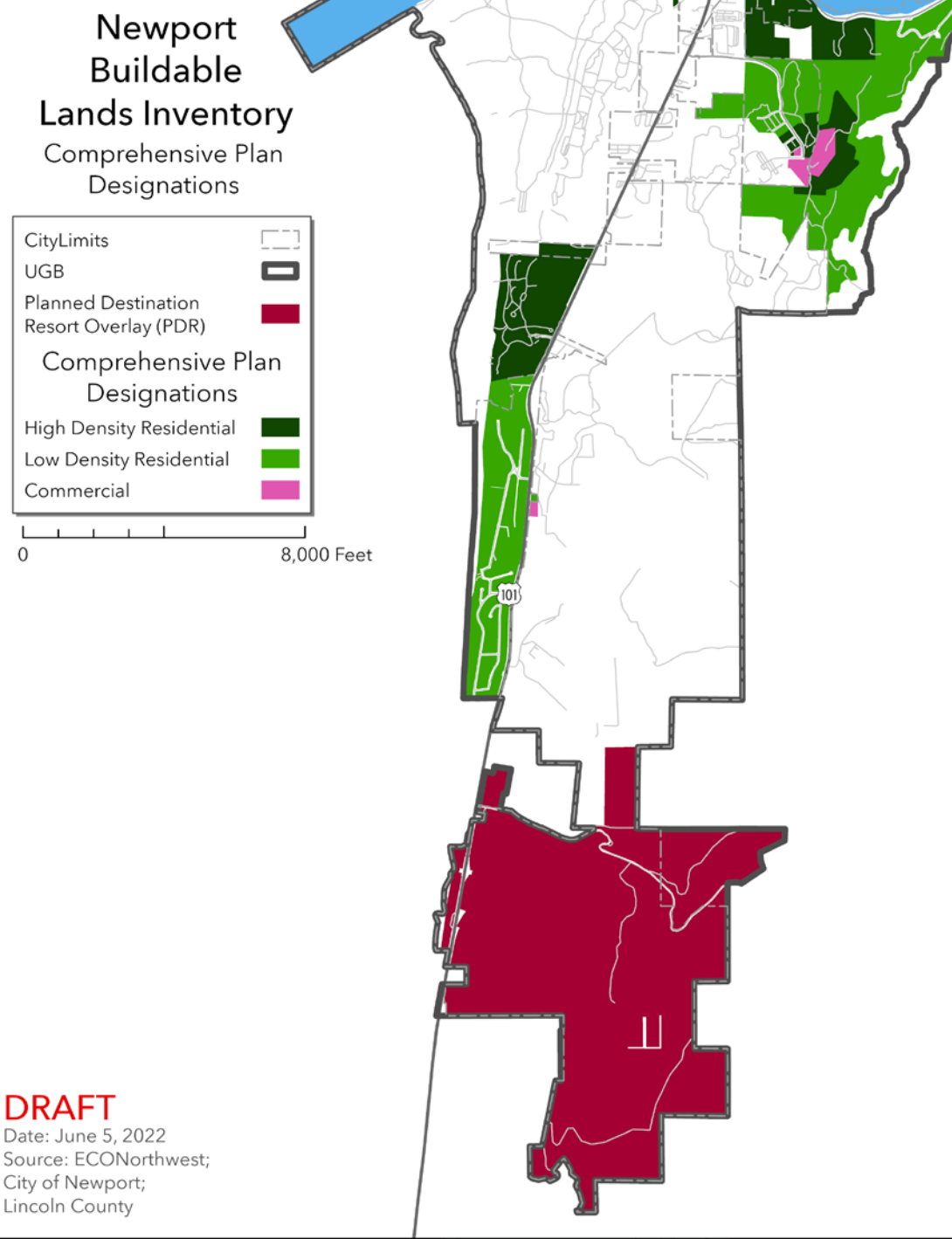
Newport Comprehensive
Plan Designations
where housing is
allowed with clear and
objective standards

DRAFT

Date: June 5, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County



DRAFT
Date: June 5, 2022
Source:
ECONorthwest;
City of Newport;
Lincoln County



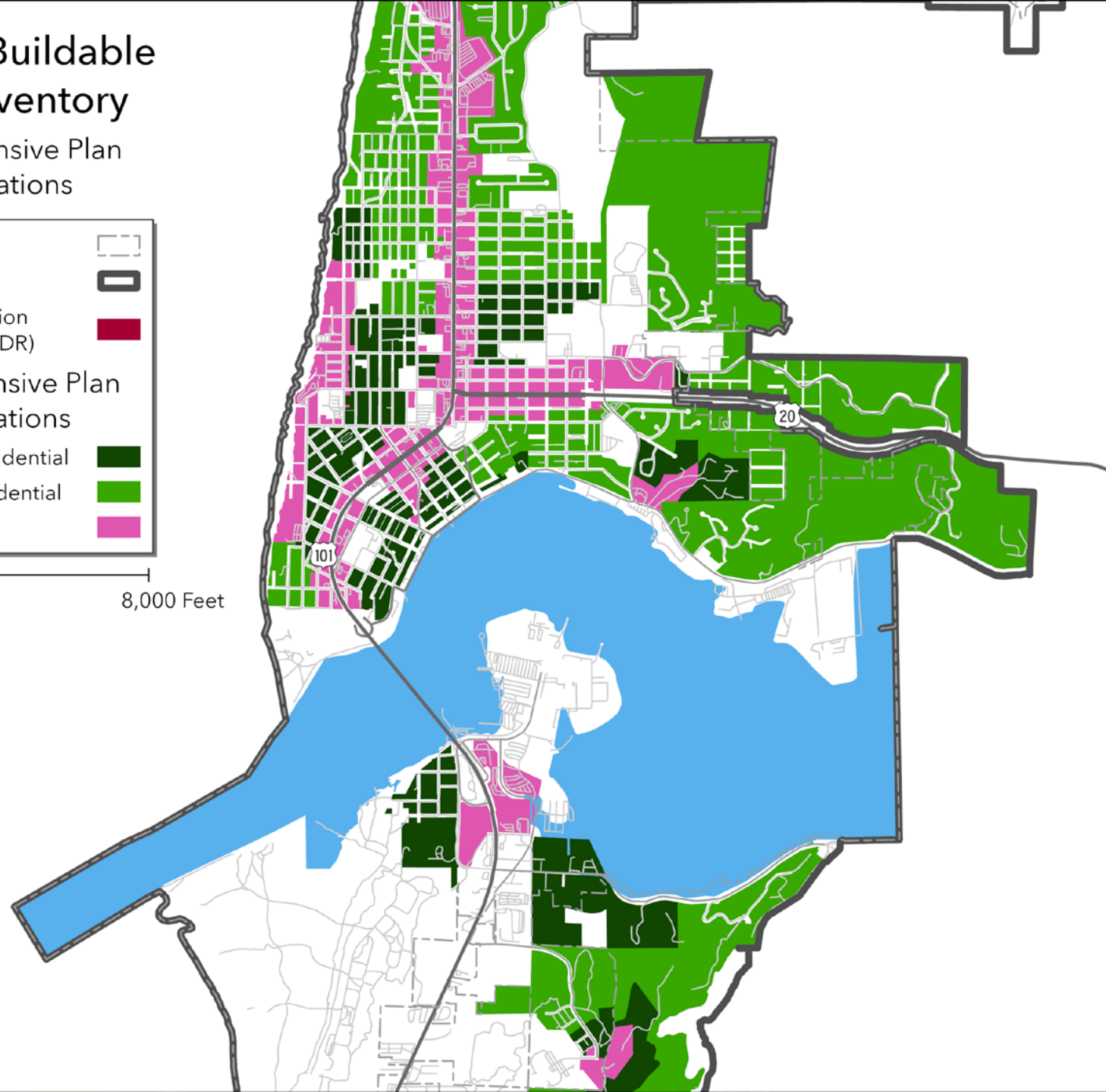
DRAFT
Date: June 5, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

Comprehensive Plan
Designations



0 8,000 Feet



DRAFT

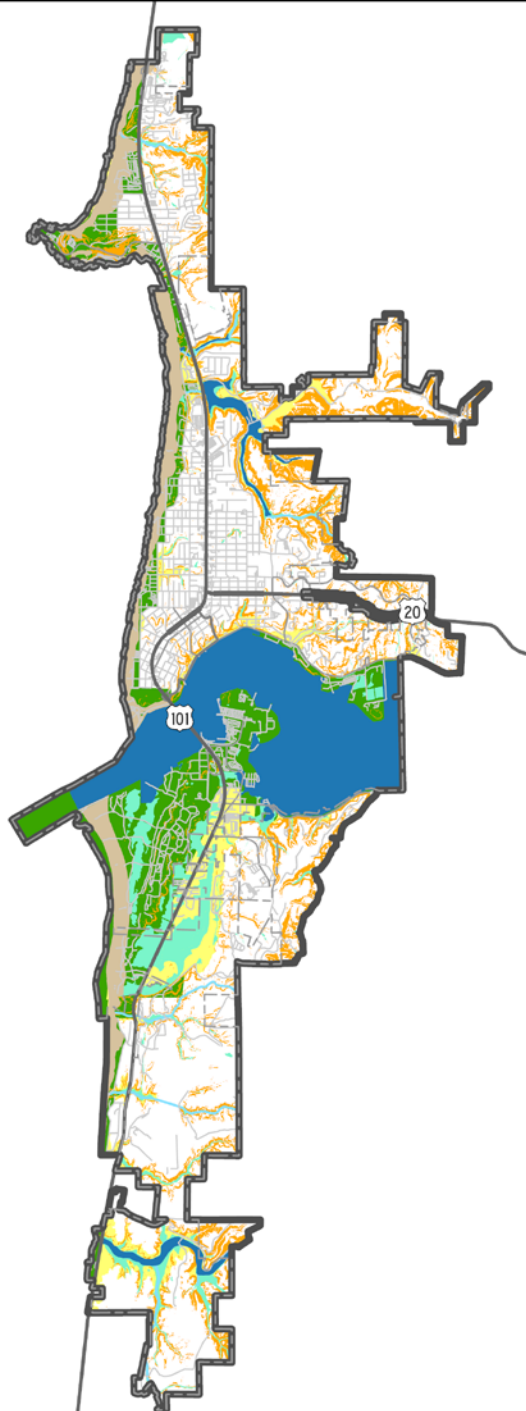
Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

Constraints



0 15,000 Feet

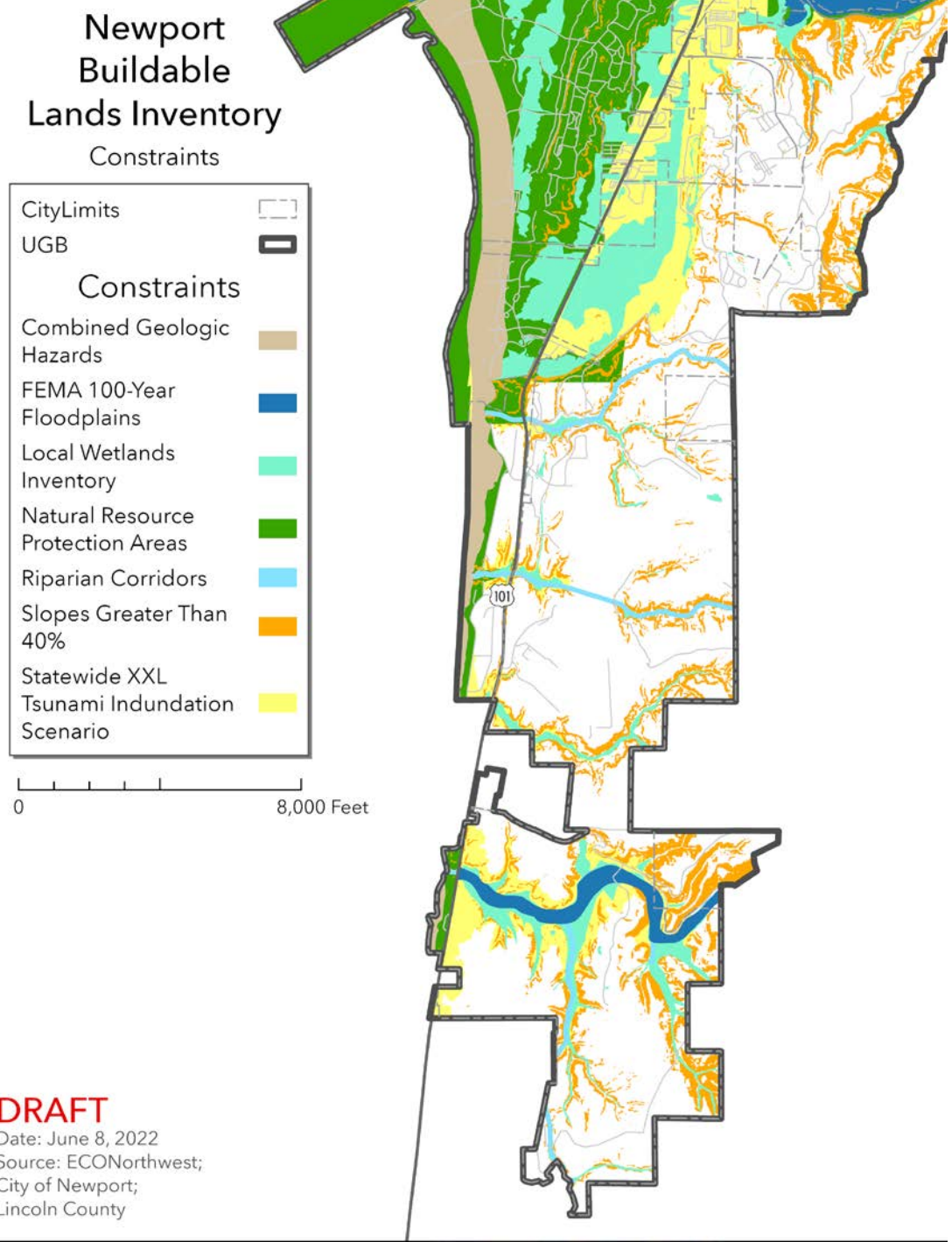
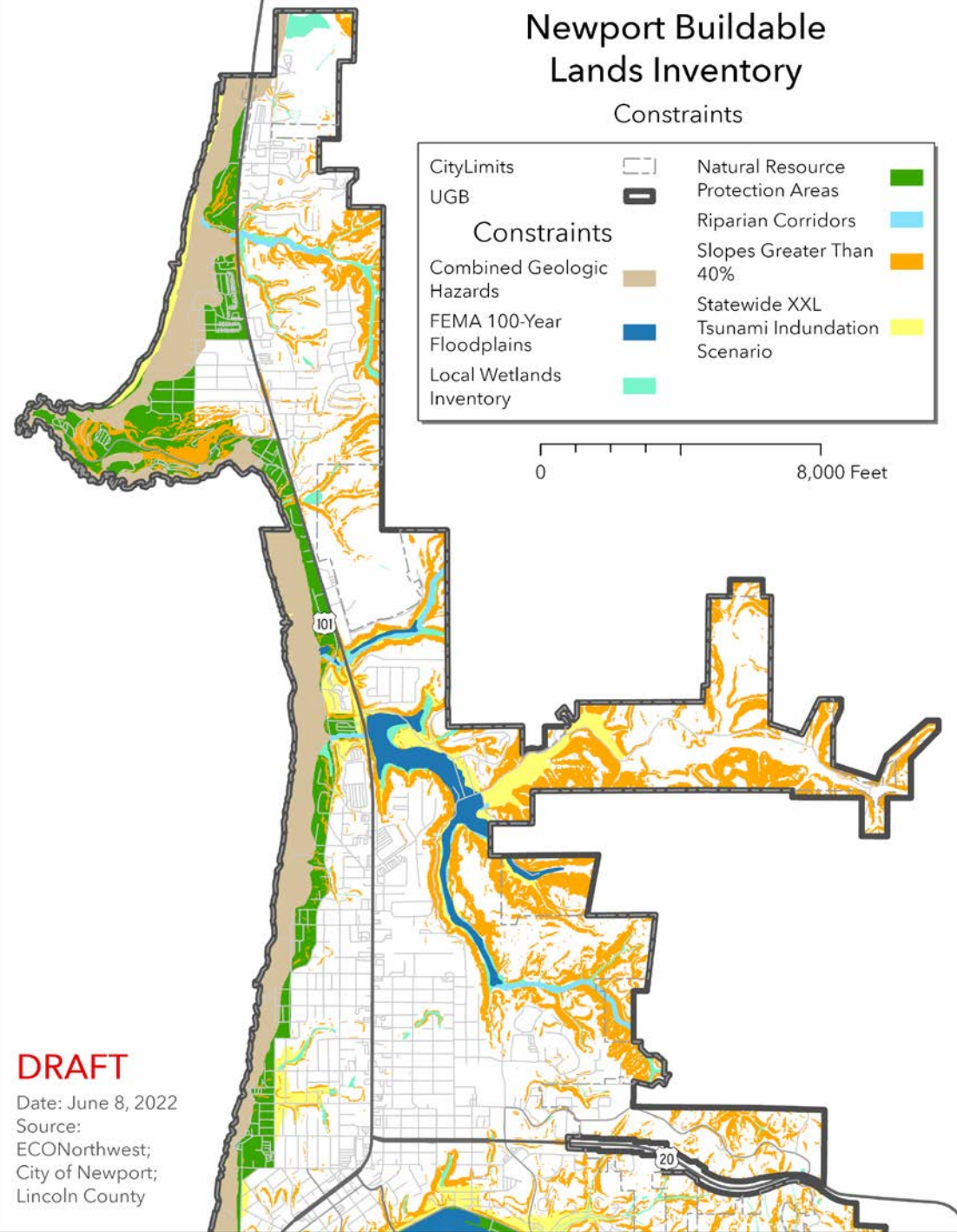


Constrained Land

- Geologic Hazards
- FEMA 100-Year Floodplain
- Natural Resource Protection Areas
- Riparian Corridors
- Slopes greater than 40%
- Tsunami Inundation zone
- Local Wetlands Inventory (mapped but not considered a prohibitive constraint)

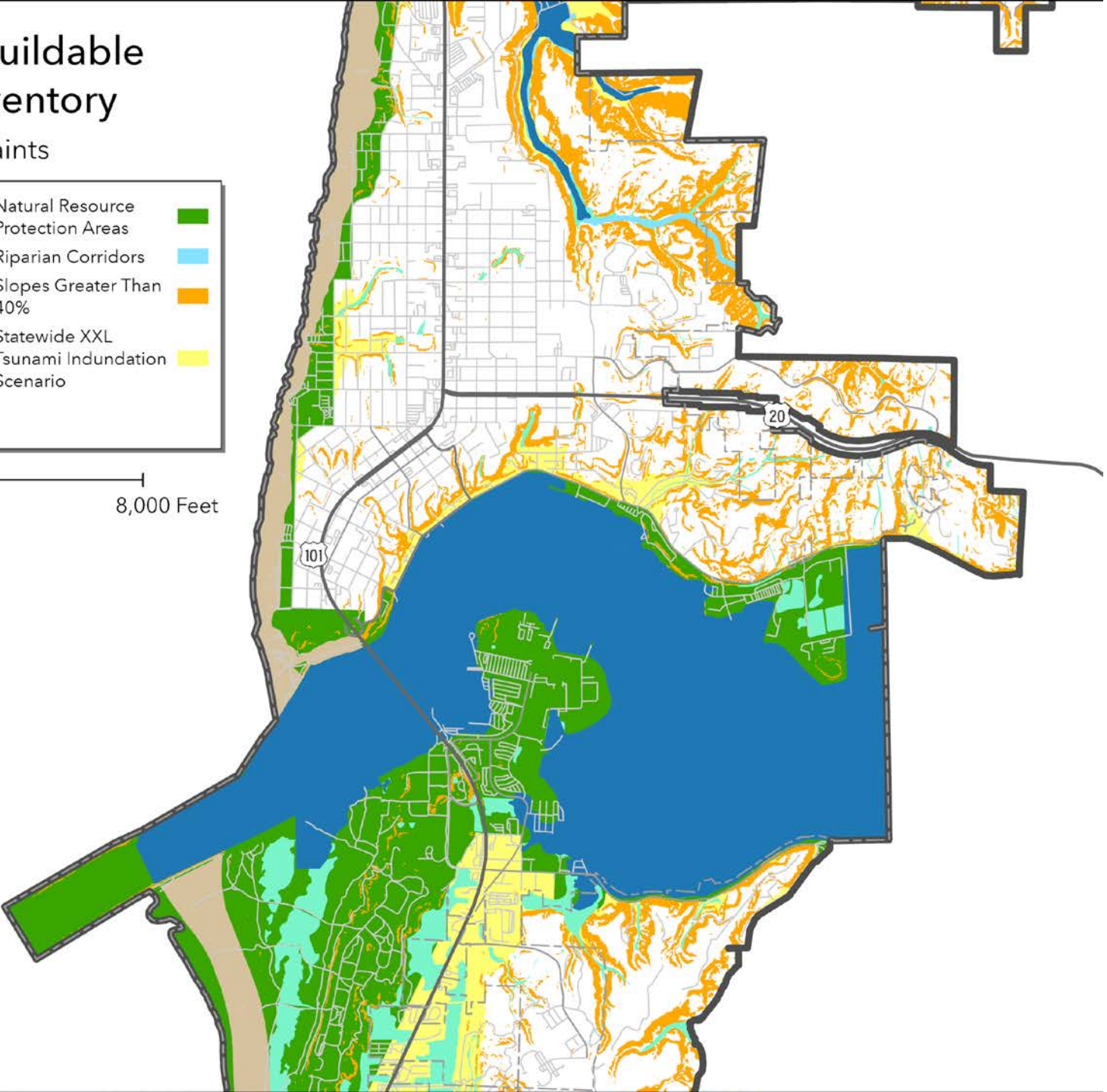
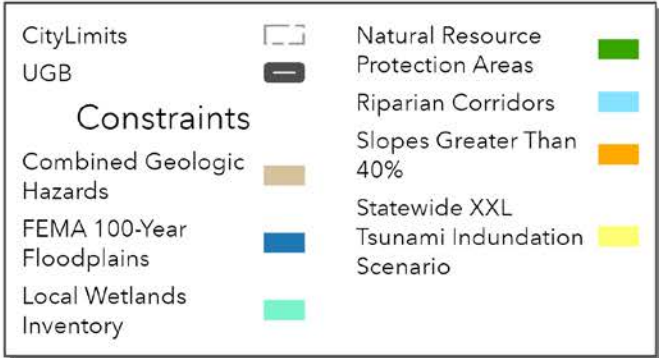
DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County



Newport Buildable Lands Inventory

Constraints



DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

- Developed

Lots fully developed consistent with current zoning. Improved lots unlikely to redevelop within the 20-year period.

- Vacant

Lots that have no structures or have buildings with very little improvement value (\$10,000 or less).

- Partially vacant

Lots occupied by a use but contain enough land to be developed further in current zone.

- Undevelopable

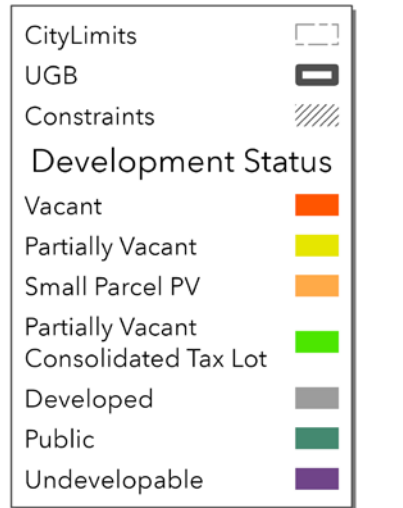
Vacant tax lots less than 3,000 square feet in size.

- Public

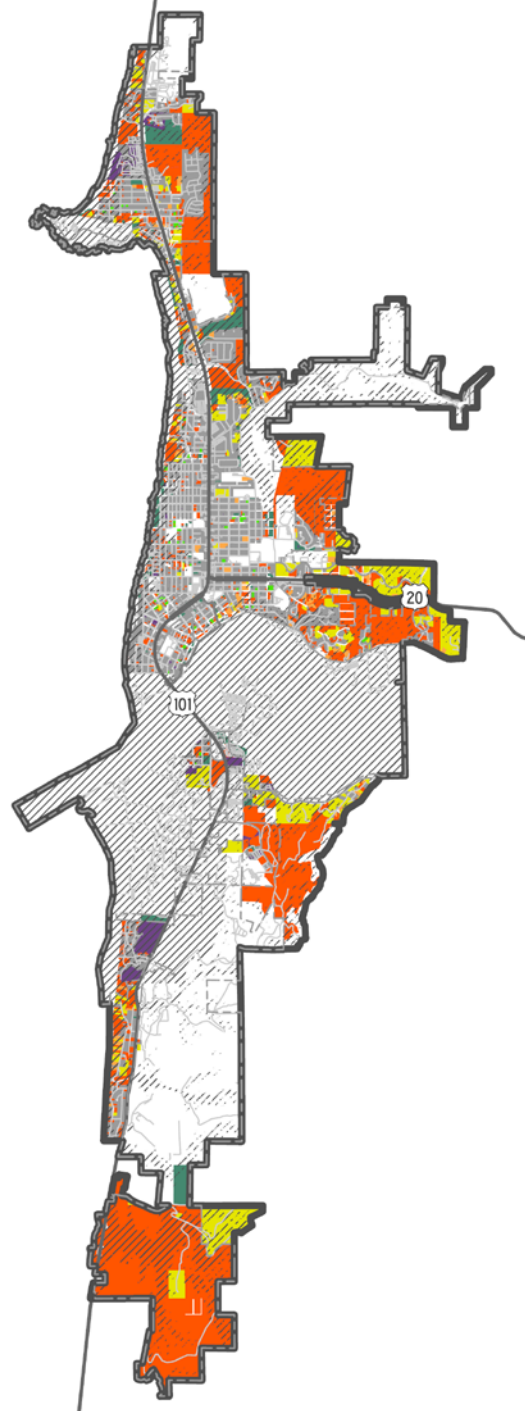
Lands in public, including Federal, State, County, or City ownership.

Newport Buildable Lands Inventory

Development Status



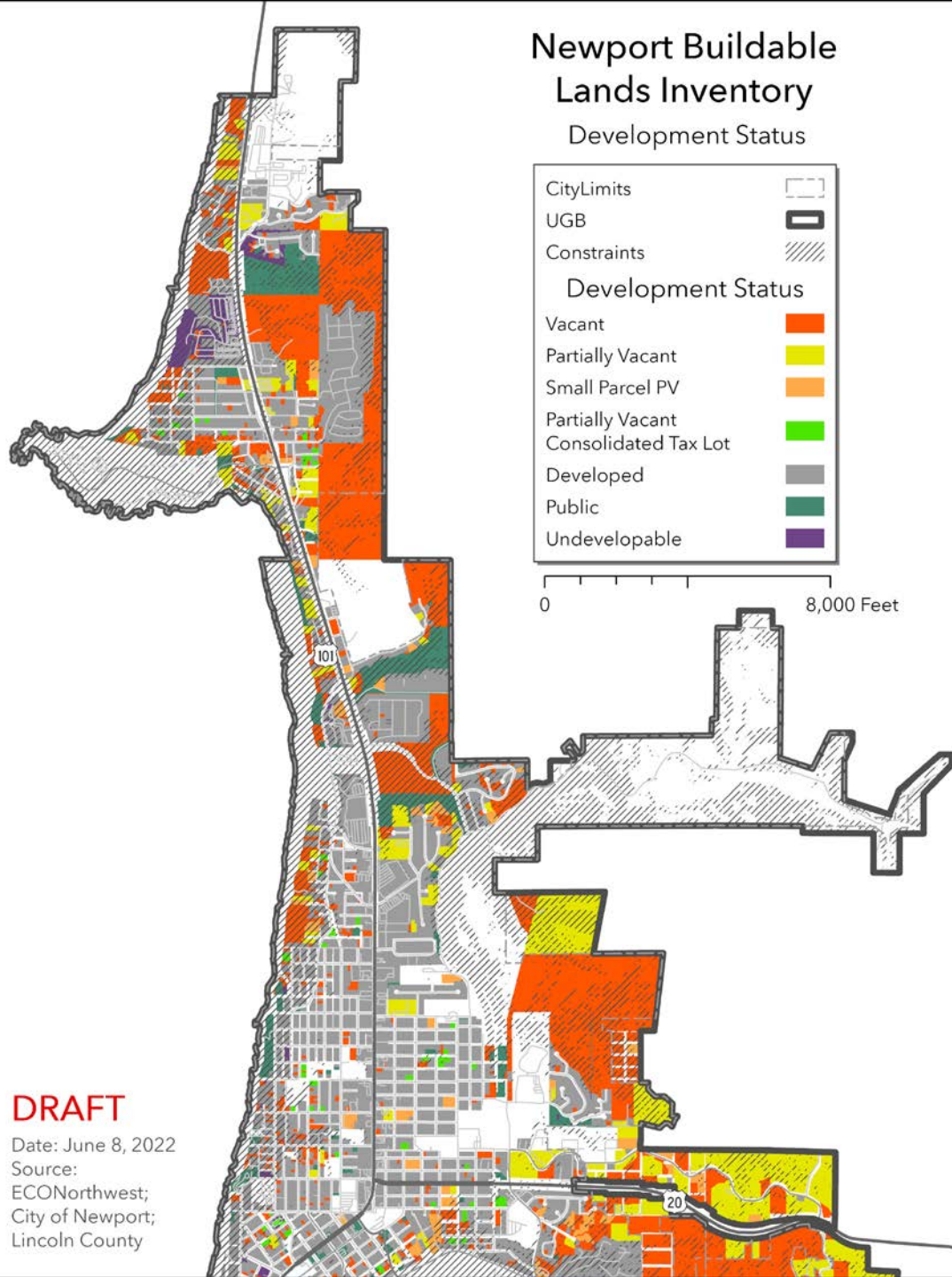
0 15,000 Feet



Development Status
with constraints

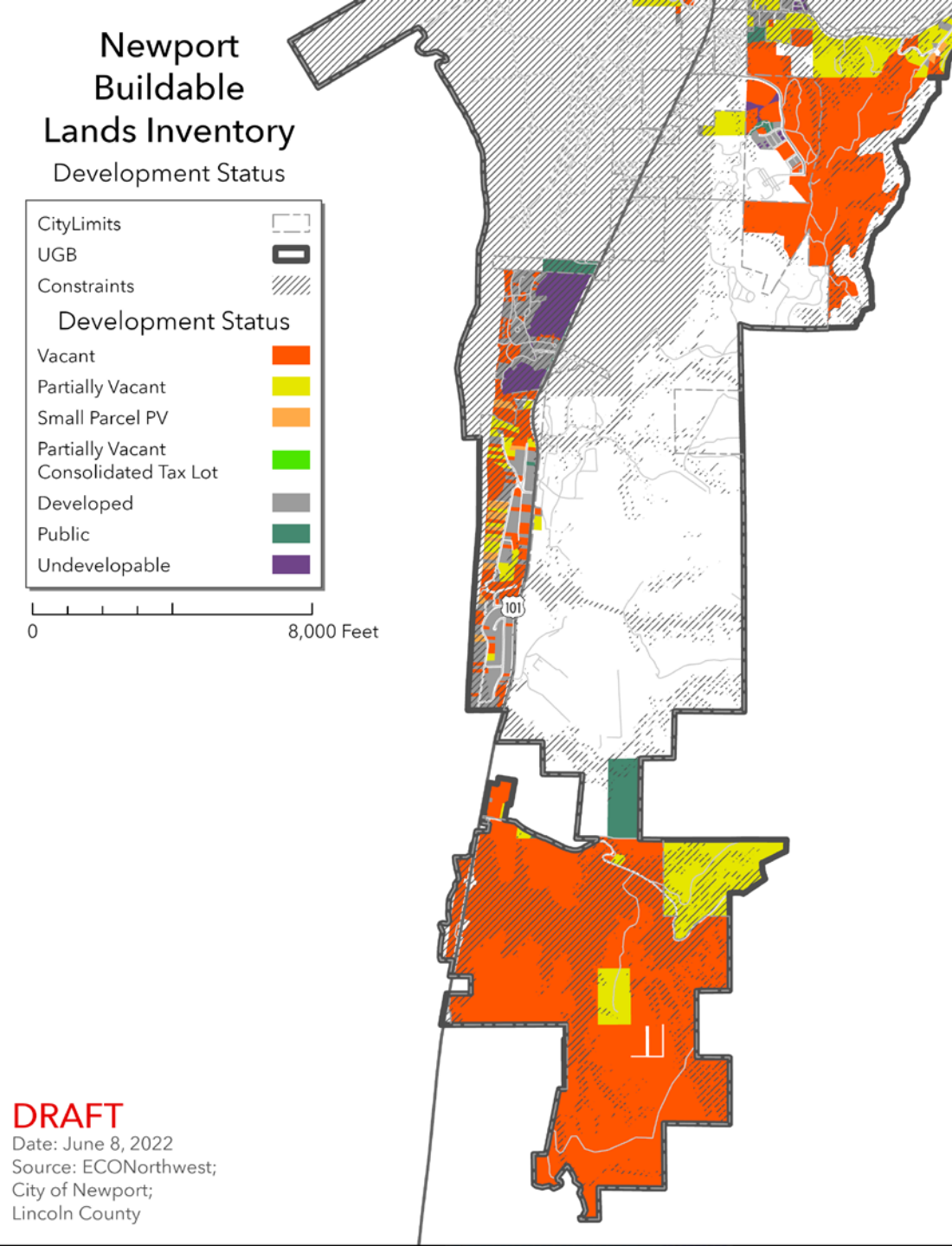
DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County



DRAFT

Date: June 8, 2022
Source:
ECONorthwest;
City of Newport;
Lincoln County

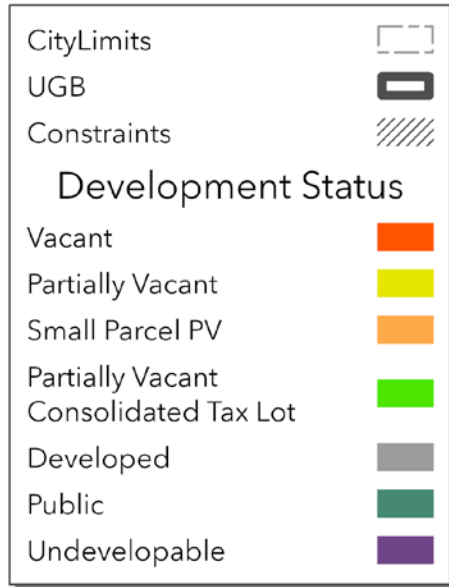


DRAFT

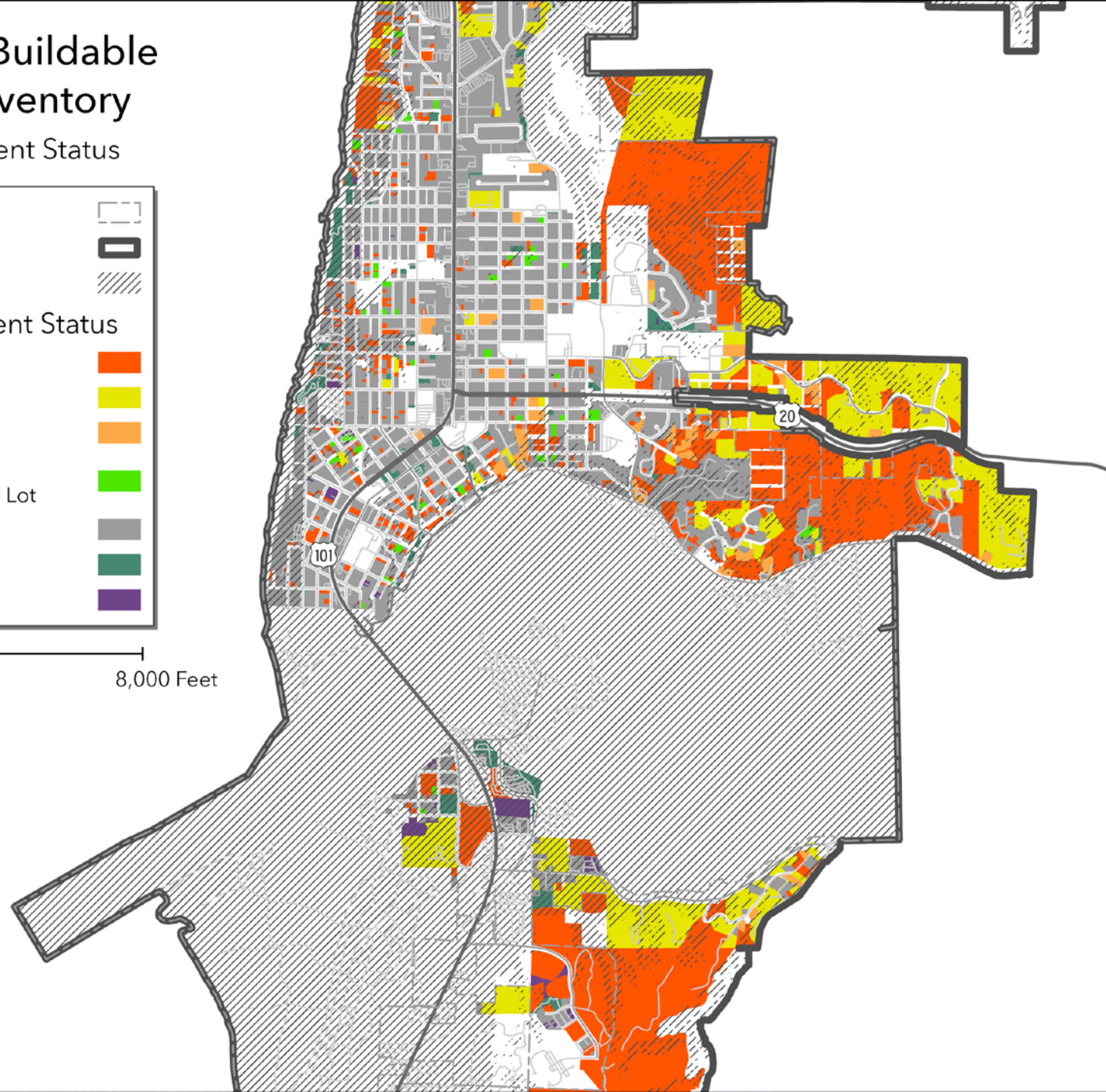
Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

Development Status



0 8,000 Feet

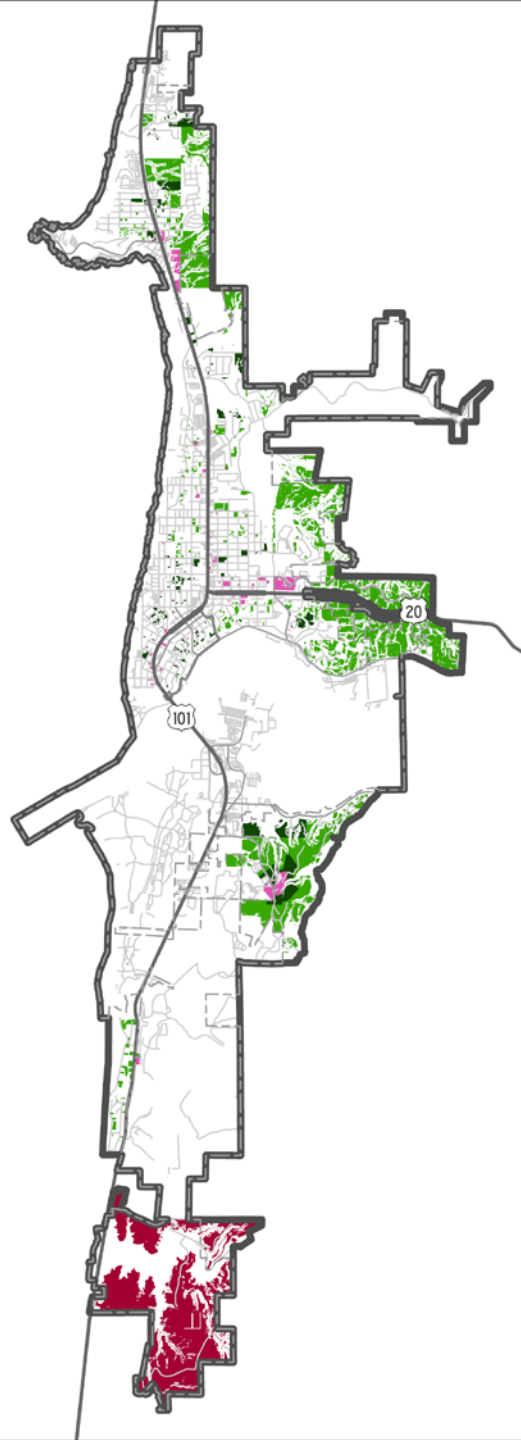
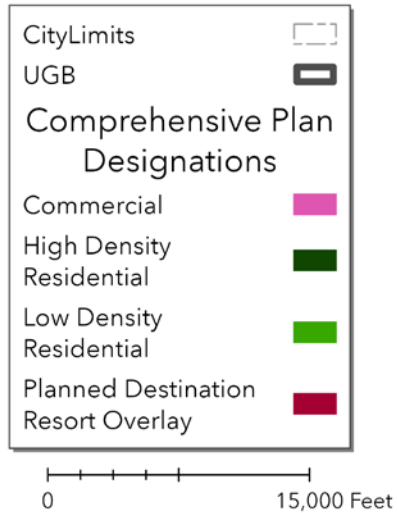


DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

Unconstrained Vacant and
Partially Vacant by
Comprehensive Plan
Designation



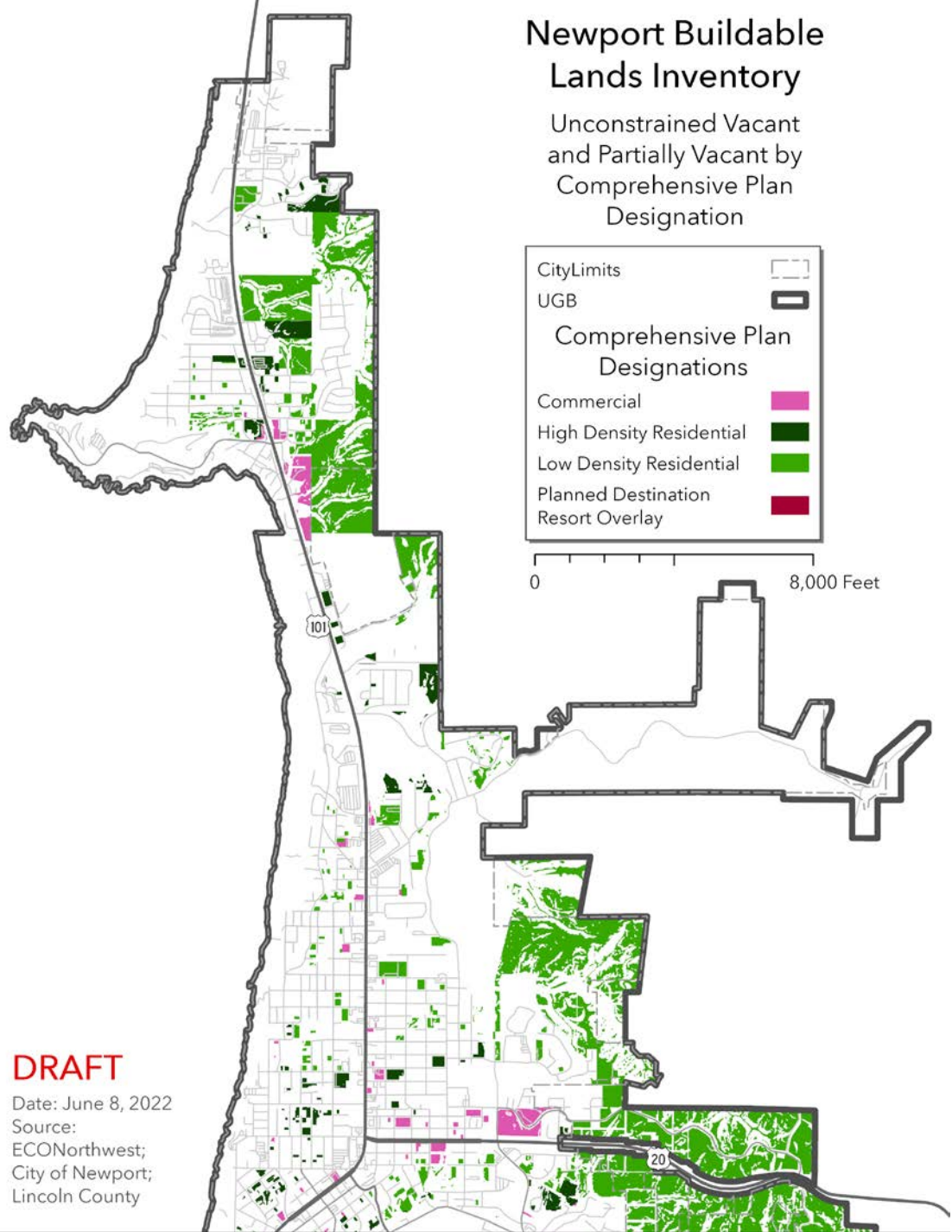
DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Unconstrained Vacant
and Partially Vacant
Residential Lands
By Comprehensive Plan
Designation

Newport Buildable Lands Inventory

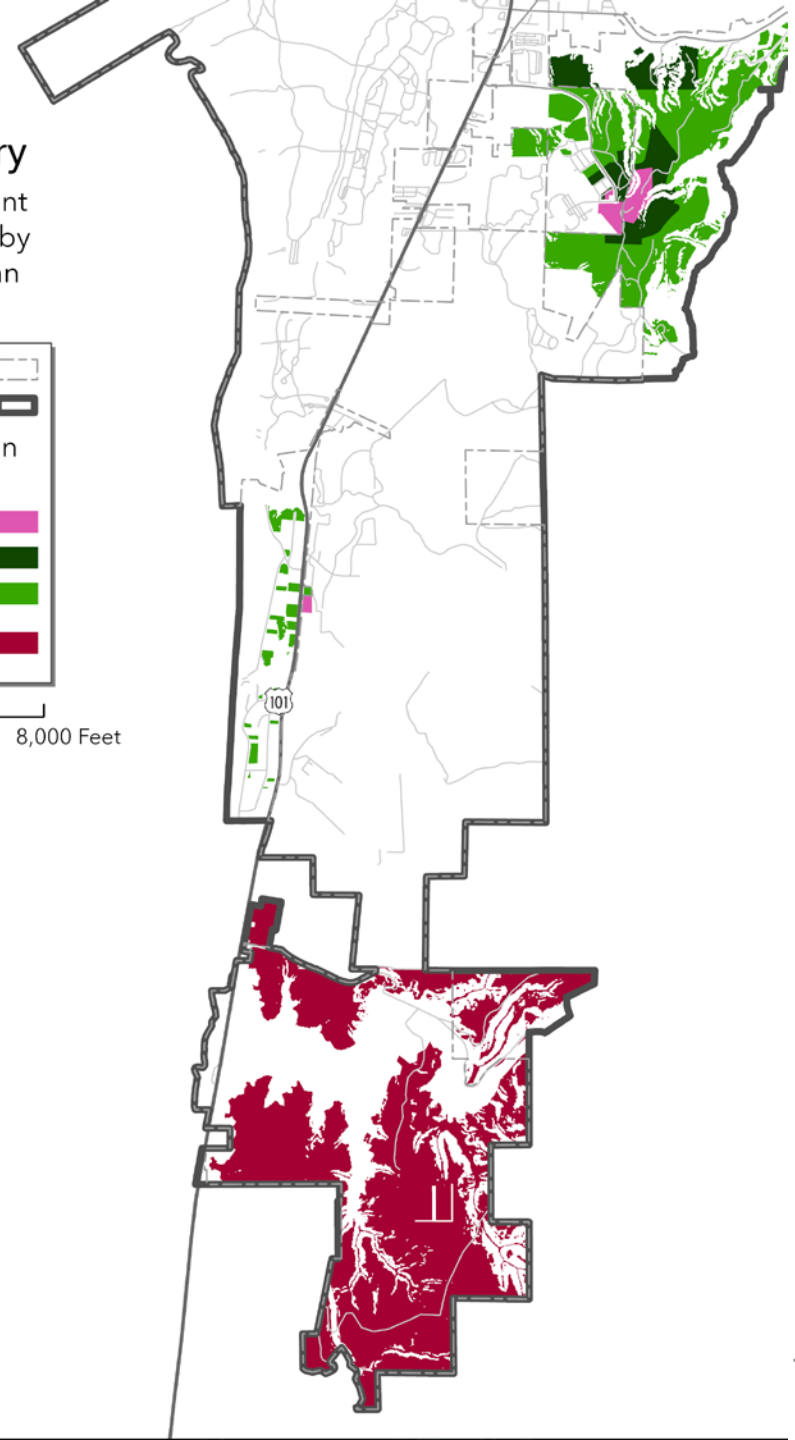
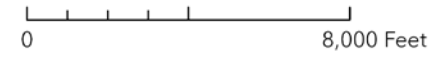
Unconstrained Vacant and Partially Vacant by Comprehensive Plan Designation



DRAFT
Date: June 8, 2022
Source:
ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

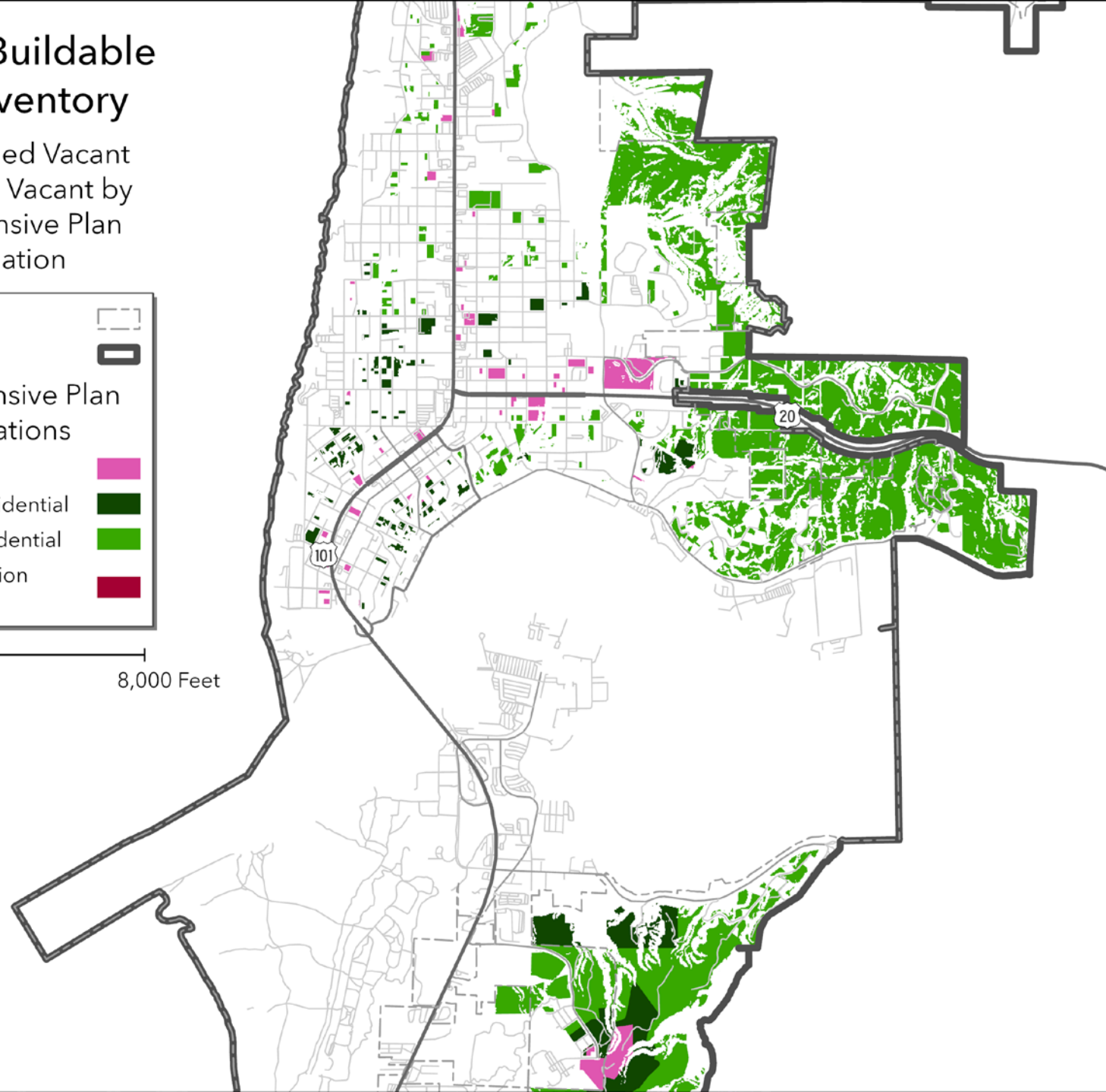
Unconstrained Vacant and Partially Vacant by Comprehensive Plan Designation



DRAFT
Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Newport Buildable Lands Inventory

Unconstrained Vacant
and Partially Vacant by
Comprehensive Plan
Designation



DRAFT

Date: June 8, 2022
Source: ECONorthwest;
City of Newport;
Lincoln County

Unconstrained Vacant & Partially Vacant Lands

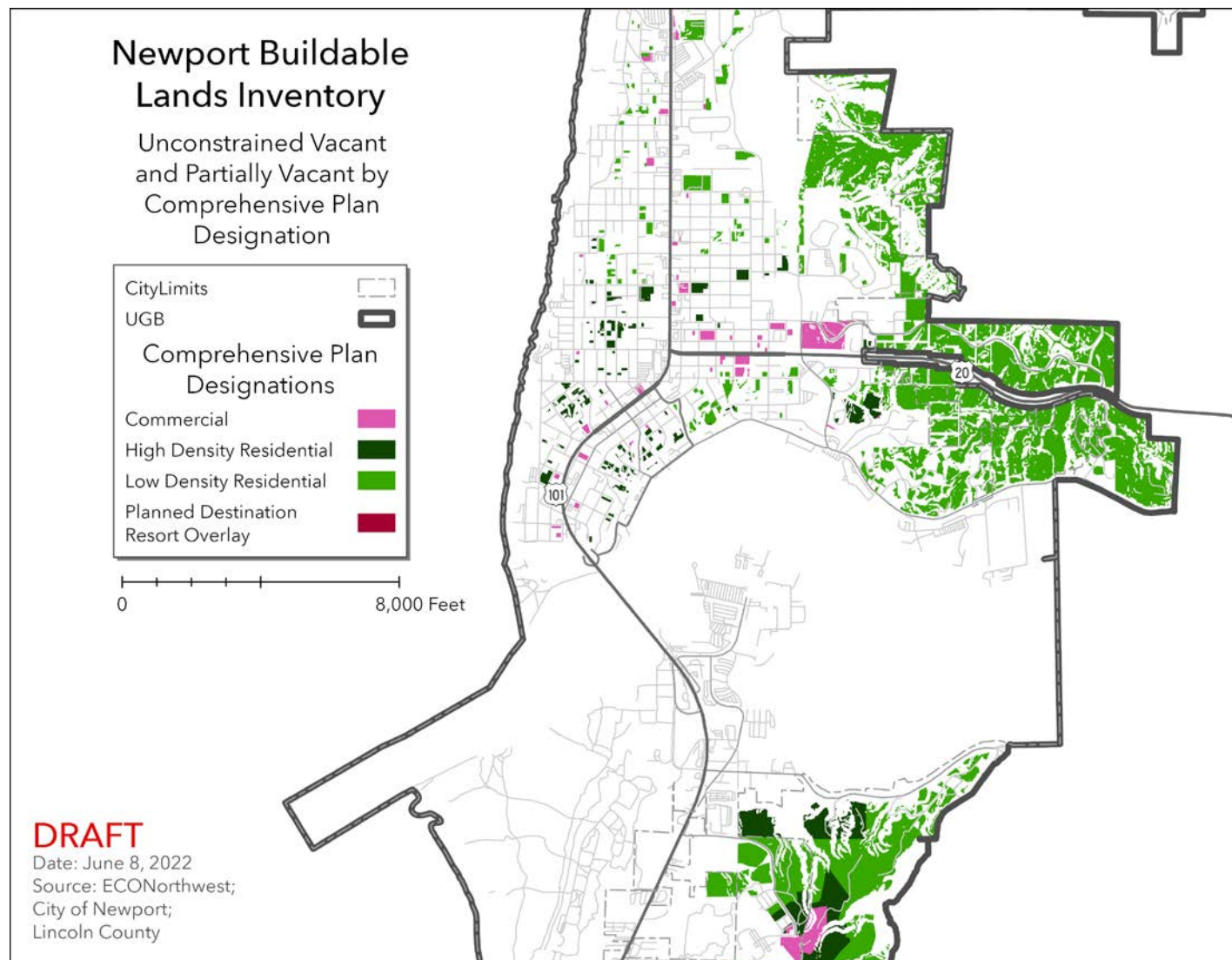
Total Unconstrained Buildable Acres: 1,202

53% of buildable land is in the Low Density Residential and 8% is High Density Residential (excluding the Resort Overlay)

Plan Designation	Total Buildable acres	Buildable acres on vacant lots	Buildable acres on partially vacant lots
High Density Residential	100	74	27
Planned Destination Resort Overlay	420	369	51
Low Density Residential	642	487	155
Commercial	40	24	16
Total	1,202	953	249

Note: This does not include 17 acres of land with partially vacant areas, with existing plats. Called “Partially Vacant Consolidated Tax Lots.”

Next step: Constructability Analysis



Where does the City have land with existing infrastructure or near existing infrastructure where needed housing may be developed and financially feasible.

Newport Buildable Lands Inventory Viewer

- Use the viewer to see the results of the analysis.
- If you have comments, please send them to Derrick

<https://arcg.is/1fb4fD0>

- Refine buildable land if needed
 - Send comments to Derick by 6/20 (or sooner)
- Start constructability analysis
- Housing Conversations – completed by 8/1/2022
- PAC Meeting #: July 21 @ 6 PM



ECONorthwest

ECONOMICS • FINANCE • PLANNING



Los Angeles



Portland



Seattle



Boise

Tentative Planning Commission Work Program

(Scheduling and timing of agenda items is subject to change)



April 11, 2022

CANCELLED

April 25, 2022

Work Session

- Review Draft RFP for Repurposing URA 35th/US 101 Property in South Beach
- File No. 1-CP-17, Transportation System Plan Part 1 - Comprehensive Plan Changes

April 25, 2022

Regular Session

- File 1-Z-22 Public Hearing to Consider Housekeeping and 2021/22 Legislative Amendments

May 9, 2022

Work Session

- File No. 1-CP-17, Transportation System Plan Part 2 – Land Use Regulations (partial)

May 9, 2022

Regular Session

- File 1-CUP-22 Conditional Use Permit for McWatkins Airport Industrial Village (Firm)

May 23, 2022

Work Session

- Review Results of HCA Housing Needs Analysis
- File No. 1-CP-17, Transportation System Plan Parts 1 & Part 2 – Final Review

May 23, 2022

Regular Session

- Final Order/Findings for File 1-CUP-22 CUP for McWatkins Airport Industrial Village

June 13, 2022

Work Session *(First HCA/HPS Public Event in June)*

- Initial Review of Draft of SB Commercial/Industrial Code Revisions (from JET Planning Audit)
- Review Results of HCA Buildable Lands Inventory

June 13, 2022

Regular Session

- Initiate Draft SB Commercial/Industrial Code Revisions (from JET Planning Audit)
- Public Hearing File No. 1-CP-17 Newport TSP Amendments

June 27, 2022

CANCELLED

July 11, 2022

Work Session

- Consider Car Camping Ordinance Being Developed for the City Council
Potential Code Revisions for Short-Term Rental Work Group Consideration (Placeholder)
- Identify Candidates for City Center Revitalization Project Advisory Committee

July 11, 2022

Regular Session

- Potential Second Public Hearing File No. 1-CP-17 Newport TSP Amendments
- Starfish Cove 20-lot Planned Development North Side of Yaquina Head (Projected)