

**MINUTES**  
**City of Newport Planning Commission**  
**Work Session**  
**Newport City Hall Council Chambers by Video Conference**  
**January 24, 2022**  
**6:00 p.m.**

**Planning Commissioners Present by Video Conference:** Jim Patrick, Bob Berman, Lee Hardy, Braulio Escobar, Jim Hanselman, Gary East, and Bill Branigan.

**PC Citizens Advisory Committee Members Present by Video Conference:** Dustin Capri, and Greg Sutton.

**City Staff Present by Video Conference:** Community Development Director (CDD), Derrick Tokos; and Executive Assistant, Sherri Marineau.

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:01 p.m.

2. **New Business.**

A. **Review Schedule, Outreach, & Incentives Program for SB Island Annexation Concept.** Tokos reviewed the map of properties that would be a part of the island annexation. He noted that they would be doing the annex by statutory code, not by ordinance. The Commission would also decide what the recommendation for zoning designations would be. Tokos reviewed the zoning he thought would work.

Berman asked if Mike Miller Park was a City park. Tokos explained it was a County park and it would continue as such. He reported that there would be a discussion about this with the County on February 2nd.

Berman asked if the conversation was to have some of the property be commercial instead of industrial. Tokos noted they could try to tackle this as a two-step approach with a Comprehensive Plan amendment after they dealt with the annexation piece. Branigan asked if the City was light on industrial properties. Tokos confirmed they were, but this would help the City to get additional industrial to the south.

Tokos reminded that because of the way the statute was drafted the residential piece had to have a deferred effective date of at least three years out. The discussion with the legislature was not to have people who were being annexed into cities on a compulsory manner to have to pay higher city taxes when they were on fixed incomes and couldn't afford it. Tokos gave an example of properties that were brought into Portland when the owners couldn't afford the higher city taxes. Unless this was waved when a property was sold, this piece would have its own clause with a deferred effective date. The thought was to have a meeting with the City Council in February to initiate the island annexation process and the rezoning. The City would work with the County on what owners would pay for property taxes. They would put together outreach materials to property owners to explain what was happening and give them some research information. Then there would be a window of time for rebates for property owners to connect into city services. This would only be for existing development, not future development. Berman asked if there would be any distinction between different sized parcels to get the same incentives. Tokos confirmed that was the idea. Property owners would have to

weigh what the costs would be to connect to services and if it was worth their time. Berman expressed his appreciation that this was being done and thought it would simplify the city limits.

Patrick asked if there were sewer connections down to this area. Tokos reported they went to 50th Street. Those properties past 50th Street would have to extend the lines up a little bit. Hanselman asked if these properties were a part of the City Fire Department. Tokos explained they were under the City Fire and the Newport Rural Fire districts. The fire services would stay the same. The Newport Police would be changed to service the area instead of the Sherriff's Department.

Escobar asked what the motivation was to annex the properties at that time. Tokos reported they had resources from the South Beach Urban Renewal District to do it, there was a limited window to use the funds. He noted that it made it easier for the City to provide infrastructure and services to these properties. It also made these properties more desirable for industrial development because developers could do a broader range of industrial development with the City than they could with the County.

Hanselman thought this would be a carrot on a string for these property owners. He asked if the City would annex properties when owners didn't want to. Tokos noted that with an island annexation process, the City could annex without the consent of the property owners and was different than a regular annexation. In cases where the City surrounded properties, which they had here, the City could annex without property owner's consent. Property owners could testify to the Commission and City Council that they didn't want it. It might not be the political will at the end of the day, but elected officials could still choose to proceed to annex without consent of the owners. Tokos pointed out that these property owners would not be incurring the cost of annexation, they would have the rebate offer to connect to the city waste system, and the City would be taking care of the residual bond debt from Seal Rock that these property owners were responsible for. The City had an agreement with Seal Rock to move their services area south of Henderson Creek. These property owners had bond debt that predated this agreement that they made them responsible for a proportional amount of the approximately \$37,000 that the City had to pay to Seal Rock when the annexation happened. Hanselman asked if the City was prepared to make a decision that they would need the backing for if property owners didn't want to take annexation. He asked if the City would be committed to using the bonds. Tokos noted they would never know until they had the hearings and made a decision. In this instance, the City Council agreed with it being something to pursue. Tokos reminded that this wasn't a commitment to vote one way or another, but it was a commitment to initiate the process and take it to a public hearing. He expected that the Commission and Council would want to hear public testimony and make the best decision once they hear this.

Tokos reported they needed to start the boundary survey because it would take a little time to put it together to get a legal description. A transportation planning rule analysis also needed to be done in a preliminary manner to see what the impact would be on the transportation system by giving it urban zoning. Outreach would be done to property owners as a part of this. If it was adopted it would happen in the fall and close out at the end of the year.

Patrick asked if they would be going with the existing zoning, other than changing the north commercial areas. Tokos thought they should tackle this separately when they looked at the rest of the properties that were already in the city so they could have a conversation on what they were doing holistically. He asked if the Commission was comfortable with the I-1, I-2 or I-3 zoning. He thought for purposes of doing a motion they could go with one "I" zone designation instead of all three, and then let the process play out and see how people responded. Berman asked if this would require a Comprehensive Plan designation. Tokos explained that any of the three zoning designations were already good in the area. Berman asked what would happen if someone wanted another zone

designation if the Commission decided on only one “I” zone. Tokos explained they could modify it as part of the process. He noted that the Commission could designate different areas have different “I” zone designations but thought they would want to start with the most simple designation first. Capri thought letting the property owners have input would be helpful. Patrick thought starting with the simplest thing would be best, then modify it when they got input. Escobar thought the proposal had merit because the more you required property owners to change, the more it would set the table for opposition.

**B. City Center Revitalization Project-TGM Grant Scope of Work Outline & Public Outreach Discussion.** Tokos reviewed his memorandum and noted there was a question on how to setup outreach for the project and who the target audience was. He thought a project advisory committee would focus on business owners and residents in the City Center area, but would also offer broader opportunity for other input. There was a lot of interest citywide to see the City Center revitalized.

Hardy asked if they were suggesting they push the development of housing in the City Center where there was no parking, which businesses were competing for anyway. Tokos didn’t know of parking issues in the City Center currently. As part of the grant application they were looking to get housing closer to services. Getting more residential over retail commercial was a target of this process. Hardy didn’t think it made sense. Berman disagreed and noted that if the Transportation System Plan ended up with a couplet it would open up a lot of options for accommodating this type of housing. Hanselman thought that if there was a decision to include a couplet in the TSP, it would be wise to make sure that those that didn’t want the couplet could help in moving the City Center project along and incorporate their ideas. He thought they needed as much community participate as they could get so the City Center improvements were embraced by more of what the population wanted. Tokos explained this showed the importance for setting up the process where they created opportunities for not just the immediate business owners, but also some points where there was broader public engagement and input. He noted that they had had conversations with people who were potentially looking to do residential in the City Center area. Different people were looking for different types of housing arrangements. Being approximate to services and transit where they could walk to get their immediate needs met without driving was essential and important to people. There was infrastructure in the City Center to support it and they would be making infrastructure investments down the road to make it even more attractive for more dense development in the area.

Berman asked where the money would come from to implement the plan. Tokos reported that most of the funding came from Urban Renewal funds. There would also be State monies for any major project that involved highway work. Branigan asked if the City Center was just US 101. Tokos noted it extended a couple of blocks from US 101, and also the US 20 side as well. He reported they were looking at adding more high density residential as they went away from US 20. This would be reasonably close to the high school and part of the discussion.

Tokos explained they needed to build a project advisory committee to align with the grant application. They would also be doing broader stakeholder outreach. Tokos noted that what he was hearing from the Commission was that as they were developing this, that the broader public would be woven in at the larger events and the project advisory committee would focus on key stakeholders in or around the City Center area. Capri asked how they could balance giving enough to these business owners so they could have a meaningful impact to the dollars available and make sure they gave the enough money to different businesses to give equity across the district. Tokos explained they would have to have discussions on this as they flushed out what the façade improvement program looked at. Capri thought that giving some level of input and some percentage in contribution for businesses would help. Tokos

agreed. He pointed out that there wouldn't be 100 percent funding through the program. and businesses would have to bring some money to the table as well.

Berman noted that most of the area on the revitalization map was show in a grey color for the focus area. He asked what the coloring referenced. Tokos noted this was just the transparency color on the map and the areas in grey were all the C-1 zone. These areas already allowed residential over commercial. There as a framework for this already and they would be building on this as part of the process.

Tokos reported he would get get back to David Helton and they would have until the February 18th to get the scope of work finalized. They would share it with a list of qualified consultants to ask them to put together proposals. The City could then review and score the proposals at that time. Berman asked that the public outreach not just include people directly impacted in the City Center community, but everyone in the Newport so they could get a broader idea on how to fix the City Center. Patrick agreed and thought it would be something like what they did in Nye Beach. Hardy thought that was a mistake. Tokos noted that they were trying to come up with a clear sense of where they were going in the area and a clear plan of attach that was resourced. Hardy expressed concerns that this would create another overbuilt tenement just like in Nye Beach.

3. **Unfinished Business.**

A. **Updated Planning Commission Work Program.** Tokos pointed out the changes to the work program since the last meeting. He noted there would be a public hearing added to the February 14th meeting for revisions to the Whaler Hotel design review.

4. **Adjourn.** The meeting adjourned at 6:52 p.m.

Respectfully submitted,



Sherri Marineau,  
Executive Assistant