

MINUTES
City of Newport Planning Commission
Work Session
Newport City Hall Council Chambers by Video Conference
September 27, 2021
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 Absent: 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 6:00 p.m.
2. **New Business.**
 - A. **Results from TSP In-Person & Online Open House Preference/Prioritization Survey.** Tokos reviewed the themes, takeaways, and participation for the in-person and online open houses and surveys. Berman asked what the survey response was for the US 101 solutions. Tokos explained that the responses were divided with 46 percent wanted it to stay as a two way, and 41 percent preferred some variation of a couplet. Berman asked how they would determine which project options went into the final TSP and asked if all the options with comments would be presented to the City Council. Tokos explained there would be a combination of recommendations from the project advisory committee, then the Planning Commission and City Council would see this. There had been unanimous support for a short couplet by the TSP Work Group and they needed to take a look at public feedback and decide if they wanted to revisit it or stand where they were at. Hardy thought it was important to pay attention to the written comments instead of the shared numbers. She thought the rationale behind a person's opinion had value and it should be encouraged rather than discouraged. Hardy didn't like the straight numerical data because it was a marginal amount of the response.

Berman pointed out that the options for the US 20 and US 101 intersection wasn't in the draft outreach summary. He asked if these had been presented to the general public. Tokos reported there were a few options relative to the intersection in the survey. Berman was surprised it wasn't in the summary. Tokos noted everything presented in the summary had been simplified to the point that it got challenging because they were putting simplistic data out there and not providing a lot of context. Escobar recalled that the Council had strong opinions on the options being considered. He reminded there was the balance for the finances to consider as well.

Hardy wanted it noted that the traffic congestion was primarily on weekends and the summer. If they started destroying normal accesses to properties as it would on a two way street, they would be deterring people from investing in downtown Newport. Tokos explained that investing in downtown Newport was a big piece of this. They saw a lot of feedback about concerns for mobility. They should keep in mind they needed to set up a structure that was conducive to redevelopment when making investments relative to the downtown core areas. Hanselman pointed out the lack of attention that was given to public transportation even though a lot of people relied on it. Tokos noted they would have to pull public transit into the plan and they would need to supplement it. He had access to the Transit Master Plan done by the County in 2018 that they would use as a basis for this. Tokos agreed that public transit was important and many people relied on it to meet their needs. The capacity of the County transit would limit its utility for people because of their limited resources.

Tokos reported that ODOT, who was managing the project, had some challenges with the consultant getting something deliverable to wrap things up and keep the project moving. He didn't have some of the materials to share at this time because of this and why he had to move some of the discussion back until they had the materials to review.

B. Draft South Beach Commercial/Industrial Land Use Code Audit Findings. Tokos reported that one of the recommendation that Elizabeth Decker with Jet Planning gave was to expand the commercial zoning in South Beach to pick up the 35th Street signal now that it had been relocated. She also thought this should be considered for 40th Street, assuming 40th Street at some point was signalized. They would be looking to expanding this to the south a little bit. Decker recommended that the heavy industrial on the southeast corner of 40th Street and US 101 have an alternate location for this type of zoning. Having heavy industrial that close to a residential planned development could have issues down the road. Tokos questioned if they should push it down further south where the concrete batch plant was around 50th Street. The question was where they should have the heavy industrial, and where the best location was for it.

Tokos reported that Decker recommended limiting uses in the industrial zone that were inconsistent with the development standards in the area. This would revitalize the area and get some commercial and industrial in the area that would pose more for the tax base. Decker pointed out the mini-storage wasn't highly consumptive but didn't add a lot to the tax roll. There were a lot of these in the area already and it needed to be determined if that type of use made sense long-term. Decker recommended the 50 foot setback for the industrial district to go away. Tokos noted they didn't have plans for additional lanes on US 101 so it didn't make a lot of sense for a 50 foot setback was a big impediment for development of these properties. Decker also recommended adding landscaping standard. Decker didn't recommend anything relative to off-street parking, but to just monitor it and not require more than was necessary because it took up a lot of room. She also recommended maintaining the existing nondiscretionary code structure because having clear and objective standards would make it clear for people looking to develop their properties, and give them more certainty on what they could do.

C. South Beach US 101 Island Annexation Concept and Development Incentives. Tokos reviewed the annexation map in the unincorporated areas. He reported the city could annex properties with or without the consent of the property owners if they were surrounded by the city. If a property wasn't surrounded by the city they would have to have the consent of the property owner to annex in. The recommendation was to have this be a project to do annexation and provide an incentive for owners to connect into the sewer system around 50th Street. Tokos reviewed the incentives for connecting to city services which included not paying for System Development Fees and a rebate program to throw in \$10,000 for residential and \$15,000 for commercial lateral connections. Tokos worked with the City Engineer to show that these numbers would be attractive for owners to connect into city services.

Tokos reported he talked to Gary Nyhus about bringing in 90 acres he owned all at once, versus in pieces, and the legal issues to do so. After talking to Nyhus he dropped the annexation figure down to around \$20,000 and making it more workable. This would bring in a nice area of land that would make it clear who was responsible for responding to what. It would also allow these properties to be developed in a more robust urban manner. This would benefit all of the tax communities there. It would also benefit the city because they would be included in their tax base.

Berman asked if they did any calculations of what the immediate increase in city property taxes would be. Tokos explained this was the next step they would do so they had the information for the people being annexed in. Hardy asked if there would be any enhancement required for the sewer treatment capacity in the area. Tokos explained they should have the capacity to take on what was there currently. What happened in terms of redevelopment could mean there be requirements. This would be slow going because the bulk of what was currently there were low intensity uses because they had to be serviced off of holding tanks and septic systems. With certain uses for redevelopment there could be potential intense impacts on the wastewater system and the city needed to be cautious of this.

Berman asked what would the base would be for these properties if they were to annex into the city. He asked if it would be the current assessed valuation or something else. Tokos noted the properties were already in the Urban Renewal District and already had a base. He didn't think it would impact the Urban Renewal revenues a great deal. Berman asked about breweries and their effluent. He asked if Rouge Brewery had fixed things or if they were still accumulating fines. Tokos didn't work directly on this but it was something they could report back to the Commission.

Tokos asked for thoughts on the concept and incentives. Berman asked why Decker suggested reducing the parking requirements. Tokos explained that parking was an impediment to development because it was so land consumptive. They wanted to make sure that whatever ratios they applied didn't leave them with parking lots that were less than half full. Decker was looking to say that if prudent, any of the ratios should allow for fewer off-street space. They still should have adequate parking, but this was about fine tuning it.

Patrick had a problem with reducing heavy industrial. Tokos pointed out an area where industrial could be relocated. Patrick suggested the property north of the sewer plant. Tokos thought south of the existing waste water plant was a good area. They had to be cautious on getting too close to the Wilder residential development.

Berman asked for clarification on the concept of zero setbacks in commercial. Tokos explained it would be a zero setback to the right of way. He thought they might want to impose some form of a setback to be able to have landscaping. Generally it was a better for urban development to have a building closer to US 101 rather than parking. Hanselman wanted to see a buffer between US 101 and a business, but not necessarily 50 feet. Tokos noted they could blend in landscaping to achieve this. Patrick liked a 20 foot setback off the highway. Hanselman like this as well. He asked if the property owners on 40th Street would be willing to change their development strategy. Tokos noted they weren't currently looking to develop and didn't see it being a big impact. At the end of the day this property was more attract to commercial development.

Tokos asked if the Commission was in general agreement for the annexation. He hoped that an incentive packet meant they would be more comfortable with annexing. The Commission was in general agreement with this.

D. Redevelopment Concepts for Agency's 35th and US 101 Site, Project financials, and Final Online Survey.

Tokos reviewed the redevelopment concepts for US 101 and 35th Street. He covered the results on the stakeholder outreach that would be used to finetune the options. Tokos reviewed the three alternative concepts and reported that what they heard was the public wanted a big retailer or grocer in South Beach. He noted that the city could do incentives to get the right type of use there. Tokos reached out to the owner of the building where Airrow Heating was currently located. They were open to going with a bigger project here if it made sense, and if they could do an acquisition for the building for redevelopment. Tokos reminded that the property owners weren't obligated to do anything there. Berman asked what an outdoor garden retail represented. Tokos would ask for clarity on this. He thought this was an outdoor garden area.

Tokos reviewed Alternative 2 for a food destination and Alternative 3 for mixed retail. He pointed out that the owners of the property behind the Toyota dealership would be coming in to divide the property because they wanted to develop half of it. They would be looking at residential over commercial concepts at this location.

Tokos reviewed the considerations for the types of businesses and the levels of support for each. East pointed out they didn't include fuel stations in the plan. Tokos noted this came out in the community outreach and the question was if they really wanted a fuel station to be the gateway entrance to South Beach. The thought was if 40th Street was signalized, it would make more sense there. They could accommodate this on any of the examples and still achieve some of the results. A fuel station would drive how attractive the area would be for other uses on the same site. Hanselman thought fuel stations would be a good location for charging stations as well.

Tokos reviewed the preliminary project cost scenarios next. He noted there was a current online survey that was active to allow the public to weigh in on projects and redevelopment concepts. They would be looking to wrap up the refinement plan and do a final report for the Urban Renewal Agency. This would also be reviewed by the Commission.

E. Update on Implementation of the 2019 Short-Term Rental Ordinance (Informational).

Tokos reported that the city was wrapping up the renewal period for short-term rental (STR) licenses. There were 198 STRs in the overlay and 38 outside of the overlay. The number outside of the overlay went down from 45 since the beginning of the program. The waitlist had over 81 names on it and it would take three to four years for someone to get a license. Homeshares and B&Bs hadn't changed much. Tokos reported that there weren't many

complaints submitted on the hotline as well. He noted that LodgingRevs had been sold. The system now had enhancements to do automated responses for when someone made a complaint and for when a complaint had been resolved. Also, hotline calls were being recorded and were available to the Community Service Officer. Tokos reported that things were slow to get the business license and STR lodging tax payments automated. The City was working with the State to have them collect lodging taxes. If the State started collecting for the City, they would be able to get the individual room tax remittance from Airbnb. Currently Airbnb wouldn't break this down for the City.

Hanselman asked about nonconforming vacation rentals. Tokos reported that an inactive nonconforming STR would be able to get a license within 12 months, and a closed license was closed. Berman asked if the City was looking at room tax remittances to confirm the use requirement. Tokos reported that during the renewal period the City was looking at if they had 30 days of rentals within 12 months. He noted that for the last two years the use requirement had been changed to just 15 days due to pandemic. Berman asked how they knew if they were inactive. Tokos reported when they didn't renew, they were changed to inactive.

Hanselman thought that the STR Work Group was going to look at a phase out. Tokos noted there hadn't been a recommendation from the Work Group to make a change in that manner. He got the feeling they wanted to keep monitoring how things were working for a little bit longer. Branigan noted the pandemic made the Work Group want to wait a few years to make a decision. He reported that a property manager on the Work Group brought up at the meeting that they were seeing multiple families buying a house and then using them between owners to bypass STR requirements. Hardy noted if they weren't paying rent it wouldn't be considered a rental.

3. Unfinished Business.

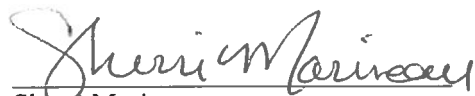
- A. Updated Planning Commission Work Program. Patrick reported he would not be attending any of the October meetings. Branigan confirmed he would be available all of October to fill in for Patrick.

Tokos reviewed the updated work program. He noted he was asked to participate in the Nye Neighborhood Association meeting to provide background on the Nye Review District and other topics. Tokos reported the City was approved for the TGA grant. This would fire up early in the next year. There was a \$140,000 grant that the City would have to match \$35,000 of the funds.

Tokos confirmed that the Food Cart Ordinance would go into effect on October 7th. The City Council elected to put the City Center in with the Bayfront and Nye Beach in terms of how the code was recommended by the Commission. In these three areas, private properties were limited to pods only and each area would have four floating vending licenses for food trucks that wanted to park in striped spaces. Tokos reported he expected to see pop up of food trucks at the old Les Schwab location and in Agate Beach.

4. Adjourn. The meeting adjourned at 7:16 p.m.

Respectfully submitted,



Sherrin Marineau,
Executive Assistant