

CITY OF NEWPORT

ORDINANCE NO. 2220

AN ORDINANCE AMENDING CHAPTER 14.03 OF TITLE XIV
OF THE NEWPORT MUNICIPAL CODE TO ESTABLISH
“CUSTOM CREATIVE WORK” AS A NEW, SMALL-SCALE
LIGHT MANUFACTURING USE CATEGORY

(Newport File No. 2-Z-23)

Findings:

1. On September 11, 2023, the Newport Planning Commission and Commission Advisory Committee received a proposal from the Coastal Arts Guild to establish a new, small-scale light-manufacturing use category for “Custom Creative Work.” The proposal was accompanied by sample code language from Seattle that placed an emphasis on uses that are made to order or require a significant amount of handwork without the use of a mechanized assembly line.
2. Newport’s existing zoning regulations prohibit manufacturing uses in commercial zone districts, unless they are ancillary to a retail activity. This proposal creates a niche for small-scale manufacturing uses, without a retail component, to be permitted in commercially zoned areas.
3. At a November 13, 2023 work session, the Planning Commission and Commission Advisory Committee reviewed a draft set of amendments to NMC Chapter 14.03 that establish “Custom Creative Work” as a subgroup of the manufacturing and production industrial use category. The amendments include example uses that align with the concept provided by the Coastal Arts Guild and the Seattle code. The size of these small-scale manufacturing operations would be capped at 2,000 square feet, which aligns with the conditional use threshold in the Nye Beach Design Review Overlay. The amendments further frames “custom creative work” as activities that place an emphasis on custom orders, involve significant handwork in the manufacturing process, and do not utilize a mechanized assembly line.
4. After reviewing the draft language, and requesting minor edits, the Planning Commission initiated the process of amending Newport Zoning Ordinance, codified as Title XIV of the Newport Municipal Code, at its November 13, 2023 regular session.
5. The draft amendments, if approved, would add “Custom Creative work” as a classification of manufacturing permitted in the City’s commercial and light-industrial zones. It would be listed as conditional in medium and heavy industrial zoned areas, because those designations allow fairly intensive industrial activities that could be incompatible.
6. The Newport Planning Commission held a public hearing on January 22, 2024 to consider public testimony and comment on the draft amendments and, at the conclusion of the hearing, passed a motion recommending the City Council adopt the changes. In making its recommendation, the Commission concluded that the amendments satisfy the City’s requirement

that legislative amendments be necessary and further the general welfare of the community because they ensure that the Municipal Code provisions that the City enforces align with new state law.

7. The City Council held a public hearing on February 20, 2024 regarding the question of the proposed amendments, and, after considering the recommendation of the Planning Commission and evidence and argument in the record, adopted the ordinance, concluding that it is necessary and furthers the general welfare of the community.

8. Information in the record, including affidavits of mailing and publication, demonstrate that appropriate public notification was provided for both the Planning Commission and City Council public hearings.

THE CITY OF NEWPORT ORDAINS AS FOLLOWS:

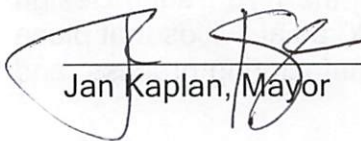
Section 1. Findings. The findings set forth above are hereby adopted in support of the amendments to Title XIV of the Newport Municipal Code adopted by Section 2 of this Ordinance.

Section 2. Municipal Code Amendment. Chapter 14.03 of Title XIV of the Newport Municipal Code is hereby amended as set forth in Exhibit "A".

Section 3. Effective Date. This ordinance shall take effect 30 days after passage.

Date adopted and read by title only: 2-20-2024

Signed by the Mayor on 2/20/24, 2024.



Jan Kaplan, Mayor

ATTEST:



Erik Glover, Asst. City Manager/City Recorder

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

CHAPTER 14.03 ZONING DISTRICTS

14.03.060 Commercial and Industrial Districts.

The uses allowed within each commercial and industrial zoning district are classified into use categories on the basis of common functional, product, or physical characteristics.

D. Industrial Use Categories

2. Manufacturing and Production

a. Characteristics. Manufacturing and Production firms are involved in the manufacturing, processing, fabrication, packaging, or assembly of goods. Natural, man-made, raw, secondary, or partially completed materials may be used. Products may be finished or semi-finished and are generally made for the wholesale market, for transfer to other plants, or to order for firms or consumers. Goods are generally not displayed or sold on site, but if so, they are a subordinate part of sales. Relatively few customers come to the manufacturing site. Manufacturing and production activities within heavy commercial or light industrial areas are those that do not produce excessive noise, dust, vibration, or fumes.

b. Examples. Examples include uses from the ~~two~~three subgroups listed below:

i. Custom Creative Work: Small-scale light manufacturing uses that are made to order or which involve considerable handwork as part of the production process. Such uses are produced without the need of a mechanized assembly line, and are wholly contained within a structure such that they can be located within commercial zones and near residential areas without creating nuisance impacts. Uses include artwork, sculptures, candle-making, pottery, ceramic tile making, leatherwork, clock work, jewelry making, food and

beverage production, glassblowing, soap-making, fine carpentry, and small-press printing. Such activities may include student/apprentice instruction on an individual basis or in a workshop setting.

- iii. Light Manufacturing: Industrial uses that do not generate excessive noise, dust, vibration or fumes, such that they can be located near residential and commercial zones without creating nuisance impacts. Uses include processing of food and related products where the materials and processing activities are wholly contained within a structure, such as bakery products, canned and preserved fruits and vegetables, sugar and confectionary products, and beverages; catering establishments; breweries, distilleries, and wineries; manufacture of apparel or other fabricated products made from textiles, leather or similar materials; woodworking, including furniture and cabinet making; fabrication of metal products and fixtures; manufacture or assembly of machinery, equipment, or instruments, including industrial, commercial, and transportation equipment, household items, precision items, photographic, medical and optical goods, artwork, jewelry, and toys; manufacture of glass, glassware, and pressed or blown glass; pottery and related products; printing, publishing and lithography production; sign making; and movie production facilities.
- iii. Heavy Manufacturing: Industrial uses that should not be located near residential areas due to noise, dust, vibration or fumes that may be generated by the activities. Uses include processing of food and related products where some portion of the materials are stored or processed outdoors, such as dairies, slaughter houses, or feed lots; leather tanning and finishing; weaving or production of textiles; lumber mills, pulp and paper mills, and other wood products manufacturing; production of chemicals, rubber, structural clay, concrete, gypsum, plaster, bone, plastic, or stone products; primary metal industries including blast furnaces, foundries, smelting, and rolling and finishing of metal products; production and refinement of fossil fuels; concrete batching; and asphalt mixing; and manufacturing of prefabricated structures, including mobile homes.

- c. Exceptions.
 - i. Manufacturing of goods to be sold primarily on-site and to the general public is classified as Retail Sales and Service.
 - ii. Manufacture and production of goods from composting organic material is classified as Waste-Related uses.

Staff: Creates a new category for “Custom Creative Work,” where the light manufacturing activities are small-scale endeavors to create custom or handmade products that do involve the use of a mechanized assembly line (Seattle example). The activity must be contained within a structure. Example uses listed include those outlined in the proposal by the Coastal Arts Guild and Seattle code. It is relevant to note that this new category is intended to allow small scale manufacturing of goods that are not sold primarily on-site. The City’s code already allows small-scale manufacturing where the goods are sold primarily on-site as a Retail Sales and Service” use (see above). A reference to “small-batch canning and brewing” was replaced with “food and beverage production” per the Commission’s request at the 11/13/23 work session. An allowance for student/apprentice instruction was added at Carol Shenk’s request following the work session.

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	C	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. Custom Creative Work ⁸	<u>P</u>	<u>P</u>	<u>P</u>	<u>P</u>	<u>C</u>	<u>C</u>
	ab. Light Manufacturing	X	X	C	P	P	P
	bc. 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 ^{7.}	P	P	C ^{7.}	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; salvage or wrecking of heavy machinery, metal and building materials; towing and vehicle storage; and auto and truck salvage and wrecking are prohibited within the South Beach Transportation Overlay Zone, as defined in Section 14.43.020.
7. Subject to the requirements of ORS 197.782. An emergency shelter proposed within a C-2 or I-2 zone district shall be subject to a public hearing before the Newport City Council.
8. Use limited to a maximum of 2,000 square feet of gross floor area.

Staff: A new category for custom creative work has been added with a stipulation that such uses be limited to 2,000 square feet of gross floor area. The new use category is permitted outright in the City's commercial and light industrial zones. Newport has a relatively small amount of medium and heavy industrial zoned properties where more intense industrial uses are allowed. This new category is listed as conditional in those zones, so that policymakers can evaluate proposals for compatibility with the broad range of industrial activities that can locate in these areas. The footnote was revised to clarify "use" not "building" is subject to 2,000 sq. ft. limit, as requested by the Commission at the 11/13/24 work session.