

*"Making a difference through excellence of service"*



# CITY OF WARRENTON

## Warrenton Planning Commission

### AGENDA

October 11, 2018 | 6 PM | City Hall - Commission Chambers

1. Attendance
2. Flag Salute
3. Public Comment Period on *Non-Agenda* Items
4. Approval of minutes of August 9, 2018
  - *Action Item*
5. Type 4 Public Hearing: Development Code Amendment (DCA 18-4)
  - Applicant: Pacific Seafoods
  - Proposal: Amend Water Dependent Industrial (I-2) to allow dormitory style housing as outright permitted use under strict conditions.
  - *Action Item*
6. Staff Announcements & Project Updates
7. Next Meeting: November 8, 2018

*Planning Commission will adjourn to a work session to review the Final Draft of the Transportation System Plan Update. The TSP Update is scheduled for a public hearing on November 8. Work sessions are open to the public. However, there is no public comment period.*

**CITY OF WARRENTON  
PLANNING AND BUILDING DEPARTMENT**

**1. REZONE** (To be accompanied by a map showing the subject property, a copy of property deed and Letter of Authorization, if applicable)

**2. COMPREHENSIVE PLAN TEXT OR MAP AMENDMENT**

**3.**

**DEVELOPMENT CODE TEXT AMENDMENT**

OFFICE USE ONLY	
FILE # <u>R2-18-1</u>	<u>DCR-18-4</u>
FEE \$ <u>2000.00</u>	<u>\$1,000.00</u>
RECEIPT # _____	
DATE RECEIVED <u>9/4/18</u>	

Legal Description of the Subject Property (if applicable):

Township	Range	Section	Tax Lot
<u>N/A</u>	<u>N/A</u>	<u>N/A</u>	<u>N/A</u>

Street address of the property (if applicable): N/A

**I/WE, THE UNDERSIGNED APPLICANT OR AUTHORIZED AGENT, AFFIRM BY MY/OUR SIGNATURE(S) THAT THE INFORMATION CONTAINED IN THE FOREGOING APPLICATION AND ASSOCIATED SUBMISSIONS IS/ARE TRUE AND CORRECT.**

**APPLICANT:**

Printed Name: Pacific Seafood Group, c/o Michael Miliucci *(Corporate Counsel)*

Signature: *Pacific Seafood Group* Date: 9-30-18

Address: PO Box 97 Phone: (503) 905-4500

City/State/Zip: Clackamas, OR 97015 Fax: N/A

**PROPERTY OWNER (if different from Applicant)**

Printed Name: N/A

Signature: N/A Date: N/A

Address: N/A Phone: N/A

City/State/Zip: N/A Fax: \_\_\_\_\_

\*\*\*\*\*

Place an "x" on applicable request(s):

Rezone
  Comprehensive Plan Text amendment  
 Comprehensive Plan Map amendment
  Development Code text amendment

\*\*\*\*\*

**REZONE**

\*\*\*\*\*

1. Existing use of site: N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Existing zoning of the subject property: N/A  
\_\_\_\_\_

3. Proposed zoning designation of the subject property: N/A  
\_\_\_\_\_

4. Zoning designation of surrounding properties:  
North: N/A  
South: N/A  
West: N/A  
East: N/A

5. Does the proposal conform to the applicable Oregon State Statutes? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, please explain N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please describe why the proposal does not or will not conform to the Oregon State Statutes.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

6. Does the proposal conform to Statewide Planning Goals? Yes \_\_\_\_\_ No \_\_\_\_\_  
If yes, please the list the applicable Statewide Planning Goals and how the proposal conforms to the goals.  
N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please describe why the proposal does not or will not conform to the Statewide Planning Goals.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

7. Does the proposal conform to Warrenton Comprehensive Plan, and Development Code? Yes  X   
No \_\_\_\_\_

If yes, please explain how this proposal conforms to the Warrenton Comprehensive Plan, and Development Code.

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

8. Is there a change of circumstances or further studies justifying the amendment or mistake in the original zoning. N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
COMPREHENSIVE PLAN TEXT AMENDMENT  
\*\*\*\*\*

1. Which chapter and section of the Warrenton Comprehensive Plan is this request for?  
N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. Does the proposal conform to the applicable Oregon Revised Statutes? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please explain:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_



3. Does the proposal conform to the Statewide Planning Goals? Yes \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the applicable Statewide Planning Goals and how this proposal conforms to the Goals.

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please describe:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Does the proposal conform to Warrenton Comprehensive Plan and Development Code? Yes \_\_\_\_\_  
No \_\_\_\_\_

If yes, please explain. N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please explain. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Is there a change of circumstances or further studies justifying the amendment or mistake in the original zoning. N/A

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\*\*\*\*\*  
COMPREHENSIVE PLAN MAP AMENDMENT  
Please provide a map showing the proposed area to be amended.  
\*\*\*\*\*

Before an amendment to a zone boundary is approved, findings will be made that the following criteria are satisfied.

1. The map amendment is consistent with the Comprehensive Plan.

N/A  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

2. The map amendment will:
- a. Satisfy land and water use needs; or  
N/A  


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  - b. Meet transportation demands; or  
N/A  


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  - c. Provide community facilities and services:  
N/A  


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3. The land is physically suitable for the uses to be allowed, in terms of slope, geological stability, flood hazard and other relevant considerations.  
N/A  


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4. Resource lands, such as wetlands are protected.  
N/A  


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5. The amendment is compatible with the land use development pattern in the vicinity of the request.  
N/A  


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\*\*\*\*\*  
 DEVELOPMENT CODE TEXT AMENDMENT  
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1. Which chapter and section of the Warrenton Development Code is this request for?  
Amend Warrenton Development Code Section 16.64.020 to add "hotel" as a permitted use.  


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2. Does the proposal conform to the applicable Oregon State Statutes? Yes  No

If yes, please explain \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

If no, please explain.  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

3. Does the proposal conform to the Statewide Planning Goals? Yes  \_\_\_\_\_ No \_\_\_\_\_

If yes, please list the applicable Statewide Planning Goals and how this proposal conforms to the goals. See attached Application narrative. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

If no, please describe why the proposal does not or will not conform to the Statewide Planning Goals.

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

4. Does the proposal conform to the Comprehensive Plan and Development Code? Yes  \_\_\_\_\_ No \_\_\_\_\_

If yes, please explain. See attached Application narrative. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_

If no, please explain. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

5. Is there a change of circumstances, or further studies justifying the amendment or mistake in the original zoning. See attached Application narrative. \_\_\_\_\_

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

Return Application To: City of Warrenton  
Planning and Building Department  
PO Box 250  
225 S. Main Street  
Warrenton, Oregon 97146

Phone: 503-861-0920  
Fax: 503-861-2351

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## CITY OF WARRENTON

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October 4, 2018

To: Warrenton Planning Commission  
From: Kevin A. Cronin, AICP, Community Development Director  
Re: Amendment to Warrenton Municipal Code (WMC) 16.64.020 Water Dependent Industrial Shorelands (I-2) Land Use District (File: DCR 18-3)

The purpose of this memo is to outline a proposed Development Code amendment to the I-2 Water Dependent Industrial Shorelands Land Use District. The amendment is proposed by Pacific Seafoods, which owns multiple properties for its long time, seafood processing business in Warrenton. As a result of a severe housing shortage for seasonal and full-time employees, Pacific Seafoods has considered multiple options to house employees. The proposal is just one specific approach to providing a range of housing options in an area that is experiencing a housing crisis. A brief summary of the changes is described below along with required findings for a text amendment to the Development Code (DCA 18-4).

### **Background**

The I-2 Land Use District (WMC 16.64) does not allow residential uses of any kind. In general, shorelands are a unique land asset intended to support water dependent uses only, such as seafood processing, and preserve those limited lands over time for marine-based businesses. Pacific Seafoods has capacity in an existing office at one of its processing facilities near Hammond that it wants to repurpose into temporary, seasonal employee housing in a dormitory style setting. The current Development Code did not contemplate the need for employee housing and does not support its inclusion. Therefore, Pacific Seafoods has proposed a very strict definition of dormitory style, employee only housing with an operations and maintenance plan to ensure it does not get converted to other residential types, a hotel use, continuing the use after change in ownership in effect negating a potential non-conforming use, or managed in a way contrary to the intended need. The carefully worded definition includes a specific nexus between the employees and the existing water dependent use and also allows other employees for another location. The latter is intended to allow employees from the new processing facility on the Skipanon River to use the housing that would be located near Hammond. Staff has worked with the applicant and the Department of Land Conservation & Development (DLCD) on a proposal that meets a local policy objective of creating new housing opportunities while preserving shorelands for its intended use. The City's interest in creating more housing opportunities is potentially in conflict with Statewide Land Use Planning Goals

(Goal 17 Coastal Shorelands). DLCD is not aware of any cities that have considered a similar proposal to address a housing shortage and therefore is receiving more scrutiny and feedback to ensure the proposal can meet statewide policy.

### **Procedures & Public Notice**

A property owner or an authorized person has the authority to initiate a text amendment according to WMC 16.208.070(D) General Provisions. This proposal is being reviewed pursuant to Warrenton Municipal Code Sections 16.208.060 (Type IV Procedure - Legislative and Map Amendments), 16.232 (Land Use District Map and Text Amendments), Comprehensive Plan (CP), Statewide Planning Goals, Oregon Revised Statutes and the Oregon Administrative Rules.

A pre-application conference was held on August 8, 2018. The application was received on September 4, 2018 with revised findings submitted on September 26, 2018 after consultation with the DLCD. The City published notice of the Planning Commission public hearing in *The Columbia Press* September 14, 2018. No public comments have been received to date. City staff sent a notice of proposed plan amendment (PAPA) to DLCD on September 4, 2018.

### **FINDINGS**

The applicant has submitted findings of fact and are included under separate cover. Below are additional findings of fact. In cases where staff findings differ from the applicant's representative findings they are emphasized below.

#### **Comprehensive Plan**

*Comprehensive Plan Section 3.310: It is the City's policy to encourage development of housing needed to accommodate desired growth, and to provide every Warrenton household with an opportunity to obtain a decent home in a suitable neighborhood.*

*Section 3.310 Strategies: (6) Work with the development community to ensure creation of new housing that meets identified future needs.*

*Section 3.330 Industrial Lands: Uses which are not water dependent or water related are provided for, but only when they do not foreclose options for future higher priority uses and do not limit the potential for more intensive uses of the area.*

Response: The City has a policy that encourages different housing types and opportunities for decent housing. The promotion of employee housing is consistent with this policy and a strategy that supports the creation of new housing to meet unprecedented demand. In addition, the proposal is defined in a way that doesn't preclude water dependent uses in the future. Standard is met.

Comprehensive Plan Section 9.310 City Economy: *(4) Encourage present employers to expand their operations and aid them in doing what is necessary to maintain an economic base for employment within the city.*

Response: The above policy clearly and strongly advocates for expansion of present employers. However, it is silent on employee housing. In order to maintain an economic base in the city, workforce housing has become a critical issue to finding and retaining employees. In addition, employers such as Bornstein Seafoods and Hampton Lumber are considering investments in dedicated housing for employees to provide a stable employment environment. Standard is met.

## **Compliance with Oregon's Statewide Planning Goals and Related Rules and Statutes**

### **Goal 1, Citizen Involvement**

Goal 1 outlines policies and procedures to be used by local governments to ensure that citizens will be involved "in all phases of the planning process."

This proposal for a development code amendment is being reviewed in accordance with the acknowledged provisions for citizen involvement in the municipal code. It does not propose any changes to those provisions. This application therefore complies with Goal 1.

### **Goal 2, Land Use Planning**

Goal 2 requires local governments to "establish a land use planning process and policy framework as a basis for all decisions and actions related to use of land and to assure an adequate factual base for such decisions and actions."

The proposal and applicable comprehensive land use plan policy is being reviewed by the Planning Commission who will forward a recommendation to the City Commission who will ultimately render a decision, which satisfies Goal 2.

### **Goal 3, Agricultural Lands**

Goal 3 deals with conservation of “agricultural lands” as defined in that goal. The goal’s provisions are directed toward counties, not cities (such as Warrenton). The goal states, “Agricultural land does not include land within acknowledged urban growth boundaries....” This goal does not apply.

### **Goal 4, Forest Lands**

Goal 4 deals with conservation of “forest lands” as defined in that goal. Details about such conservation are set forth in related administrative rules: OAR Chapter 660, Division 006. OAR 660-006-0020 states: “Goal 4 does not apply within urban growth boundaries....” This goal does not apply.

### **Goal 5, Natural Resources, Scenic and Historic Areas, and Open Spaces**

The basic aim of Goal 5 is “To protect natural resources and conserve scenic and historic areas and open spaces.” Because no such natural resources, scenic and historic areas and open spaces will be affected, this goal does not apply.

### **Goal 6, Air, Water and Land Resources**

Statewide Planning Goal 6 is “to maintain and improve the quality of the air, water and land resources of the state.” It deals mainly with control of “waste and process discharges from future development.” Because no development is proposed, this goal does not apply.

### **Goal 7, Areas Subject to Natural Hazards**

Statewide Planning Goal 7 is to “to protect people and property from natural hazards.” This proposed code amendment does not address natural hazards and therefore is not applicable.

### **Goal 8, Recreational Needs**



Goal 8 is “to satisfy the recreational needs of the citizens of the state and visitors and, where appropriate, to provide for the siting of necessary recreational facilities including destination resorts.” This goal does not apply to the proposal.

**Goal 9, Economic Development**

Goal 9 is to strengthen the ensure there is adequate land for commercial and industrial development and policies to support the type of industries that a local government wants to attract and grow. The addition of employee housing supports local economic development and empowers employers to solve the housing shortage by offering needed housing types to its employees.

**Goal 10, Housing**

Statewide Planning Goal 10 is “to provide for the housing needs of citizens of the state.” The goal requires cities to assess future need for various housing types and to plan and zone sufficient buildable land to meet those projected needs. Goal 10 is silent on employee housing. The City will be conducting a housing needs analysis to determine its buildable lands and needed residential types. The proposal encourages temporary housing so it does not affect housing supply long term.

**Goal 11, Public Facilities and Services**

Goal 11 is “to plan and develop a timely, orderly and efficient arrangement of public facilities and services to serve as a framework for urban and rural development.” The proposal does not materially affect public facilities. Standard does not apply.

**Goal 12, Transportation**

Goal 12 is “to provide and encourage a safe, convenient and economic transportation system.” This goal is not applicable.

**Goal 13, Energy**

Goal 13 is simply “to conserve energy” and does not apply.

#### **Goal 14, Urbanization**

Goal 14 is “to provide for an orderly and efficient transition from rural to urban land use, to accommodate urban population and urban employment inside urban growth boundaries, to ensure efficient use of land, and to provide for livable communities.” The proposal maximizes existing and underutilized shorelands for seasonal employee housing. Standard is met.

#### **Goal 15, Willamette River Greenway**

Goal 15 deals with lands adjoining the Willamette River and does not apply to this proposal.

#### **Goal 16, Estuarine Resources**

Goal 16 is “to recognize and protect the unique environmental, economic, and social values of each estuary and associated wetlands; and to protect, maintain, where appropriate develop, and where appropriate restore the long-term environmental, economic, and social values, diversity and benefits of Oregon's estuaries.” Because the code amendment would not affect any natural estuarine characteristics, this goal does not apply.

#### **Goal 17, Coastal Shorelands**

Goal 17 aims “to conserve, protect, where appropriate, develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and aesthetics.” The proposal does potentially impact Goal 17 with the addition of housing in the I-2 Land Use District. However, the definition is so strictly worded that it would not detrimentally affect any other properties in the I-2 zone and would be incidental to the water dependent use. In addition, the supply of Goal 17 lands has not changed substantially since Comprehensive Plan acknowledgement. However, the City needs to conduct a current inventory to determine impacts of potential zone change requests.

#### **Goal 18, Beaches and Dunes**

Goal 18 says that “coastal areas subject to this goal shall include beaches, active dune forms, recently stabilized dune forms, older stabilized dune forms and interdune forms.” This goal does not apply.

### **Goal 19, Ocean Resources**

Goal 19 deals with management of resources in Oregon’s territorial sea (the waters bordering the state’s coastline). Goal 19 does not apply to this application.

### **OAR 660, Division 12 – Transportation Planning Rule**

The proposal is not expected to materially alter the traffic generated on or from I-2 zoned lands and therefore there are no significant effects to a transportation facility. In addition, the City is poised to adopt a new Transportation System Plan in 2018 with alternative mobility standards for state highways. As a result, higher levels of traffic and a lower level of service are expected within the planning horizon.

### **CONCLUSIONS & RECOMMENDATION**

Adoption of the code amendment would fulfill the comprehensive plan policy regarding housing and economic development while preserving shorelands for marine development. The action would also meet the applicable statewide planning goals, including Goal 17 Coastal Shorelands. Most importantly, incorporating this change to the Development Code would facilitate more investment in employee housing without creating impacts to surrounding neighborhoods or jeopardize the long-term supply of water dependent industrial shorelands.

It is highly unusual for staff to review a text amendment proposal and not refute or question the findings of fact. The thoroughness, exacting nature, and rationale of applicant’s findings of fact is defensible, commendable, and provides a remedy to a communitywide problem. Therefore, staff would recommend adopting the applicant’s findings.

Based on staff’s findings and conclusions, the findings of fact contained in the application, staff recommends that the Planning Commission direct staff to prepare a draft ordinance, schedule a public hearing, and present to the City Commission with a recommendation to adopt.

Suggested motion: *Based on the findings and conclusions of the October 4, 2018 staff report, and findings contained in the application, I move to recommend changes to the Development*

*Code as described in DCR 18-4, draft an ordinance, and forward to the City Commission for a proposed public hearing on November 13 with a recommendation to adopt.*

*Alternative Motion: I move to continue the hearing to a date certain on November 8 to allow additional public testimony and reconsider the application.*

BEFORE THE PLANNING COMMISSION  
 AND THE CITY COMMISSION  
 FOR THE CITY OF WARRENTON, OREGON

In the Matter of a Type IV Application to )  
 Amend Warrenton Development Code (the ) FINDINGS OF FACT AND  
 “WDC”) Section 16.64.020 to Allow ) CONCLUSIONS OF LAW  
 Dormitories for Employees of Water ) (ORIGINALLY SUBMITTED AUGUST  
 Dependent Industrial Uses (the ) 31, 2018; REVISED SEPTEMBER 25,  
 “Application”) in the (“I-2”) Zoning District ) 2018)  
 )

**I. Request.**

This Type IV legislative amendment Application to the text of the WDC, the City’s acknowledged land use regulations, requests that the Planning Commission (the “Planning Commission”) recommend approval to, and that the Warrenton City Commission (the “City Commission”) approve, a text amendment to amend WDC 16.64.020, permitted uses in the Water-Dependent Industrial Shorelands (“I-2”) Zoning District, to add the following use:

**“N. Dormitory. A dormitory only for employees of one or more industrial water-dependent uses in the I-2 zoning district. The dormitory shall be on a lot which includes one or more benefitting industrial water-dependent uses. The dormitory shall be discontinued if either the ownership changes so that the lot on which the dormitory is located is no longer controlled by the owner of one or more of the benefitting industrial water dependent uses, or the benefitting industrial water-dependent use on the same lot as the dormitory ceases to operate. The dormitory may house workers of other industrial water-dependent uses if in the same ownership as the lot on which dormitory is located.”**

The purpose of the text amendment is to allow work force housing in the City’s I-2 zoning district to accommodate the unmet need for affordable, short-term housing for employees of water-dependent industries in the I-2 zoning district. The amendment is solely for the benefit of employees of water-dependent industrial uses in the I-2 zoning district.

**II. Classification of Application and Procedure.**

**A. Authority to Initiate the Application.**

WDC 16.208.070.D.1.a.iv provides that a legislative amendment to the City’s land use regulations, the WDC, may be initiated by a record owner of property. **Exhibit 1** to this

Application is a completed City of Warrenton land use application form signed by the authorized representative of Pacific Seafood Group, a record owner of property within the City of Warrenton, Oregon.

**B. Characterization of the Application as a Legislative Application.**

This Application is properly characterized as a legislative application and not as a quasi-judicial application. WDC 16.208.020.D. The application is properly characterized as a legislative application because it makes new law as opposed to applying existing law.

**C. Procedure Type.**

This Application is characterized as a Type IV Application because the final decision is made by the City Commission following a recommendation by the Planning Commission and includes a text amendment to the WDC. WDC 16.208.020.D.

**D. Pre-Application Meeting.**

WDC 16.208.060.A requires a pre-application meeting. The City held a pre-application meeting with the Applicant on August 8, 2018 (**Exhibit 2**). The pre-application meeting met the requirements of WDC 16.208.070.C.

**E. Application Requirements.**

This Application meets the requirements of a Type IV application by providing the information required for a Type IV amendment. The Application provides the information required by WDC 16.208.060.B, findings of fact and other evidence to support the request and addresses all applicable approval criteria as required by WDC 16.208.060.F.

**F. Description of Proposed Amendment.**

The proposed text amendment requests that the City amend the I-2 zoning district to allow dormitories as a permitted use. The I-2 zoning district implements Goal 17, "Coastal Shorelands".

WDC 16.64.020, "Permitted Uses", lists the current permitted uses in the I-2 zoning district. Among the permitted uses are WDC 16.64.020.A.1, "Water-Dependent Industrial Uses Including Seafood Receiving and Processing." This revised text amendment Application proposes to add new permitted use "N." to allow a dormitory for employees of water-dependent industrial uses in the I-2 zoning district.

Pacific Seafood maintains two water-dependent industrial uses in the I-2 zoning district. The first facility is the Pacific Seafood's processing plant which processes seafood. The second is Bio Oregon which processes the residue from Pacific Seafood.

Pacific Seafood proposes to purchase an existing lot adjacent to Bio Oregon, known as Pacific Fabrication, which contains a vacant, water-dependent industrial use. Pacific Seafood proposes to combine the lots on which Bio Oregon and Pacific Fabrication are located so that a

single lot, owned by Pacific Seafood's owner, controls both uses. Pacific Seafood then proposes to modify the vacant office space of the existing Pacific Fabrication building to convert it into an employee dormitory. The dormitory will serve employees of the two Pacific Seafood water-dependent industrial uses in the I-2 zoning district.

As explained elsewhere in this Application, the proposed text amendment satisfies the requirements of Goal 17 and its implementing administrative rule.

**Exhibit 3** shows the proposed amendment. The proposed text amendment adds "dormitory" as a new permitted use to the list of permitted uses in the I-2 zoning district. The purpose of the text amendment is to allow dormitories in the I-2 zoning district exclusively for employees of industrial water-dependent uses located in the I-2 zoning district. The text amendment does not allow a dormitory for general public use. The purpose of the text amendment is to provide affordable, short-term work force housing for employees of water-dependent industrial uses in the I-2 zoning district.

### **G. Public Review Procedure for the Application.**

After the City accepted the original Application, the City provided notice of the Application and the first Planning Commission hearing date to the Oregon Department of Land Conservation and Development ("DLCD") thirty-five (35) days before the first Planning Commission hearing date on October 11, 2018. WDC 16.208.060.C.2.d. The City was not required to mail notice of the hearing to surrounding property owners. The Planning Commission will hold a public hearing on the Application and make a recommendation to the City Commission and the City Commission will hold a public hearing on the Application. WDC 16.208.060.G. The City will provide notice of the City Commission's final decision within twenty (20) days to DLCD and anyone who testified orally or in writing before the Planning Commission or the City Commission.

The Applicant submitted this revised Application on September 25, 2018. The revised Application includes revised text amendment language developed through coordination with the Department of Land Conservation and Development ("DLCD") and the City and revised findings addressing Statewide Planning Goal (the "Goals") 17, "Coastal Shorelands", and its implementing administrative rule in OAR Chapter 660, Division 037, "Goal 17 Water-Dependent Shorelands.

### **III. Reasons for the Amendment.**

Pacific Seafood Group makes this Application because it is a large employer in the City and has found it difficult to keep existing employees and hire new employees due to the lack of affordable short-term housing. Pacific Seafood Group maintains a processing plant in the City ("Pacific Seafood") and also operates Bio-Oregon ("Bio-Oregon"), a non-adjacent facility that processes the residue from Pacific Seafood. Both uses are water-dependent uses as defined in Goal 17 and OAR 660-037-0040(6). The peak demand for work force housing occurs during the Shrimp, Whiting and Crab seasons, about six to eight months each year. As explained in Part IV, "Applicable Approval Criteria", the City has an acknowledged need for affordable work force housing. In this case, the lack of work force housing at affordable prices, acknowledged in

the Warrenton Comprehensive Plan (the “Plan”), makes it difficult for Pacific Seafood Group’s employees to find acceptable housing for needed rental periods at affordable prices. Pacific Seafood Group has determined that it must provide work force housing for its employees.

This amendment to the WDC is necessary to allow Pacific Seafood Group to purchase an existing vacant building in the I-2 zoning district in order to provide a dormitory for work force housing in the building. The proposed text amendment discussed with the City’s Planning Director and DLCD prior to submittal of this revised Application amends the I-2 zoning district list of permitted uses to accomplish this purpose. If adopted by the City Commission, the dormitory use will provide affordable work force housing to its workers. This legislative amendment is a reasonable solution to the identified problem without requiring Pacific Seafood Group or another developer to construct additional multi-family dwelling units, or to compete with full-time City residents for affordable housing.

#### **IV. Applicable Approval Criteria.**

This legislative amendment to the City’s land use regulations requires the Applicant to demonstrate that the applicable approval criteria, including relevant Goals, administrative rules implementing the Goals (the “Rules”), and provisions of the acknowledged Plan, are satisfied. ORS 197.195(2)(d); WDC 16.208.060.F. This part of the Application addresses the relevant Goals, Rules and Plan findings and policies for the proposed legislative amendment.

##### **A. WDC Chapter 16.64, “Water-Dependent Industrial Shorelands” (I-2 District”).**

**FINDING:** The purpose of WDC Chapter 16.64 is set forth in WDC 16.64.010. The I-2 zoning district is to provide water-dependent industrial shorelands and is to maintain water-dependent industrial shorelands areas for uses allowed by Goal 17. Among the purposes are to allow “uses which are not water-dependent or water-related when they do not foreclose options for future higher priority uses and do not limit the potential for more intensive uses of the area.”

The City can find that this text amendment satisfies the purpose statement. The proposed use is to be located in an existing building on the same lot as a water-dependent use and only for employees for water-dependent industrial uses in the I-2 zoning district.

WDC 16.64.040 is entitled “Development Standards.” All permitted uses in the I-2 zoning district must comply with WDC 16.64.040. Among the requirements are WDC 16.64.040.V, “Standards for Approval of Non-Water-Dependent Uses”. WDC 16.64.040.V(1)-(3) implement the administrative rule requirements from OAR 660-037-0080(3)(b)(A)(C).

The City can find if it adopts the text amendment, the requirements for a non-water-dependent use in the I-2 zoning district found in the administrative rule implementing Goal 17 shall apply to the dormitory use.



**B. Relevant Goals.**

**1. Goal 1, “Citizen Involvement”:**

**“To develop a citizen involvement program that ensures the opportunity for citizens to be involved in all phases of the planning process.”**

**FINDING:** The City can find that Goal 1 is satisfied because the City will follow its acknowledged Citizen Involvement Program (the “CIP”) in reviewing the proposed land use regulation amendments. The City will provide notice of the legislative amendment hearings in the local newspaper of record (WDC 16.208.060.C.2.b) and will hold at least two public hearings where persons can testify about the Application. WDC 16.208.060.C.1.

The City can find that Goal 1 is satisfied.

**2. Goal 2, “Land Use Planning”:**

**“To establish a land use planning process and policy framework as a basis for all decision and actions related to use of land and to assure an adequate factual basis for such decisions and actions.”**

**FINDING:** The Application contains an adequate factual basis for the proposed legislative amendment to the City’s acknowledged land use regulations. The adequate factual base includes a description of the problem and the proposed amendment to the WDC to address the problem.

The City must also demonstrate that it has “coordinated” the Application, as “coordination” is defined in ORS 197.015(5), with affected governmental units including but not limited to local governments, special districts and state and federal agencies by providing them with notice of the Application, an opportunity to comment and considering their comments in the decision-making process as much as possible. The City has coordinated the Application with affected governmental entities, including DLCD, by providing them with an opportunity to review and comment on the Application.

The City can also find that the proposed legislative amendment to the WDC does not require an amendment to the acknowledged Plan.

The City can find that Goal 2 is satisfied.

**3. Goal 9, “Economic Development”:**

**“To provide adequate opportunities throughout the state for a variety of economic activities vital to the health, welfare, and prosperity of Oregon’s citizens.”**

**FINDING:** The City can find that the proposed legislative amendment supports the City's Goal 9 program by providing adequate work force housing to support Pacific Seafood Group and other water-dependent industrial employers.

The City can find that Goal 9 is satisfied.

**4. Goal 12, "Transportation":**

**"To provide and encourage a safe, convenient and economic transportation system."**

**FINDING:** The City can find that Goal 12 is satisfied because the proposed text amendment adds a new use to the City's I-2 zoning district that will not generate more than a minimal amount of new vehicle traffic trips to streets and state highways.

The City can find that Goal 12 is satisfied.

**5. Goal 17, "Coastal Shorelands":**

**"To conserve, protect, where appropriate develop and where appropriate restore the resources and benefits of all coastal shorelands, recognizing their value for protection and maintenance of water quality, fish and wildlife habitat, water-dependent uses, economic resources and recreation and esthetics. The management of the shorelands areas shall be compatible with the characteristics of the adjacent coastal waters; and**

**"To reduce the hazard to human life and property, and the adverse effects upon water quality and fish and wildlife habitat, resulting from the use and enjoyment of Oregon's coastal shorelands."**

**FINDING:** Goal 17 provides for six priorities for the use of coastal shorelands. Priority four is to "provide for nondependent, nonrelated uses which retain flexibility of future uses and do not prematurely or inalterably commit shorelands to more intensive uses".

The proposed text amendment allows the establishment of a dormitory in an existing building that will be on the same lot as a water-dependent industrial use. Only interior tenant improvements are proposed to the building. The building will remain available for water-dependent uses and will not prematurely or inalterably commit shorelands to more intensive uses.

Goal 17 also permits as permissible uses non-water dependent uses which are "in conjunction with and incidental and subordinate to a water-dependent use".

The City can find that the proposed permitted use in the I-2 zoning district will be in conjunction with and incidental and subordinate to a water-dependent use in the I-2 zoning district.

Finally, Goal 17 includes “F. Examples of Incidental Uses”. The Goal provides examples of uses that are in conjunction with and incidental to a water-dependent use including, but not limited to, a restaurant on the second floor of an existing seafood processing plant in a retail sales room as part of a seafood processing plant. The examples of incidental uses allows other incidental uses to be proposed consistent with Goal 17.

This section of Goal 17 provides:

**“Generally, to be in conjunction with an incidental to a water-dependent use, a non-water-dependent use must be constructed at the same time or after the water-dependent use at the site is established and be carried out together with the water-dependent use. Incidental means size of non-water-[d]ependent use in relation to the water-dependent operation in that it does not interfere with the conduct of the water-dependent use.”**

The City can find that this part of Goal 17 is satisfied. First, the proposed non-water-dependent use either was constructed at the same time, or after the water-dependent use at this site was established. Second the proposed non-water-dependent use would be carried out together with the water-dependent use. The proposed text amendment provides that the non-water-dependent use, the dormitory, must be on the same lot as a water-dependent use and must be in the same ownership as the non-water-dependent use. Further, the text amendment provides that if the ownership changes so that the two uses are no longer in the same ownership or the water-dependent use ceases to operate, then the dormitory use shall be terminated. The City can find that the non-water-dependent and water-dependent uses will be carried out together. Third, the City can find that the non-water-dependent use, the dormitory, will be incidental to the water-dependent use because it is small in relation to the water-dependent operation. Finally, the City can find that the proposed non-water-dependent use will not interfere with conduct of the water-dependent use. The dormitory is for the sole purpose of housing employees of the two water-dependent uses. The location of the building to accommodate the dormitory and its improvements will not interfere with the water-dependent uses.

The City can find that Goal 17 is satisfied.

### **C. Applicable Administrative Rules.**

#### **1. OAR Chapter 660, Division 9, “Economic Development”.**

**FINDING:** The City can find that this administrative rule implementing Goal 9 is inapplicable because it applies to amendments to comprehensive plans for areas within urban growth boundaries. OAR 660-009-0010(1). This Application does not amend the Plan.

The City can find that this administrative rule does not apply to this Application.

2. **OAR Chapter 660, Division 12, “Transportation Planning”.**

**FINDING:** OAR 660-012-0060 is entitled “Plan and Land Use Regulation Amendments.” OAR 660-012-0060(1) provides that the administrative rule applies to amendments to existing land use regulations. The administrative rule requires a determination of whether a land use regulation amendment would “significantly affect” a transportation facility. OAR 660-012-0060(1)(a)-(c) identifies when a land use regulation amendment significantly affects a transportation facility. The City can find that OAR 660-012-0060 is inapplicable to this Application because none of the three situations constituting when a “significant affect” occurs are applicable to this Application.

The City can find that OAR 660-012-0060(1) is satisfied by this Application.

3. **OAR Chapter 660, Division 37, “Goal 17 Water-Dependent Shorelands”.**

**FINDING:** OAR Chapter 660, Division 37 is entitled “Goal 17 Water-Dependent Shorelands.” OAR Chapter 660-Division 37 implements Goal 17, “Coastal Shorelands”. The City can find that the following provisions of the administrative rule are satisfied. First, is entitled “Policy”. Subsection (3) provides:

**“As a matter of state policy, it is not desirable to allow the scarce and non-renewable resources of the marine economy to be irretrievably committed to, or otherwise significantly impaired by, non-industrial or non-water-dependent types of developments which enjoy a far greater range of locational options.”**

The City can find that the proposed text amendment does not detract from the policy of the administrative rule. First, the proposed non-water-dependent use must be consistent with the administrative rule’s requirements for non-water-dependent uses. Second, the proposed use will be located in an existing and vacant building. The building will not be permanently removed from the ability to accommodate water-dependent uses. Third, the City can find based on the testimony of the Applicant that other options for work force housing for employees of I-2 water-dependent uses are not available within the City or other areas outside of the City. Instead, the Applicant proposes to use an existing and vacant building adjacent to and on the same lot as a water-dependent use to serve the housing needs of both water-dependent uses in the I-2 zoning district.

OAR 660-037-0080 is entitled, “Methods of Protection”. OAR 660-037-0080(3)(b) allows local land use regulations to allow non-water-dependent uses that are in conjunction with and incidental and subordinate to water-dependent uses on the site. OAR 660-037-0080(3)(b)(A)-(C) establishes three requirements for such incident and subordinate uses. The City can find that this part of the administrative rule is satisfied. First the proposed dormitory use will be on the site of a water-dependent use. Second, the proposed dormitory use will be carried out together with the water-dependent use. Third, the ratio of the square footage of the ground-level indoor floor space plus outdoor acreage distributed between the non-water-dependent uses and

the water-dependent uses at the site may not exceed one to three (non-water-dependent to water-dependent). Finally, the City can find that the dormitory will not interfere with the conduct of the water-dependent use. Further, this part of the administrative rule is implemented through WDC 16.64.040.V for all permitted uses in the I-2 zoning district.

The City can find that OAR 660-037-0080(4)(a) is satisfied. The City has chosen to employ a traditionally water-dependent zoning district as a means of protecting water-dependent shorelands. This section does not require that the proposed use be a conditional use because it provides a “traditional zoning district’s typically listed uses and activities and will be allowed either with or without a discretionary ‘conditional’ use review.” The City can find that the dormitory is appropriate as a permitted use because it does not require discretionary conditional use review and the relevant administrative rule provisions are implemented through the permitted use through WDC 16.64.040.V.

The City can find that OAR 660-037-0090, “Rezoning of Qualifying Shorelands to Non-Water-Dependent Uses” is satisfied. OAR 660-037-0090(1) is satisfied because the proposed text amendment to the City’s acknowledged land use regulations satisfies Goal 1, Goal 7, Goal 9, Goal 12 and Goal 17.

Finally, the City can find that OAR 660-037-0090(2) is inapplicable. This Application does not propose to rezone shorelands sites to non-water-dependent uses but instead proposes to add a permitted use to the I-2 zoning district that supports existing water-dependent uses.

### **C. Warrenton Comprehensive Plan.**

The acknowledged Plan contains two sections relevant to this Application.

#### **1. Plan Article 3, “Land and Water Use”.**

**FINDING:** Plan Pages 15 and 16 under Plan Section 3.240, “Housing Costs, Housing Incomes and Housing Affordability”, address incomes in relation to housing affordability. The Plan states at Page 16 that: “[2000 U.S. Census] data indicated that just over 26% of all homeowner households spent over 30% of their incomes on houses, while about 39% of renter households did the same. These percentages likely have climbed since the year 2000, given increases in housing costs, particularly for owner-occupied housing during this period.” The Plan noted prior to this statement that housing affordability is typically assessed in one of two ways, including estimating the percentage of households which spend more than 30% of their monthly income on housing.

The City can find that this acknowledged Plan provision indicates that about one-third of Warrenton households spend more than 30% of their incomes on housing, an indicator of lack of affordable housing. The acknowledged Plan also notes that this ratio is higher for rental households. As the Plan suggests, housing affordability may have deteriorated over the last eighteen years, meaning that work force housing has likely become even more scarce and expensive.

Plan Section 3.260, “Future Housing Types”, notes several trends that are expected to affect many types of housing. The first identified trend is “increasing costs of land and housing

in coastal and other communities throughout Oregon.” The next relevant trend is “potential increase in need in market for multi-family and single-family attached housing as a potential supply of low and moderate cost housing.”

The Plan then notes that the two noted factors will generate a “continued need for some manufactured housing as a potential supply of low-cost, workforce housing.” While the Applicant is not suggesting manufactured housing as a solution for workforce housing, this Plan statement indicates a need for a solution to work force housing. The Applicant’s proposed text amendment meets that need.

Plan Section 3.330, “Industrial Lands”, states:

**“(1) It is the City’s policy to support the establishment of a variety of well-designed industrial facilities in appropriate locations in order to expand employment opportunities \* \* \*.”**

The City can find that having sufficient work force housing is a requirement for the expansion and retention of industrial facilities in the City. This text amendment fulfills the goal of maintaining and expanding the City’s industrial land base by providing affordable work force housing, through dormitories, as proposed in this amendment.

## **2. Plan Article 9, “Economy”.**

Plan Section 9.100, Finding 2, “Current Businesses and Economic Conditions”, notes that

**“Warrenton has a natural resource-based economy which is closely intertwined with the economy of the County as a whole. Wood processing, food processing and commercial fishing are three of the natural resource-oriented activities which have been particularly important to the City’s economy historically.”** Plan Page 198.

The City can find that this Plan Finding notes the importance of food processing and commercial fishing as part of the City’s economic base. Pacific Seafood and Bio-Oregon are water-dependent uses that process seafood and its residue in the I-2 zoning district and are supported by commercial fishing. Therefore, supporting the provision of affordable work force housing to serve food processing workers supports the City’s economy.

Plan Section 9.310 contains “City Economy Policies.” Policy 4 provides as follows:

**“Encourage present employers to expand their operations and aid them in doing what is necessary to maintain an economic base for employment within the City.”**

The City can find that that Application aids present employers in providing affordable workforce housing by allowing them to provide dormitories for employees of water-dependent uses, which will have the result of maintaining an economic base for employment within the City.

### **3. Conclusion.**

The City can find that the acknowledged Plan supports the Plan's acknowledgment of commercial food processing as an important industry in the City and encourages private developers to provide solutions to the City's work force housing needs

### **V. CONCLUSION.**

For the reasons contained in this Application, the Planning Commission and the City Commission can find that the proposed text amendment to the WDC satisfies the applicable Goals, Rules and Plan policies. By adopting the proposed text amendment, the City will encourage private employers to find solutions to work force housing needs for their employees.

The Applicant respectfully requests that the Planning Commission recommend approval to the City Commission and that the City Commission approve the proposed text amendment.

## **EXHIBITS**

- Exhibit 1** City of Warrenton Land Use Application form
- Exhibit 2** City of Warrenton Pre-Application Meeting form
- Exhibit 3** Proposed text amendment



**Applicant Mailing Address:**

Mr. Michael Miliucci  
Dulcich Realty, LLC  
PO Box 97  
Clackamas, OR 97015

**Applicant Telephone Number and Email Address:**

(503) 905-4500  
[mmiliucci@pacseafood.com](mailto:mmiliucci@pacseafood.com)

**AUTHORIZED REPRESENTATIVE INFORMATION**

1. The authorized representative is:

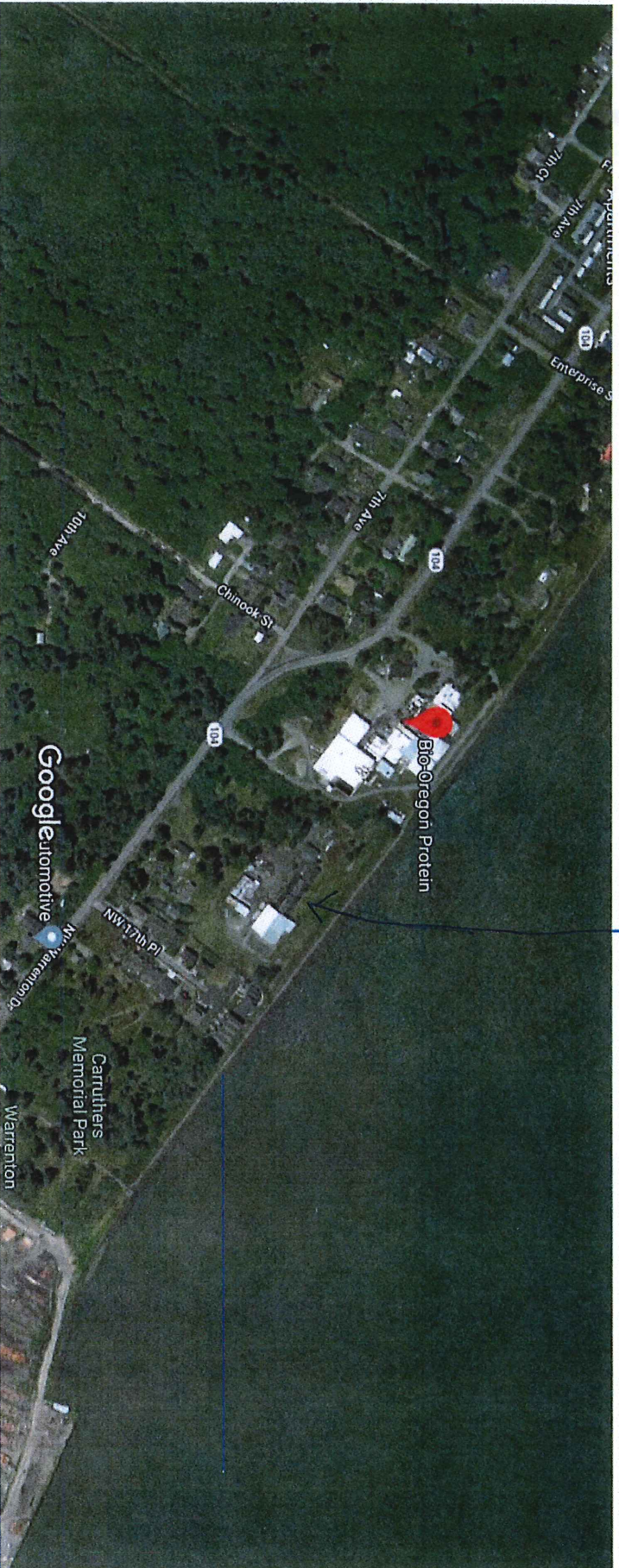
Michael Miliucci  
Pacific Seafood Group  
PO Box 97  
Clackamas, OR 97015  
Telephone: (503) 906-4500  
Email: [mmiliucci@pacseafood.com](mailto:mmiliucci@pacseafood.com)

2. The authorized representative is represented by:

Michael C. Robinson  
Schwabe, Williamson & Wyatt, P.C.  
1211 SW Fifth Avenue, Suite 1900  
Portland, OR 97204  
Telephone: (503) 796-2756  
Email: [mrobinson@schwabe.com](mailto:mrobinson@schwabe.com)

Google Maps Bio-Oregon Protein

*What  
show  
Photos*



Imagery ©2018 Google, Map data ©2018 Google 200 ft





October 3, 2018

Kevin A. Cronin  
Community Development Director  
Community & Economic Development Department  
City of Warrenton  
Warrenton, OR 97146

Re: Work Force Housing - Facilities Operations and Maintenance Plan

Dear Director Cronin:

Pacific Seafood takes very seriously our responsibility to ensure high quality in every facet of our company. This commitment extends to providing high quality workforce housing to our Team Members. Historically, our Team Members who wished to participate in our housing program were provided with seasonal housing which included motels and other short-term housing accommodations. As the number of these types of units dwindled along the coast, the rental costs significantly increased.

One solution is to purchase multi-dwelling housing such as apartments to include as part of our Housing Program. Unfortunately, multi-dwelling housing is rarely for sale within the City of Newport. If it is, any acquisition will require tenants to be evicted in order to house our Team Members. Pacific Seafood believes this negatively impacts the community and does not help solve the housing shortage. The other and most reasonable solution is to convert a commercial office building to a dormitory.

Any conversion of this type of building into dormitories will be safe, secure, livable, and comfortable for our Team Members. The safety of our Team Members is of the utmost importance. All structural, mechanical and electrical systems will meet the required building and safety codes. Fire suppression systems, including sprinkler systems and fire extinguishers, will be installed throughout the building. A fire evacuation plan will be in place.

As to livability, each facility will have sleeping quarters, a central kitchen, laundry facilities, showers, and a recreation area. It will have daily cleaning services. On-going maintenance activities and problems that arise from the unplanned breakdowns that occur with building system components are addressed.

Each Team Member will have to sign a housing agreement and abide by housing program rules (see the attached document). By agreeing to these housing rules, each Team Member will become a member of the dormitory community and agree to accept the responsibilities and obligations associated with being a

#### **Example of Pacific Housing Program Rules and Regulations**

- **Cleanliness.** Keep the room Space and all personal belongings stored neatly.
- **Drugs and Alcohol.** No drugs, drug paraphernalia, or alcohol are permitted in the Space at any time.
- **Smoking.** No smoking indoors or in any unauthorized smoking areas. No exceptions. While in authorized smoking areas, receptacles for cigarette butts must be used. No cigarettes should be found on porches, sidewalks, or yards.
- **Weapons.** No firearms, crossbows, swords, large knives, or other dangerous weapons are allowed in the Space at any time.
- **Assault or Fighting.** No fighting, pushing/shoving, assault (i.e., physical, sexual, or other), or other conduct that may cause injury to others is permitted at any time. Pacific reserves the right to immediately notify proper law enforcement authorities in the event of any such activity.
- **Noise.** Please be respectful of neighbors. Housing areas should be kept quiet at all times. No loud music, yelling, or other disorderly conduct is permitted at any time. Neighbors should not be able to hear sounds from your unit.
- **Guests.** Housing and overnight accommodations are provided for team members only. Overnight guests are not permitted at any time. Visitors are permitted only if you are not present in the room.
- **Pets.** Pets are not allowed in the Space or on the Property at any time.
- **Keys.** Keys are for individual use and may not be duplicated or lent out. A fee of \$15.00 will be charged for a duplicate key (which will only be issued if you lose your original key) or will be deducted from your final paycheck if you do not return your key to the General Manager at the time of check out.
- **Vacating Premises and Final Inspection.** Each team member is responsible for his/her Space. The General Manager or other appointed representative will evaluate the condition of the Space upon checkout. All keys, towels, bedding, and other similar items must be returned to be eligible for Security Deposit return.
- **Termination of Employment.** Team members who are terminated or quit for any reason must leave the Space immediately. Failure to vacate the Space within 48 HOURS of separation from employment will result in loss of Security Deposit.
- **Theft.** Pacific is not responsible for the loss of personal items due to theft.



September 25, 2018

**Michael C. Robinson**

Admitted in Oregon  
T: 503-796-3756  
C: 503-407-2578  
mrobinson@schwabe.com

**VIA EXPRESS MAIL AND EMAIL**

Mr. Kevin Cronin  
Interim Community Development Director  
City of Warrenton  
P.O. Box 250  
Warrenton OR 97146-0250

RE: Revised Application by Pacific Seafood Group for Amendment to City of Warrenton, Oregon Development Code

Dear Mr. Cronin:

This office represents Pacific Seafood Group. Enclosed with this letter please find the following:

- A copy of the revised proposed text amendment language and revised proposed findings addressing the applicable approval criteria.

Mr. Michael Miliucci and I are the applicant's representatives. Please forward all correspondence to and from the City concerning this matter, the determinations of application completeness, staff reports and the final City decision on the application to both of us at our respective addresses.

Please let me know once you have deemed the application complete.

Please let me know if you have any questions. Mr. Miliucci and I look forward to working with you to the approval of this application.

Very truly yours,



Michael C. Robinson

MCR:jmhi  
Enclosures

cc: Mr. Michael Miliucci (via email) (w/encls.)  
Ms. Lisa Phipps (via email) (w/encls.)



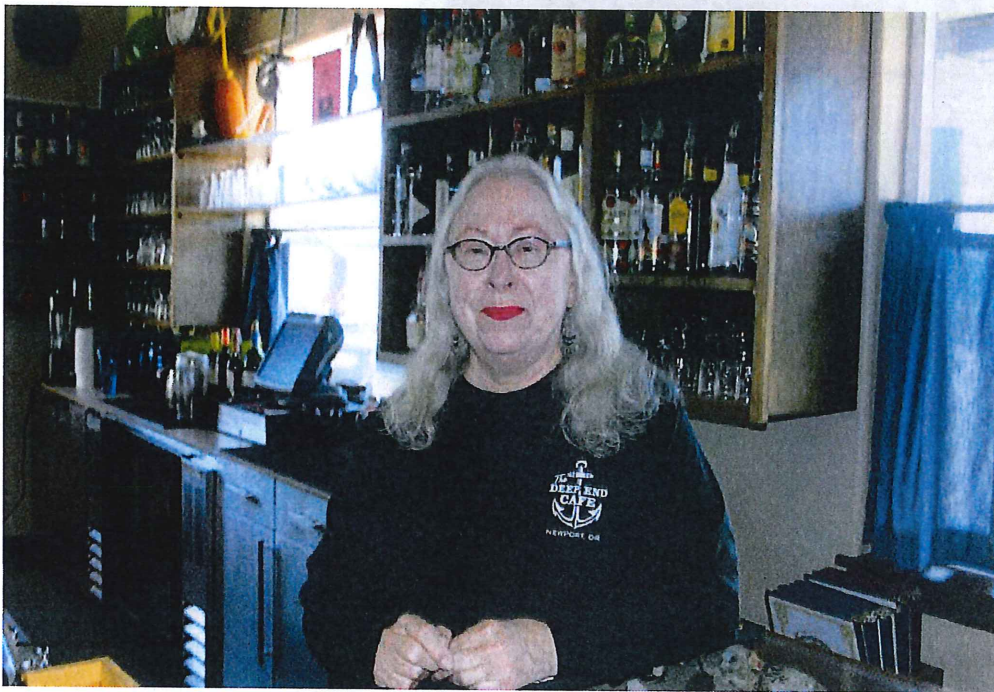
OREGONLIVE.COM

# Vacation rental debate takes root on Oregon coast

By Lori Tobias | For The Oregonian/OregonLive | Posted September 29, 2018 at 09:00 AM

401 shares

[92 Comments](#)



Lori Tobias | For The Oregonian/OregonLive

*(Charlotte Boxer at her Newport restaurant.)*

By **LORI TOBIAS**

**SPECIAL TO THE OREGONIAN/OREGONLIVE**

NEWPORT -- When talk turns to affordable housing and the competition to cash in on coastal tourism, restaurant owner Charlotte Boxer has plenty to share.

There are the homeowners in Agate Beach who put a shipping container in their yard for storage and then used it as a vacation rental. The city's community development director sent them a warning letter this month to cut it out or face up to \$500 a day in





Assessor's Office. The Oregon Employment Department lists the average wage in the county at \$36,730.

Many, like Boxer, blame the increase in vacation rentals for acing out full-time residents looking for a long-term lease in Newport. There are currently 200 licensed vacation rentals in the city of approximately 5,500 dwellings.



Lori Tobas | For The Oregonian/OregonLive



Derrick Tokos, Newport director of community development, agrees that the city needs more affordable homes, but doesn't agree that vacation rentals are the main cause of the housing shortage.

Many of the places that attract the majority of out-of-town visitors are million-dollar waterfront homes that hourly-wage workers couldn't afford to buy or rent if they came on the regular market, he said.

The city has created tax incentives for private developers to build lower-cost homes, with at least one project -- 110 units of one-, two- and three-bedroom apartments scheduled for construction next year. A three-bedroom would rent for about \$853 as established under rental limits by the Oregon Housing and Community Services.

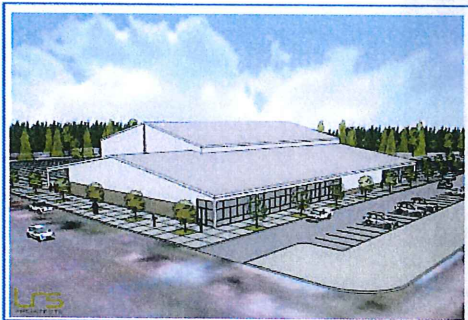
There also are other housing projects in the works but at market prices, Tokos said. "There is a wide range of market prices for a three-bedroom unit, with \$1,000 to \$1,200 being on the low end," he said.

While the influx of visitors can have some negative impact -- Newport's population of 10,000 triples during summer months -- others point out that tourism also supports local jobs and brings in millions of dollars in transient lodging taxes from hotel and vacation rentals.

Newport collects about \$3.8 million from transient taxes annually and Lincoln County about \$1.5 million.

A study commissioned in spring by Travel Oregon/Oregon Tourism Commission reported that visitors to Oregon's coast generate \$1.985 billion in economic impact for the region, directly supporting 22,700 jobs for local residents, said Linea Gagliano, director of global communications for the state agency.

Multi-purpose Building



Pavilion



Lincoln County Commons master plan

(Plans for the Lincoln County fairgrounds.)

But not everyone feels the benefits equally, said Carla Perry, a founding member of CommonSense-Lincoln County.



Lori Tobas | For The Oregonian/OregonLive

*(The Lincoln County fairgrounds.)*

Perry, who's also part of a county committee to oversee the fairgrounds plans, would like to see the property sold to the Lincoln County School District and used for a new high school. Then existing school property – now adjacent to the fairgrounds — could be used to build housing for workers, she said.

Lincoln County Commissioner Claire Hall said residents have spoken at multiple meetings of their desire for the new fairgrounds buildings and approved a 3 percent increase in 2016 in the transient lodging tax for that purpose. A new high school on the property isn't viable for several reasons, including sinkholes on the property, she said.

Next up, the county is set to meet with consultants who will deliver a completed master plan for the fairgrounds project, with final approval and the hiring of an architect possible by the beginning of the new year.



David Dillon

*(The Manzanita house in question.)*

Ninety-five miles north, the city of Manzanita also is dealing with short-term rental issues, primarily people failing to follow rules established more than two decades ago.

The city has fined one homeowner \$1.8 million for illegally using her house as a vacation rental.

*(Nehalem Bay, Nehalem Bay State Park and the Manzanita coast.)*

"When I moved here in the early '90s, we had what I heard called the short-term rental wars within the city of Manzanita," Dillon said. "People wanted to rent out their homes and the city wanted to be involved in that."

The city established limits allowing 17.5 percent of houses in certain residential zones to be used for short-term rentals, provided they had a safety inspection and paid tax to the city, he said.

But people find a way around the limit, sometimes through surreptitious online advertising when City Hall isn't monitoring the ad sites, Dillon said.

"Only about 25 percent of the houses here are lived in full-time," he said, noting that the year-round population in 2016 was 639.

"It's not just the city wanting the tax money. It can change the fabric of the neighborhood," he said. "They might bring in a lot of cars, make a lot of noise and then they go home. It does have an impact."

-- Lori Tobias

Special To The Oregonian/OregonLive

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