

CHAPTER IV: ATTRACTIVE WORKSPACES AND NEIGHBORHOODS

In the land use arena, two major opportunities exist:



- ° Coastal cities can review their comprehensive plans to see if Urban Growth Boundaries (UGB) can be adjusted to create new mixed-use neighborhoods.

- ° Coastal cities and counties can review their residential land use ordinances and adjust how they regulate (if they regulate) home-based businesses to ensure these businesses are compatible with surrounding residential uses.

Review of Coastal City Comprehensive Plans

Entrepreneurs considering the Oregon coast as a place to live and work will want attractive work spaces and neighborhoods to choose from. As we market the Oregon coast to knowledge-based businesses, it would be advantageous to have an inventory of upscale office space and attractive neighborhoods to offer them.

Joshua Greene, an entrepreneur who moved to Florence in the early 1990s from Los Angeles stated, “We can attract knowledge-based businesses here. I have friends who would move here.” Joshua continued, “But, those people will want attractive upscale workspaces, preferably with views. We have got to get out of the industrial park mindset. The optimal situation would be a three-story building. The top floor could serve as a residence. The bottom two floors would be office space in a nice neighborhood where you do not have to get in a car and commute to work.”

What Joshua Greene is describing is “mixed-use” development. It is a hot trend in land use planning and urban design. Actually, it is an old idea. For most of American history, people lived above their shops or on their family farms or ranches. It was only after World War II with the rapid growth of the suburbs that communities began to prohibit virtually all commercial activity in residential neighborhoods. In turn, that style of development led to a proliferation of automobile-dependent communities in America.

Today, a growing number of communities are redeveloping their downtowns to purposely combine some commercial uses with residential uses. The emphasis is on creating livable, pedestrian-friendly neighborhoods, and places with small shops and attractive streetscapes. Many knowledge-based businesses readily co-exist with residential uses in mixed-use neighborhoods. Obviously, large-scale retail centers, businesses like gas stations/garages, and, traditional industrial uses still need to be segregated into well-defined commercial and industrial zones.

Under Oregon law, cities on the Oregon coast are in the best position to try to establish attractive new neighborhoods. To prevent sprawl, new growth is channeled into urban growth boundaries (UGBs) within cities.

We recommend coastal cities review their urban growth boundaries to anticipate future urbanization needs with an eye toward meeting the needs of knowledge-based industries. Cities, in collaboration with the counties, should master-plan these new areas to establish mixed-use (commercial & residential) neighborhoods. Property owners, people in the development community, and the public at large need to be involved in the process. Hopefully, these master plans will be visionary as well as pragmatic. If these plans are too costly and out of touch with what people want, financing will not be available and the opportunity will be lost.

A Focus on the Built Environment

Fortunately, these days, many local leaders on the Oregon coast are paying much closer attention to the quality of the “built environment”. And, many coastal business people are making big investments to improve the appearance of their buildings and property.



An outstanding example of this trend is Lincoln City. A year or two ago, the City of Lincoln City accomplished a major improvement of the Taft area (the south end of Lincoln City). And, on September 16, 2005, the city held a ceremony to mark the “grand opening” of the Oceanlake District redevelopment project (near the north end of Lincoln City). The Oceanlake

redevelopment project is a \$4.17 million effort that included utility undergrounding, new sidewalks, curbs and gutters, highway medians, signage and street plazas. These two redevelopment projects—Taft and Oceanlake—have dramatically improved the appearance of Lincoln City. At the grand opening of the Oceanlake project on September 16, 2005, Lincoln City Mayor Lori Hollingsworth said, “We are making huge changes in our appearance and our attitude. We do not just look better, we are better.” (*Oceanlake dedication photo courtesy of Newport News-Times*) Indeed, local improvements like the ones in Lincoln City take on coastwide significance because many visitors to the Oregon coast drive through Lincoln City when they travel up and down Highway 101.

Another example of a community that has greatly improved their appearance is the City of Toledo. Ten years ago the City Council of



so
of

Toledo began the process to renovate their main street. The outcome is remarkable! Today, Toledo's main street is a really attractive place. They have new pavement, attractive buildings, inviting walkways, benches and large flower baskets.

Newport Moves to Create a Knowledge-Based Business Friendly Neighborhood



The City of Newport is a proactive community when it comes to the development of public facilities and neighborhood development and redevelopment. Recent successes include: a community recreation center, an attractive new town hall (a remodel of an historic building), the undergrounding of utility lines along the Highway 101 corridor in the downtown area, and the redevelopment of the Nye Beach neighborhood.

Here is what is really exciting. Since 2004, the City of Newport has been working on the development of a South Beach neighborhood plan to help guide its future growth. South Beach is located south of Yaquina Bay and is home to the Hatfield Marine Science Center (HMSC) and the Oregon Coast Aquarium (OCA).

In the early 1980s, the City of Newport originally designated South Beach as the primary site for future industrial development. However, the presence of wetlands and steep slopes made most industrial development in South Beach impractical. In response, last year the City of Newport expanded the UGB in the north end of town to add 50 acres of industrial land.

After addressing these industrial land needs, the city still faced a significant shortage of commercially zoned land. As part of an overall economic development strategy, in 2005 the city developed a South Beach neighborhood plan. The plan was developed through a substantial public involvement process. An Ad Hoc Steering Committee was formed to address the deficits in commercial land and reevaluate the status of South Beach as an industrial area.

In addition, in May 2004, Lincoln County voters passed a \$23.5 million bond to build a new campus for the Oregon Coast Community College (OCCC). The Oregon Legislature passed legislation in 2005 that will provide an additional \$4.5 million to build the OCCC campuses. The OCCC Board plans to locate the main campus in South Beach. Forty acres will be allocated to site OCCC's new main campus. This will meet the community college's projected needs over the next 30 years.



The land slated for inclusion in the UGB in South Beach—approximately 250 acres—is timber conservation zoned land adjacent to Newport’s Urban Growth Boundary (UGB).

State Financial Support Helpful

To support and accelerate the City of Newport’s UGB adjustment process, the Oregon Department of Land Conservation & Development (DLCD—state land use agency) approved a substantial planning grant (money from the federal coastal zone management program). DLCD provided the City of Newport the financial assistance because: (a) the State of Oregon wanted to



help Newport meet its economic development needs, and (b) Newport’s UGB process would serve as a demonstration project for other coastal communities.

With these resources in hand, the City of Newport hired The Benkendorf Associates Corporation to carry out the project with the City of Newport. Funding was also used to prepare important preliminary engineering work on infrastructure improvements.

The City of Newport also formed an Ad Hoc Steering Committee of local leaders to work with city staff and the consultants. The Ad Hoc Steering Committee discussed the themes of the Oregon Coast Telecommunications Economic Development Strategy. Early on, consensus was reached that the land proposed for inclusion in the UGB is ideally suited for mixed-use development (residential & commercial), that can attract knowledge-based businesses. The preliminary economic opportunities analysis reinforced the Ad Hoc Steering Committee’s conclusions.

A Big Plus: An Enthusiastic Landowner

In addition, the land in question is largely under the ownership of a single individual. That property owner is enthused about working with the City of Newport to make the subject area a great place to live, work, and to go to college. The property owner also has plans to incorporate affordable residential living opportunities into the South Beach master plan.

So, the stage is set to master plan the entire 189-acre property to create attractive, pedestrian-friendly neighborhoods with imaginative streetscapes fully integrated with the new OCCC main campus. This is precisely the kind of mixed-use (residential and commercial) development with upscale office space that can attract knowledge-based businesses.

Postscript: Newport is lucky. The UGB amendment process is really coming together nicely. Most important, they have an extraordinary piece of land in South Beach to work with. Few coastal communities have this kind of large, ideally-suited parcel located adjacent to their community. Indeed, geography is often the determining factor on the Oregon coast. Most coastal communities are squeezed by the Pacific Ocean on the west, located next to rivers, and

hemmed in by steep hills of the Oregon coast range. These amenities make the Oregon coast a stunning environment, but, they also make it a hard place to site new neighborhoods.

However, even with these limitations, coastal cities can still take steps—if they have not already done so—to review their comprehensive plans to discover what opportunities do exist.

Home-Based Businesses Opportunities

All along the Oregon coast, a growing number of people are living and working out of their homes. This trend is made possible by broadband communications.

In 2003 the Small Business Administration (SBA) in its report, *The Small Business Economy: A Report to the President, the Office of Advocacy (2004)*, determined that 53% of small businesses operate as home-based businesses. The SBA defines a “home-based business” as a business conducted out of a residence with no other headquarters location.

Home-based businesses are diverse. Approximately 60% are in service industries, 16% are in construction, and 14% are in retail trade. The rest are scattered across manufacturing, finance, transportation and communications, wholesale trade and other industries. Additionally, 91% of home-based businesses report no paid employees (source: the SBA).



In addition to the businesses that SBA defines as a “home-based business,” today, many people are working for someone else from their home. With today’s technology, an employer can track actual time their employees worked at home from a remote location. There are affordable software packages that can keep a log of employee activity (when they are working on a computer, or on-line, or, over the phone). And,

real-time video-conferencing technology—made possible by broadband—enables employees and employers to interact in meaningful ways.

In the past, this kind of employee supervision could only be accomplished when employers clustered employees together in a single facility. Today, people can work out of their homes, and the employer, if both parties agree, can really be engaged with what their home-based worker is doing. Home-based business people—whether they work for themselves or someone else—need to be self-starters because people working from an office at home lack the camaraderie of larger office settings. On the other hand, time lost to socializing with other employees becomes less of a factor with home-based businesses. So, there are pluses and minuses.

This is a great opportunity for many coastal people. People can stay at home, raise their kids, generate additional income, even if they work part time. People working from their home avoid commuting. That places fewer demands on our region’s highway transportation system and these people enjoy a higher quality of life.

Revising Zoning Codes to Manage Conflicts Between Home-Based Businesses and Residential Uses

Today, because of broadband, residences can serve as employment centers. However, existing residential zoning codes were established during a different era when residential zones excluded virtually all other activities. Municipal zoning ordinances in many communities need to be adjusted to keep pace with changing times. The older zoning codes were developed to keep noisy and dirty businesses like auto repair shops, welders or kennels out of residential areas because of their impacts on neighbors.

According to the SBA, restrictions on home-based businesses used in zoning codes can be classified into the following groups:

- Regulation of the residential character and outward appearance of a dwelling and lot.
- Restriction of the traffic flow and maintenance of parking.
- Prohibition of external effects on adjacent properties and the neighborhood.
- Prohibition of certain types of business.

SBA notes that zoning codes use various provisions to maintain the residential character of a neighborhood and restrict changes in appearance. These include:

- Requiring that the business use be secondary or incidental to the residential use.
- Restricting physical changes to the dwelling.
- Restricting outdoor activities.
- Restricting signage.
- Restrictions on commercial vehicles.

The SBA review reports that virtually all codes require that a dwelling be the principal residence of the business owner. Most ordinances allow unrestricted employment of residents of the



dwelling. A business owner, typically, is not allowed to purchase a residence and convert it into a business without living there. Communities' zoning codes also address things like accessory buildings and the space allowed within the dwelling for the home-based business. Many zoning codes specify that all business operations take place inside a dwelling. In addition, some zoning codes limit the kind of traffic that can serve a home-based business. For example, some zoning codes limit the size of vehicles making deliveries to a home-based

business by keeping the size of vehicles restricted to the trucks that UPS and Federal Express already use to serve residential neighborhoods.

The SBA report notes that restrictions on the number of employees allowed per home-based business is a major factor with home-based business regulation. Typically, jurisdictions limit the number of employees to one employee in addition to the people living at the residence. This is a tricky issue. From an economic development perspective, of course, we want businesses to grow

and employ more people. But, clearly, multiple employees begin to impact neighbors because of increased parking and other demands. A point will be reached when a growing home-based business outgrows their residential location. It is hard to strike a balance when a community seeks to codify when that line has been crossed. Here is an important thing to remember. The business start-up stage and the growth of the business beyond one person are the two most critical early phases in the life of a business.

For parking, SBA offers the following suggestions (listed below in roughly increasing order of flexibility):

- Require off-street parking for visitors.
- Build extra parking space into zoning requirements for home occupations.
- Require that the demand for parking of the residence and the home-based business combined not exceed the residential zoning requirements for parking.
- Prohibit the diversion or use of residential parking when it is needed as such or require that home-occupation parking not exceed normal residential levels.

SBA reports that retail activities are almost universally banned in home-based businesses. Obviously, retail stores generate too much vehicle and foot traffic.

In summary, we recommend cities and counties strive to be flexible. Communities and neighborhoods are very different. Some neighborhoods are densely populated. Others are sparsely populated. It makes sense to take these differences into account when reviewing land use codes. SBA reports that many communities are choosing to use a light hand when regulating home-based businesses. They take the approach that they can step in with additional regulation if a home-based business begins to impact others in the residential neighborhood.

