

Spur 104: Some object to development restrictions

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requirements of where things should go, Cronin proposed prescriptive caps on the number of homes and square footage of commercial space.

But commissioners, worried the plan would restrict property rights without directly addressing traffic, tabled the issue until their next meeting Nov. 14.

"I understand the intent of the overlay, but I don't see the root of the issue being addressed," Commissioner Ryan Lampi said. "It's tough for me to restrict development based on a fear of the unknown, and we have rules ... and codes in place to limit development and do the proper traffic studies."

Commissioner Ken Yuill, who owns about one-fifth of the developable land in the Spur 104 area, has recused himself from voting on the issue. But he acted as the voice of about 25 property owners in the neighborhood who have been reticent to attend Planning Commission

meetings.

A resident there since the 1960s, Yuill has seen the neighborhood evolve from woods and the site of a proposed aluminum plant into a retail center, with Home Depot visible from his backyard. He helped push for the expansion of sewer service to Spur 104 in the 2000s and the zoning change to commercial mixed-use.

But residents, each with various ideas for their properties, wonder how the city will site and pay for parks and infrastructure improvements, and what will happen to their property rights if development in the neighborhood bumps up against proposed caps.

"The whole aspect is that people were going to be more restricted on what they can do with their property," he said. "People don't like the restrictions."

Yuill said he understands the need to plan out the neighborhood, but shared Lampi's opinion that the overlay zone does nothing to directly address potential traffic issues. He and others have pushed

for system development charges to pay for recommended traffic improvements, such as a dedicated left-turn lane or three-way stop where Ensign Lane connects with Spur 104.

Locals have also pushed for a roundabout at the intersection of Highway 101 and Highway 104, although there is no state money for such an improvement, Cronin said. The conversation has focused more on how to improve the intersection of Ensign Lane and Highway 104.

Cronin said there are two options to address traffic: limit land uses as he suggests, or build your way out of the problem with infrastructure.

"That is much more costly than trying to limit the land use side," he said of the latter. "And I don't think I articulated that clearly enough at the last meeting."

Warrenton has multiple overlays, such as one delineating development rules in the tsunami inundation zone. But Spur 104 would be the city's first for a

neighborhood.

Cronin estimates the city will spend around \$100,000 in urban renewal funds on planning for the Spur 104 neighborhood, money that will be paid back through future property taxes. The city wants to see a return on its investment by maximizing people's land value with good planning, he said.

"We want to put some parameters around how that (development) is going to happen, so we can create a very beautiful, unique neighborhood," he said. "And that is a much different concept than me, as an individual property owner, just selling it off to the highest bidder and letting the next guy figure it out. So that's the rub. It's a hard jump for people to make."

The master plan for Spur 104 will be an agenda item for the Planning Commission on Nov. 14, when Cronin said they must make a formal motion to deny or approve it with conditions and send the recommendation to the City Commission for review in December.

A section of Ken Yuill's land borders with the Home Depot in Warrenton.

Hailey Hoffman/The Astorian



Hailey Hoffman/The Astorian

Fort George Brewery will expand into the Astoria Warehousing complex.

Fort George: Has grown to more than 160 employees

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"It's very important to us," Nemlowill said of the tax break. "We purchased a large amount of property that really needs a lot of work, and we're going to have to invest a lot of money back into the property to ... clean it up and make it a place where we can create all these jobs."

Fort George, which has grown to more than 160 employees, has used other tax incentives and urban renewal funds to help invest in the renovation of its Duane Street campus. It worked with Business Oregon to install a canning line, promising to create 14 full-time jobs and adding 36, Nemlowill said.

Enterprise zone

Fort George received a \$12 million low-cost loan from U.S. Bank for its purchase and expansion into Astoria Warehousing through the federal New Markets Tax Credit program secured by regional lender Craft3 for investment in high-poverty rural areas. The company is also benefiting from a \$1 million grant approved by the state Legislature for cleanup of historical contamination at the site. The brewery plans to

move most of its brewing, canning, cold storage and distribution to the main building at Astoria Warehousing. It is buying a 60-barrel brewhouse from the shuttered BridgePort Brewing Co. in Portland, building out an 11,000-square-foot cold storage and eventually adding a 4,000-square-foot taproom in another vacant warehouse looking out on the Astoria Bridge.

Nemlowill said all those projects pencil out to the \$12.5 million required investment. He is confident Fort George will have the demand for 35 jobs, saying that some of the old Astoria Warehousing employees have expressed interest in coming back to work for the brewery.

Clatsop County, Warrenton and the Port of Astoria originally approved the Clatsop Enterprise Zone in 2015. The Astoria City Council, which initially rejected the enterprise zone over mistrust of the Port, expanded it last year to include most of the city's waterfront and support the development of North Tongue Point by Hyak Maritime into a shipwright hub. Hyak has yet to apply for a tax break.

All four partners in the Clatsop Enterprise Zone must vote to accept a written

agreement for Fort George's request, Astoria City Manager Brett Estes said. Astoria and Clatsop County, the two entities overlaying the Astoria Warehousing property, would then approve the company's application, he said.

The 15-year property tax break for the new equipment and taproom would cumulatively cost more than \$617,000 in revenue through 2035, according to the county. Over that time, county taxing entities would still receive more than \$1 million in property taxes on the Astoria Warehousing buildings, growing from nearly \$57,000 in 2021 to more than \$86,000 in 2035.

The question is whether officials believe Fort George would make the investments without the tax incentive, Astoria Mayor Bruce Jones said. If not, then county taxing districts aren't ultimately losing something they wouldn't have had otherwise, he said.

Uncertainty at business park

Warrenton City Commissioner Rick Newton commiserated with Nemlowill over the money Fort George has spent trying to build a distribution campus at the North Coast Business Park,

saying the tax break is a way to help ameliorate those losses.

"I think we would be foolish not to back you," Newton said.

Fort George bought 10 acres at the county business park in 2016 for a new distribution campus. The county commission last year approved a 40-acre conservation easement in Warrenton to help the project move forward. But Fort George saw the cost of building there balloon to \$10 million, and Astoria Warehousing fit better with the company's background of repurposing old buildings, Nemlowill said.

Fort George has all the permits to build in Warrenton, but isn't sure what it will do with the property, Nemlowill said. It plans to sell or lease its current warehouse in Warrenton, where there is interest in a food hub, he said.

Kevin Leahy, the director of Clatsop Economic Development Resources and manager of the Clatsop Enterprise Zone, lauded the value of supporting homegrown entrepreneurs like Fort George that invest in their communities.

"The most successful businesses are really the ones that have the expansion," he said.

Grocery Outlet: Developer objects to commission's denial

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"It is clear from the (Design Review Commission's) decision that more guidelines were satisfied than were not satisfied," Robinson wrote in the appeal. "Nevertheless, the (commission) departed from this announced standard and denied the application even though the majority of the guidelines were met."

He asked the City Council for a de novo — or new — review of the appeal so the developer can submit new evidence showing how it can comply with the city's development codes and receive a new staff report. If the City Council denies the appeal, the developer could take the issue to the state Land Use Board of Appeals.

The Design Review Commission found the store did not fit with the historic character of the Gateway Overlay Zone. Commissioners also took issue with pedestrians on Marine Drive and from the store's parking lot having to cross a driveway on

striped paths to reach the entrance, similar to access at Safeway.

Commission President Jared Rickenbach floated the idea of eliminating access from Marine Drive as a condition of approval, arguing that would address the majority of people's concerns. Instead, the finding was cited in the 5-0 vote to deny the project.

Robinson argued the commission's denial fails to explain why Grocery Outlet's design is not pedestrian-oriented, the appearance is unfitting with the community's character and a similar-looking co-op was approved nearby. He also took issue with concerns over traffic congestion, arguing that city staff and the state Department of Transportation have concluded direct access off Marine Drive would lessen, not increase, congestion.

City Manager Brett Estes said the request for a de novo hearing will likely be on the City Council agenda on Nov. 4.

Leaders: 'We would like to continue to expand it'

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"That's bad news for many of our kids and their families, bad news for everyone who cares about future crime and really bad news for taxpayers."

Clatsop County schools will not know how much of the Student Success Act money will be allocated locally until March.

"I know with the Student Success Act there's opportunities, but even when I look at the number of slots possible there is still not enough to cover

statewide what we need to have, so we would like to continue to expand it," Hoppes said.

Workman pointed to the ability for prekindergarten to cut the proportion of children at risk for problematic behavior and reduce the likelihood for later infractions.

"... The three problems we are continually facing — funding, access and quality — are going to keep our early education system from delivering the results taxpayers expect," Workman said.