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MEMORANDUM

DATE: May 22, 2015

TO: Paul Wyntergreen, City of Tillamook

FROM: Steve Faust, AICP

CC: David Helton, ODOT
Susan Wright, Kittelson & Associates

RE: Tillamook Hoquarton Area Plan

Draft Memorandum #2: Existing and Planned Conditions

This project is partially funded by a grant from the Transportation and Growth Management (TGM) Program, a joint program of the Oregon Department of Transportation and the Oregon Department of Land Conservation and Development. This TGM grant is financed, in part, by federal Moving Ahead for Progress in the 21st Century (MAP-21), local government, and the State of Oregon funds. The contents of this document do not necessarily reflect views or policies of the State of Oregon.

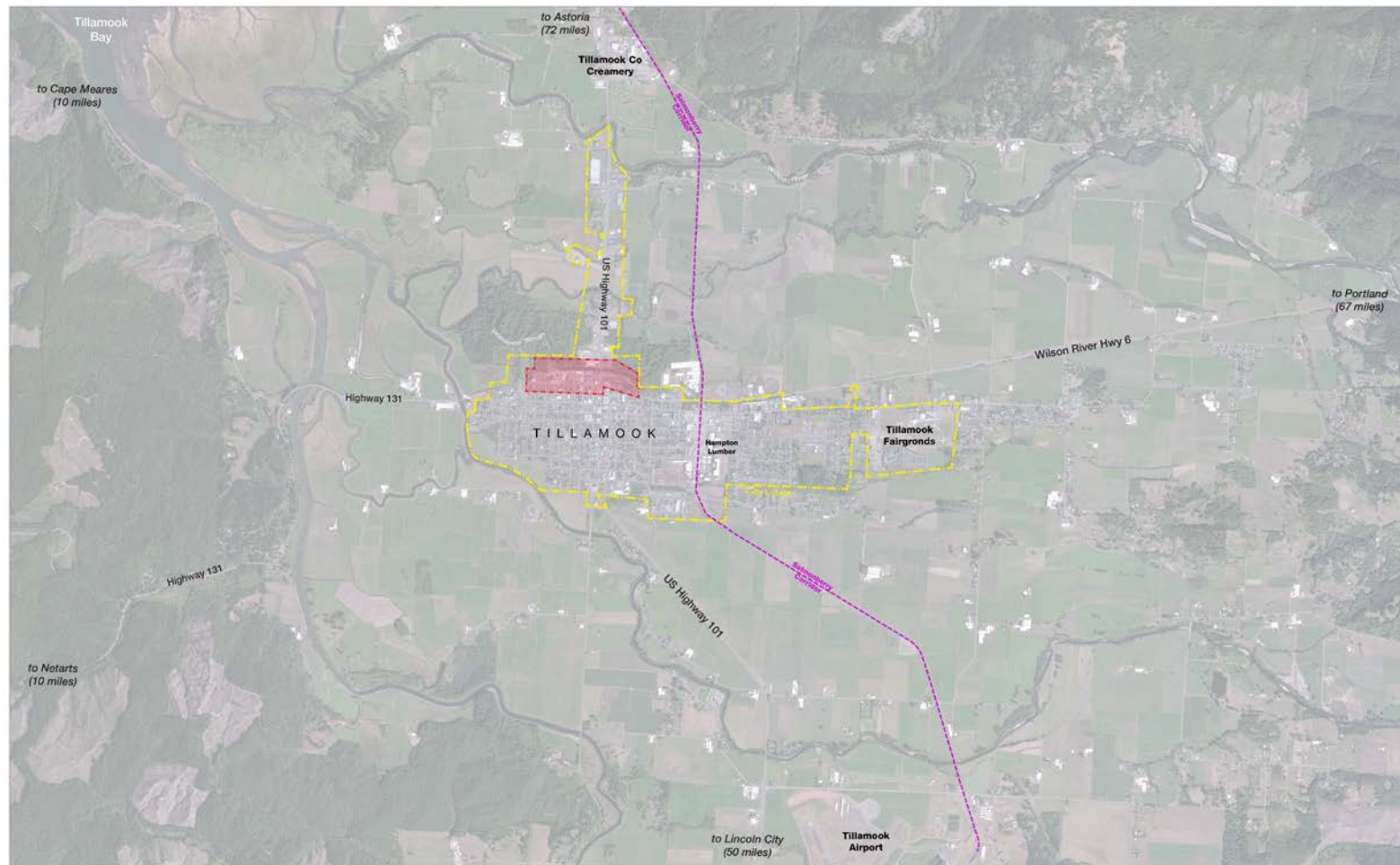
In Memorandum #2, we expand on a review of past planning efforts presented in Memorandum #1 to summarize existing and planned future conditions in the Hoquarton Area (study area) in order to establish the context for planning land uses and transportation over the next 20 years. We also analyze the likely level of market support for potential development and redevelopment in the study area, and provide some preliminary opportunities as identified through a first round of community outreach. The memorandum includes the following sections:

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Study Area

The Hoquarton study area is located within the City of Tillamook, oriented along the Hoquarton on either side of US 101, as shown in Exhibit 1. The study area is bounded on the south by OR 6 (Wilson River Highway) and 2nd Street. The northern boundary extends beyond the north bank of the Hoquarton to incorporate adjacent parcels and open space. The eastern boundary is approximately the midpoint between Madrona and Ocean avenues and the western boundary is Birch Avenue at the Tillamook Regional Medical Center, as shown in Exhibit 2.

Exhibit 1. Study Area Context

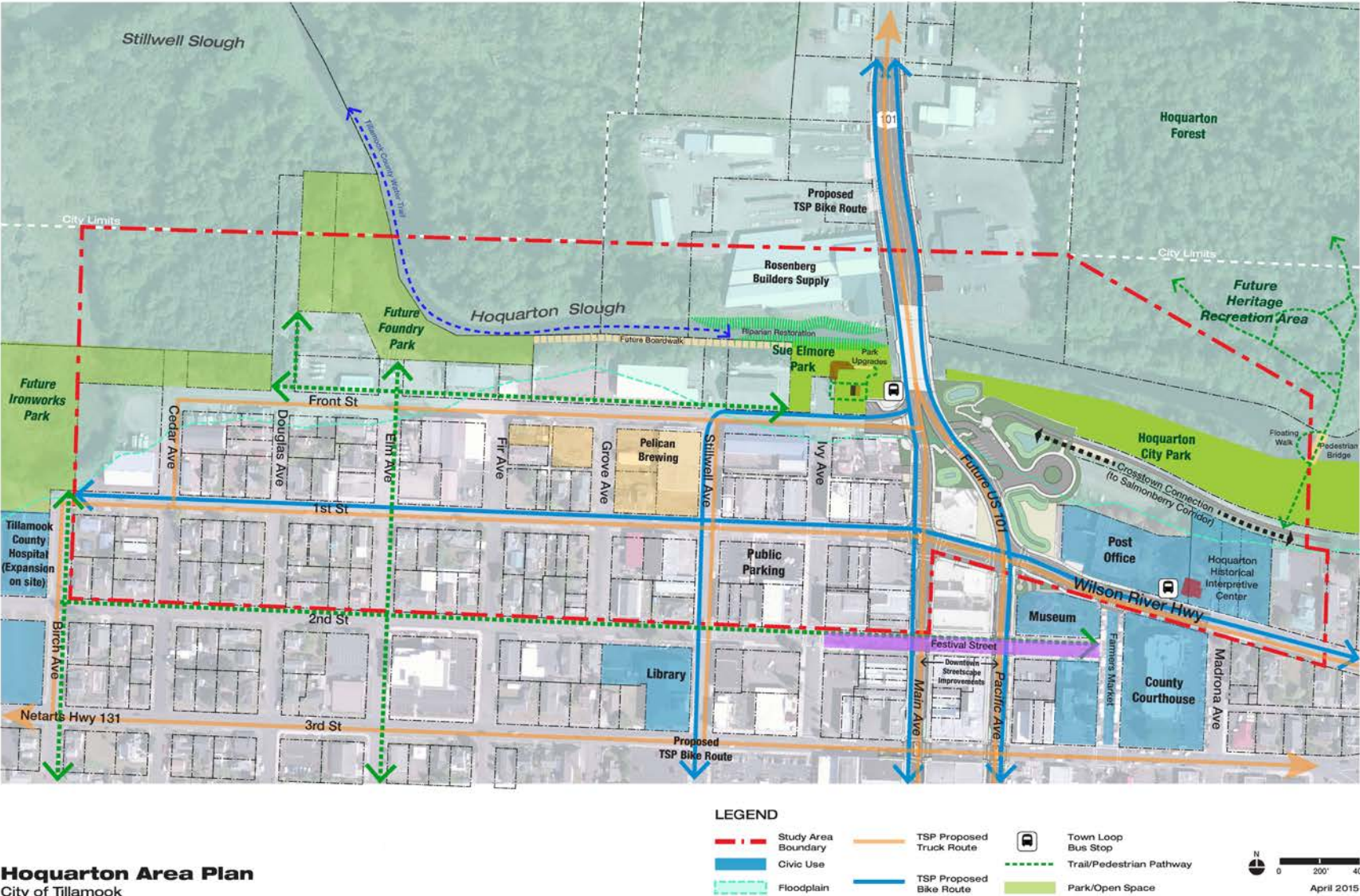


Hoquarton Area Plan Context
City of Tillamook
February 2015

Study Area Boundary



Exhibit 1. Study Area Boundary



Population

The City of Tillamook had a population of 4,935 and an estimated 2013 population of 4,949 according to the US Census Bureau.¹ This represents about one fifth of Tillamook County's population. The study area has a population of 352 people.² As shown in Table 1, while the city is expected to grow by 22 percent by 2030, the County is only expected to grow by 14 percent, which is slower than Oregon's expected growth rate of 23 percent.

Table 1. Historic and Forecast Population in Study Area, 2000-2030

	2000 ¹	2010 ²	2013 ³	2030 ⁴	Change	
					2000-2010	2013-2030
Study Area	335	352	---	---	5%	---
Tillamook	4,352	4,920	4,885	6,020	13%	23%
Tillamook County	24,262	25,260	25,375	28,723	4%	13%
Oregon	3,421,399	3,837,300	3,919,020	4,768,000	12%	22%

Sources: 1) U.S. Census 2000 SF 1 Table P001, 2) All data from Portland State University Certified Population Estimate, 2010, with the exception of the study area, which used U.S. Census 2010 SF 1 Table P001, 3) Portland State University Certified Population Estimate 2013,

-2030 Oregon Office of Economic Analysis Demographic Forecasts

On average, the City of Tillamook's population is younger and has more Hispanic or Latino residents than Tillamook County or the State of Oregon, as shown in Table 2. In 2013, the median age in the City of Tillamook was 35.5 compared with 48.2 in Tillamook County. Since 2000, the city's Hispanic/Latino population has been consistently larger than that of the County or State of Oregon and the study area appears to have an even greater concentration of Hispanic or Latino residents.

Table 2. Key Demographics, 2010

	2000			2010			2013		
	Population	Median Age	% Hispanic or Latino	Population	Median Age	% Hispanic or Latino	Population	Median Age	% Hispanic or Latino
Study Area	335	36.4	27.8%	352	40.4	36.9%	---	---	---
Tillamook	4,352	33.3	8.6%	4,935	33.7	17.2%	4,949	35.5	12.8%
Tillamook County	24,262	43.5	5.1%	25,250	47.5	9.0%	25,300	48.2	9.3%
Oregon	3,421,399	36.3	8.0%	3,831,074	38.4	11.7%	3,868,721	38.7	11.9%

Source: U.S. Census 2000 SF 1 Tables P001, P008, P012, U.S. Census 2010 SF 1 Tables P001, P13, DP-1, American Community Survey 2009-2013 5 year estimates Tables B01002, B01003, B03002.

Land Use/Buildable Lands Inventory

There are 129 taxlots in the study area, totaling approximately 41.5 acres. The primary land uses in the study area are residential, commercial, industrial, and open space. As of 2012, existing and zoned uses along Front Street are primarily industrial, with low-density residential uses centered between 1st and 2nd avenue, as shown in Exhibit 3. Commercial activity is primarily along OR 6 and 1st Street, clustered around US 101. The study area consists of several vacant taxlots, both publicly and privately owned.

¹ Tillamook's certified 2013 population is 4,885 per Portland State University Population Research Center.

² Since full data were not available for the study area boundary, we have reported City numbers whenever necessary.

Exhibit 3. Existing Land Uses, City of Tillamook, 2012

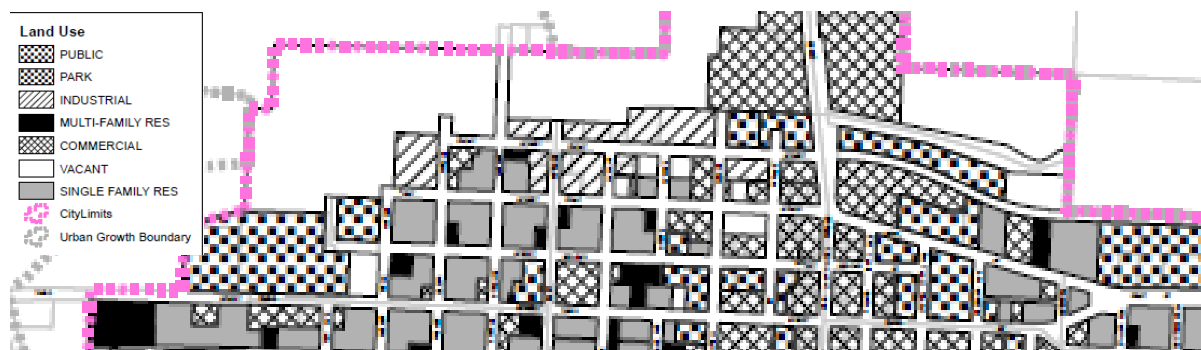
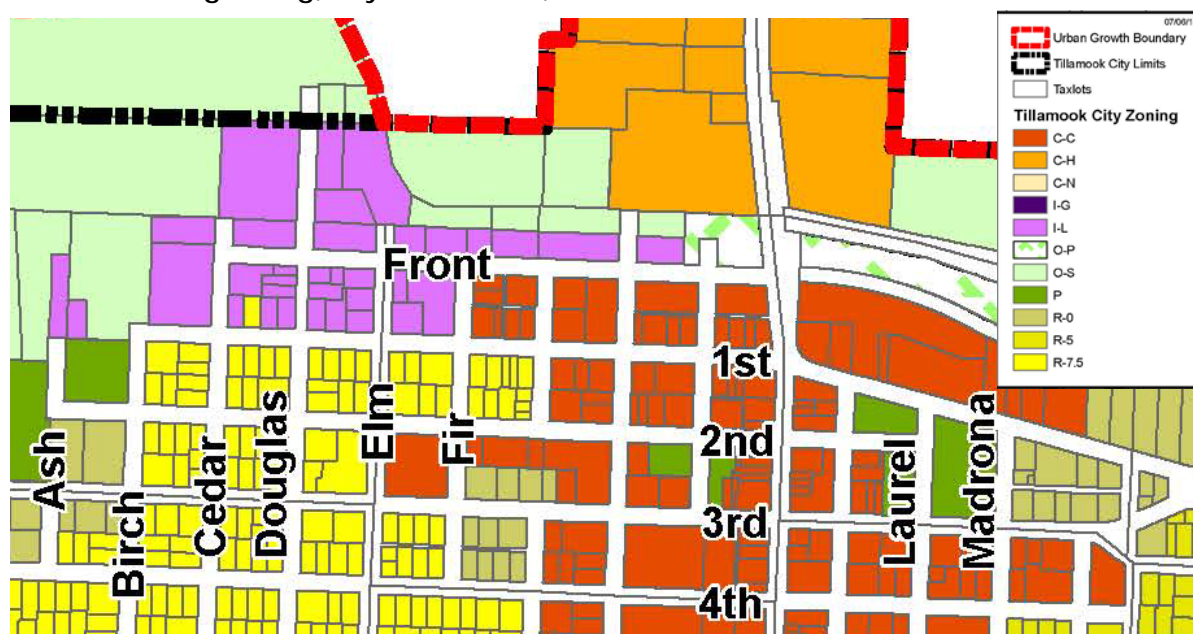


Exhibit 4. Existing Zoning, City of Tillamook, 2012



Source: Tillamook Comprehensive Plan, 2012

Comprehensive Plan Designations and zoning support most existing land uses, though several lots within the study area are non-conforming. As shown in Table 3, the three largest uses in the study area, by acres zoned, are Industrial, Central Commercial, and Open Space. The Comprehensive Plan designates a future park south of the Hoquarton and open space to the north. Areas adjacent to the study area reflect a similar mix of zoning, including Highway Commercial to the north along US 101 (Main Avenue), Town Center Overlay south along Main Avenue, and Central Commercial and Single Family Residential uses south of the study area. The hospital site immediately to the west of the project area is zoned Public/Semi-Public. Appendix A includes a parcel map and table with plan and zone designations, development and ownership status and existing uses. As of July 1, 2015, City limits will include the entire Douglas Avenue ROW and properties between the Douglas Avenue ROW and the Hoquarton.

Table 3. Hoquarton Study Area by Comprehensive Plan Designation and Zone

Comprehensive Plan Designation		Zone	General Location	Approximate Area (acres) ³	Approximate % of Study Area
Low Density Residential		Single Family Residential (R 7.5)	Between 1 st and 2 nd Sts and Grove and Birch Aves	5.2	12.5%
Highway Commercial		Highway Commercial	Adjacent to Main Ave north of Hoquarton	3.2	7.7%
Downtown Commercial		Central Commercial	Between Front and 2 nd Sts and Fir and Stillwell Avenues, between Front and 1 st Sts and Main Ave and Ocean Pl	9.1	21.9%
		Town Center Overlay	Between Front and 2 nd Sts and Stillwell and Main Aves	3.4	8.2%
Industrial		Light Industrial	On both sides of Front St between Birch and Fir Aves, on north side of Front St between Fir and Ivy Aves	10.5	25.4%
Open Space		Open Space	On both sides of Hoquarton	10.1	24.3%

Zoning code establishes the uses, dimensional standards, design standards, and impact regulations. Notable provisions for the zoning districts in the study area include:

- **Single Family Residential (R 7.5):** The primary allowed use is detached single-family residential, with limited provisions for duplexes and attached single-family housing on corner lots larger than 7,500 SF. There are four corner residential lots in the study area that could accommodate a duplex. Accessory residential uses such as home occupations, accessory dwelling units, and accessory structures are allowed. Conditional uses include bed and breakfasts, public facilities, and duplexes on non-corner lots. The maximum allowed height is 35 feet. The minimum lot size is 7,500 SF, but most of the lots in the study area average 5,500 SF and were likely created prior to the zoning code.
- **Highway Commercial:** All commercial uses are allowed in the zone, and apartments, manufactured home parks, and RV parks are allowed conditionally. The maximum height allowed is 45 feet. The site design requirements include a focus on pedestrian connections between the street and commercial development, and within the site.
- **Central Commercial:** All commercial uses and secondary residential uses are allowed in the zone, and public facilities, senior housing, temporary events and bed and breakfasts are allowed conditionally. Maximum height is 100 feet, double that of any other zone in the study area. The site design requirements include a focus on pedestrian connections between the street and commercial development, and within the site.

³ Acreage computed from tax lot size data. Exact areas manually estimated for split zoned parcels and parcels partially within study area.

- **Town Center Overlay:** The overlay promotes a pedestrian-oriented, mixed-use district that enhances the area's historic structures and character to implement the Tillamook Town Center Plan. Permitted uses include single and multi-family residential, commercial retail and services, hotels, restaurants, professional services, and public facilities, with new uses subject to performance review by Planning Commission to determine compatibility with the district. Building and site design standards are an integral feature of the district, with details such as fenestration, commercial storefront design, roof forms, cornices, marquees, tiled floors, and gold leaf window signs called out. Off-street parking requirements are reduced for all uses, and eliminated for commercial uses. Landscaping requirements are limited to parking lot screening and street trees.
- **Light Industrial:** The zone permits a range of light industrial uses and commercial uses traditional serving industrial needs, such as building materials sales. Retail uses are conditional. Minimum lot size is established at 5,000 SF, and the maximum height limit is 45 feet. There are no setback requirements, except to provide a buffer between industrial uses and adjacent residential uses. There is only one residential lot directly adjacent to industrial uses in the study area, in the northeast corner of the intersection of Cedar Avenue and 1st Street. Additional design requirements are intended to reduce light, glare, and noise impacts from industrial uses on residential uses across the street, which occurs along 1st Street from Birch to Fir avenues.
- **Open Space:** The zone permits open space, park improvements designated in the approved Parks and Recreation Master Plan, and urban farming. Indoor recreational facilities like swimming pools, commercial facilities and accessory buildings associated with outright permitted open space and parks uses, and park improvements not detailed in the approved Parks Plan are conditional uses in the zone. A minimum of 50 percent of parcels zoned for Open Space must be landscaped.

Approximately 15 parcels have existing nonconforming residential uses that are zoned for industrial or commercial use, and those residential uses are not allowed by the current zoning. There are a few additional parcels with commercial uses that are zoned for industrial uses. Title 31 of the Tillamook Code of Ordinances allows for lawful continuation of existing nonconforming uses, unless the use is discontinued due to abandonment or destruction for greater than a year; expansion of existing uses is limited.

The long-term goal is to reduce the degree of nonconformity over time as properties redevelop. Generally, making modifications to nonconforming uses is more difficult than similar development allowed in the zone, which may hinder redevelopment of these parcels within the study area. Limited site-specific rezones may be appropriate to recognize existing uses that are unlikely to convert to the intended zoning.

There are several opportunities within the study area to adjust zoning to reflect existing and desired zoning.

- Add provisions that encourage cottage industry and artisan manufacturing uses that include a retail/commercial component in the industrial zone along Front Street, much like the existing brewing facility at Pelican Brewing includes both

manufacturing uses and a tap room where public can sample the beer. The code currently supports cottage industries in built-up areas of town such as Hoquarton, but retail sales are a conditional use in the Industrial zone. Artisan manufacturing and retail provisions could apply to a range of production types, including food, beverages, and crafts like woodworking or leather goods. Provisions could be incorporated across all Light Industrial zones in the city or applied as an industrial overlay in the Hoquarton area.

- Consider whether a mixed use zone would be appropriate for parts of the study area outside the Town Center Overlay to accommodate the mix of industrial, commercial and residential options. Mixed use zones could include upper story residential uses to provide greater variety of housing options in the study area.
- Review nonconforming uses to determine whether any site-specific rezones are appropriate for parcels with well-established development.
- Review transitions between zones, especially between industrial, commercial uses and residential uses. Most zoning districts are separated by streets and include additional design standards to limit impacts on neighboring residential uses.
- Enact specific measures to reflect flooding or other special conditions, density intensifications, and specific refinement plans that seek to maximize underutilized areas by master planning, such as the provision of common infrastructure (heating/ power/ etc.), loading, storage, or showroom facilities.

Economic Opportunities

The City of Tillamook's economy has maintained its agricultural and timber industry base while embracing its role as a center for recreation and retail businesses for the region. Three major industries influence the area's economy:

- **Lumber.** This industry is experiencing a comeback from the replanting that followed the 1933 – 1951 Tillamook Burn forest fires. Tillamook County has three active lumber mills located in Garibaldi, Tillamook and south of Tillamook.
- **Agriculture.** Land surrounding Tillamook is used for cattle grazing to supply the Tillamook County Creamery Association's production of cheese and other dairy products, which account for the majority of the County's agricultural sales.
- **Tourism.** With more than five million trips per year, Highway 101 is a major thoroughfare for tourists passing through on their way to Pacific Ocean beaches. The strengths of Tillamook's tourism cluster include:
 - Destinations: Tillamook Cheese Factory⁴, the Quilt Museum and Trail, the Forestry Center, and the Three Capes Scenic Drive
 - Recreational amenities: sightseeing tours, fishing charters, kayaking, and trails)
 - Overnight accommodations: inns, hotels, motels, RV parks, campgrounds, and private vacation rentals

⁴ Approximately one million people visit the Tillamook Cheese Factory located two miles north of the waterfront each year.

- o Restaurants
- o Arts and cultural opportunities: museums

Despite having a higher percentage of residents with a bachelor's degree or higher, the city has a lower median household income (\$34,458) than Tillamook County (\$52,723) or the State (\$50,229). Both the city and county have a lower unemployment rate than the State. Table 4 shows general education, employment, and income levels for Tillamook.

Table 4. Employment, Education, and Median Income, 2010 and 2013

	2010				2013			
	# of Employees*	Unemployment Rate	% Bachelors Degree or higher	Median Household Income	# of Employees*	Unemployment Rate	% Bachelors Degree or higher	Median Household Income
Tillamook	2,139	3.3%	3.6%	\$27,093	2,063	9.6%	13.6%	\$34,458
Tillamook County	11,168	6.8%	5.9%	\$39,412	10,374	9.0%	5.7%	\$43,676
Oregon	1,763,324	8.7%	8.1%	\$49,260	1,763,324	11.3%	7.6%	\$50,229

*Of the Civilian Labor Force. Source: American Community Survey 2006-2010 5 year estimates Tables DP03, S1501, American Community Survey 2009-2013 5 year estimates Table DP03, SF501.

While there was a modest drop in the total number of employees in both the City and County between 2010 and 2013, there is considerable opportunity for job development. In 2011, over a quarter of covered employment in Tillamook County was in sectors most directly related to tourism: accommodation and food service, arts and recreation, and retail trade.⁵ The sector with the largest increase in number of employees was Accommodations & Food Services, which grew by 1.5 percent annually between 2001 and 2011.⁶ The Healthcare and Social Assistance sectors also grew by 1.5 percent annually per year.

Market Conditions for Development

This section provides insight into existing supply and potential demand for different development types. Our findings reflect current development conditions that can help illustrate near-term development possibilities. Additional review of economic and demographic forecasts for the region and state provide a better understanding of emerging trends. Since population and employment growth will drive development opportunities in the medium to long-term, we reviewed the City's 2013 Economic Opportunities Analysis (EOA) and local population projections to understand the implications for commercial and residential development in the Hoquarton area in the long-term. Table 5 presents a distilled a set of preliminary development opportunities based on review of local data and conversations with local brokers and area stakeholders. The general market for development in Tillamook, combined with the competitive and comparative advantages of the study area, suggest that a mix of residential and retail development could be supported in the area.

⁵ Tourism in Tillamook County results in \$185.4 million in direct spending annually, supporting about 2,100 jobs, and resulting in lodging tax revenues of approximately \$1.05 million annually, according to the 2013 EOA.

⁶ City of Tillamook Economic Opportunities Analysis.

Table 5. Development Potential by Use

	Potential indicators*	demand	Opportunities	Challenges	Potential areas for new development
Multi-family rental housing	ST: Existing properties experiencing low vacancy rates. LT: Demographic changes may lead to increase in households who prefer to rent or live in an urban format.		Locational advantages – close to retail, amenities, and hospital. New city investments in parks, boardwalk, pedestrian/cyclist access, etc.	Feasibility is challenging, as market-rate rent levels likely cannot justify the cost of new construction without subsidy.	Products for people aged 25-34. Older households looking to downsize.
Multi-family ownership housing/ Live-work	ST: Low sales prices. LT: Limited interest in ownership live-work given an uptick in small-scale manufacturing.		Low price points may attract retirees.	Competing low-cost inventory in the area.	Condos, and townhomes for people looking to downsize, be close to amenities, etc.
Retail	ST: Rehabilitation of existing spaces and low vacancy rates. LT: Additional residents and workers in the area.		Regional retail hub. Adding retail component to light manufacturing uses. Excellent access to major roads. Can foster a niche as a gateway to recreational access.	Lack of visibility from major highways. Internet will continue to decrease demand for large-format retail.	Uses that serve surrounding households and employees. Uses that serve tourists. Small-scale, ground floor retail space.
Office/ Industrial	LT: Strengthened economy could increase demand.		Businesses in target industries.	Few prospective tenants.	Refrain from focusing development efforts on office space at this time.

*ST: Short-term, 5 years. LT: Long Term, 2020 and beyond.

Housing Needs

By 2030, Tillamook's population is forecasted to have increased by about 1,100 persons since 2010. The City assumed that the 2030 housing mix would remain similar to the 2000 housing mix with 15 percent of housing units built as multifamily housing. According to the comprehensive plan, the city will need an additional 83 housing units by 2030. With city investment and private interest, more housing development could occur in the study area, which is necessary for enticing professional employment opportunities. Appendix B provides further analysis on tenure, median price and housing stock.

Commercial

The 2013 EOA found an 11-acre deficit of commercial land in the region, and predicted an increase of over 1,000 retail and services employees in the region by 2033. The region faces the challenge of a mismatch between where available land is located and where the local plans and policies would like for new commercial uses to locate. Much of the available land is located north of the city core along Highway 101 or to the east along Highway 6.

The EOA found that tourism growth is a key opportunity. This includes attracting new development, such as restaurants, hotels, or small shops for visitors. To better accommodate visitors, the City would like to focus its retail and commercial uses in the city core, where it still has some sites for redevelopment unlike other smaller communities such as Oceanside or Netarts.⁷ In a January 2015 study of commercial spaces in Tillamook's Main Street Area, Valerie Schumann of Berkshire Hathaway Northwest Real Estate estimated that there are nearly 800,000 square feet of space. At that time, 63,600 square feet were available which means the area has an 8 percent vacancy rate. Since these findings point to overall good demand for retail space within downtown Tillamook, the study area could help to accommodate new retail/commercial if redevelopment sites were available.

A comprehensive analysis of the commercial market is difficult as there have been few lease transactions within the City of Tillamook as most properties are owner-occupied. As of February 2015, two spaces along 1st Street within the study area, shown in Exhibit 7, are currently vacant and lease negotiations are underway. This indicates potential viability of the area for new investment if successful lease agreements can be made for these spaces. The data that are available do not point to any one market trend. Retail rents range between \$0.65 and \$1.50 PSF triple-net⁸, depending on the level of building quality. Other communities on the coast command much higher rents, up to \$2.75 PSF/month as of February 2015.

Outside the study area, the Power Chevrolet site has been on and off the rental market for about three years. One broker stated that this is because the site is within the floodway, so prospective tenants are wary of investing in the site.

Broad retail trends that affect retail space in Tillamook. Internet commerce has created challenges for 'bricks-and-mortar retailers'. There are certain goods and services that require a physical presence and will be able to grow even as households continue to shift purchases to the Internet:

- Services, such as hair salons, masseuses, medical offices, and computer repair shops
- Food services, including full-service and limited-service restaurants
- Drive-by convenience, including coffee kiosks and dry cleaners
- Fresh goods, such as baked pastries and flowers
- Recreational activities, such as gyms and recreational facilities for children

⁷ City of Tillamook Economic Opportunities Analysis, 2013.

⁸ A triple net lease (NNN) is a lease agreement on a property where the tenant agrees to pay all real estate taxes, building insurance, and maintenance on the property in addition to rent and utilities.

Exhibit 5. Available Commercial Space in Tillamook, February 2015



1906-8 N 1st St.
1850 square feet and
2,250 square feet
Recently Improved
Asking rent: \$1.15-\$1.25 PSF/month
NNN
Source: Loopnet



1902 1st St.
15,000 square feet
Recently improved
Asking rent: \$0.70 PSF/month NNN
Source: Loopnet



1 N Main Ave.
19,188 SF on 3.75 acres.
Remodeled in 2013,
some flooding issues
\$0.25 PST/month NNN
Source: Loopnet

Many commercial sale transactions are completed in cash in Tillamook, as difficulty in obtaining a bank loan has detracted some investors. Without a specific signed tenant and an established return on investment, building a speculative project needs more patient money than most lenders will be willing to offer.

Industrial

The Hoquarton area is known for a concentration of active light industrial businesses, some of which manufacture products for export from the region. The area could continue to attract businesses that wish to locate within the downtown area, close to other active businesses. There may be interest from businesses that want to incorporate a retail element into a working manufacturing facility.

The EOA predicted an increase of 525 employees working in industrial businesses in the Central Tillamook region by 2033. At the same time, the EOA found that the area has a surplus of 692 acres of industrial land for the next 30 years. Redeveloping portions of the study area may encourage businesses to locate there. The EOA estimates that 10 percent of new jobs could be located on underutilized properties. If the Hoquarton area were to accommodate five percent of new industrial jobs in the region (26 employees), about 26,000 square feet of new industrial space would need to be constructed.⁹

Current rental market data for industrial properties is limited for the study area as there are few industrial properties for lease in Tillamook at this time. New development in the Hoquarton area would likely be owner-developed and occupied.

Hotel and meeting space

Tillamook's high season runs from the 3rd week in June to Labor Day, with some peaks in between when there is good weather at the coast. The primary demand for hotel space in Tillamook stems from tourism. Tillamook has five hotels: The Ashley Inn, Shilo Inn, Western Royal Inn, the Mar Claire, and the Red Apple Inn. Each of these hotels has rates ranging from \$60 in the winter to \$80 in the summer for a queen room.

⁹ Assuming one job per 1,000 square feet.

The Mar Claire Hotel will be demolished as part of the US 101/OR 6 Traffic Improvement project. Built in 1978, the Mar Claire Hotel has 46 rooms and current rates range from \$60-\$86 for a queen room, depending on the season. The hotel offers furnished suites for temporary hospital employees for \$1200 per month in the off-season. Once the Mar Claire is deconstructed, there will be fewer extended stay lodging options within close proximity of downtown. With the study area's proximity to downtown, the hospital, and grocery stores, there could be an opportunity for an extended stay hotel to serve the hospitals employees and visitors. A new hotel should offer kitchenettes, expanded living facilities, and amenities that can serve people who will be staying in the area. While the scope of this project does not include a hotel feasibility analysis, there could also be an opportunity for smaller scale hotels that serve a more upscale clientele as the area matures.

SWOT Analysis

Given the existing market conditions, the consultant team outlined a set of strengths, weaknesses, opportunities and threats for development in the Hoquarton area. Catalyst developments, described below, could be some of the first projects developed to further the vision for revitalization of the Hoquarton area. These also could be described as "pioneer" projects that require strategic partnerships and creative funding to be realized.

Strengths

- Major transportation route. Tillamook has direct access to the State's highway system, as well as other options for passenger transportation.
- Central location to existing tourist attractions.
- Existing building stock.
- Working business center.
- Pelican Brewery.

Weaknesses

- Reliance on tourism for downtown attractors.
- Seasonality.
- Low growth projects for new residential projects.
- Visibility problem for businesses not on 101.
- Smell.

Opportunities

Catalytic developments

- Service center for Salmonberry corridor and kayak tours: tourism operators (e.g., bicycle tours); possibly couple with retail component that is recreation-related. First site at the corner of Main and Front Street is identified as a key location.
- Extended stay hotel; extended stay hotel or apartments, given demand from contract workers at Tillamook Regional Medical Center and others.
- Retail uses coupled with existing light industrial buildings, such as Pelican, the Tillamook Creamery and other related destinations.
- Capitalizing on being a "gateway to coast"; new retail / supportive uses for tourism.

Developments that serve existing and future residents

- Retail hub. Tillamook is the fourth largest city in the North Coast region and the largest city in Tillamook County.
- Medical uses. Population and demographic changes (e.g., growth of older population) will drive demand for medical services. Growth opportunities are likely to be small-scale, such as new doctor's offices, and may be related to Tillamook County General Hospital.
- Services for seniors. The growing population of retirees or near retirees in Tillamook County may attract or create demand for services for seniors, such as assisted living facilities, retirement centers, or recreational services.
- Residential. Developments that cater to changing demographics: Mixed-Use, Live/Work, and Co-operative arrangements:
 - Housing rehabilitation. A large percentage of the housing stock is 50 years old or older, particularly homes within or near to the city center. The City could focus its resources on improving the existing housing stock in targeted areas through rehabilitation loans.
 - Live-work. The City is interested in exploring live-work housing models. A formal policy and set of incentives with target sites might drive the creation of a small live-work development in downtown Tillamook.
 - Short-term housing. Short-term apartment-style housing would be attractive to people working on temporary contracts in the area, including the hospital.

Opportunities

The 2013 EOA found that the types of businesses that may be attractive to the Region include:

- Specialty food production (e.g. wild rice, oysters, sea salt, specialty brewing yeast)
- Forest products (timber, moss, or wild-grown edibles)
- Specialty agricultural and forest production for locally grown products.
- Alternative energy production
- Agricultural services and businesses (feed and equipment stores)
- Specialty manufacturing, such as aeronautical equipment, specialty lumber productions.
- Other manufacturing (e.g. recreational equipment, furniture manufacturing)
- Services for visitors (hotels, restaurants, and activities such as recreation)
- Retail and personal services (e.g., a hardware store or a craft-supply store)
- Medical services for seniors and other residents.
- Services for seniors, such as assisted living

Identity/branding

- Recreation:
 - Gateway to kayaking and biking, especially if you can couple that with Salmonberry corridor.
 - Ability to embrace the Hoquarton with pathways.
- Historic. Capitalize on the historic industrial element of Front Street, such as a walking loop, linking museums, the bank, and other historic structures.

Business support programs

- Local makers. Co-marketing of local products.
- Main Street organizations.
- Increasing capacity/reach of local businesses through loans.

- Small business incubator. There may also be small businesses that would be interested in taking part in a business incubator where they would share resources and facilities as their businesses launch.

Supportive infrastructure

- Wayfinding: route signage, especially for bike system.
- Route completion: Completing sidewalks, marking roads with sharrows. Focus changes in city right-of-way rather than Oregon Department of Transportation (ODOT) right-of-way.

Threats

- Competing areas for tourism.
- Lack of funding for comprehensive infrastructure development plan.
- Too many parks projects; need to couple phasing with development.

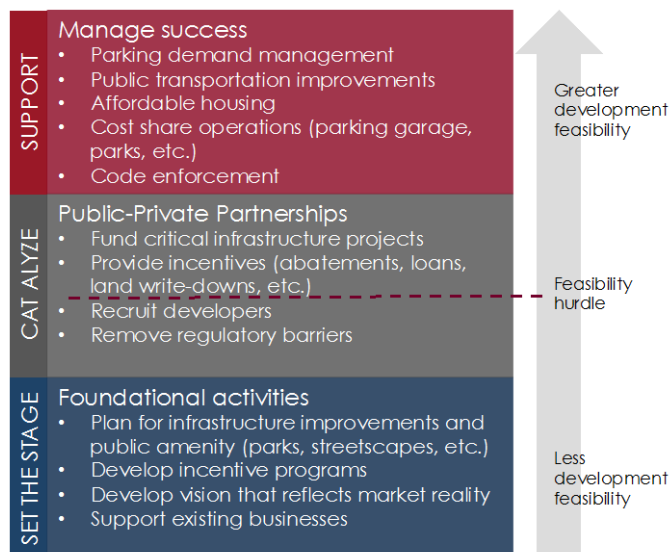
Travel Oregon Sponsors Rural Tourism Studios that help communities learn about and organize around key sustainable tourism products, services and markets; connect with new partners and resources for implementation; and generate local momentum for action.¹

Implications and Next Steps

Current market data indicates feasibility given today's conditions and level of investment. To create a vibrant Hoquarton area, the City will need to work in tandem with private development to create a new kind of neighborhood. From a private perspective, people invest in real estate to realize financial gain from rents paid by tenants. Tenant's willingness to pay higher rents depends on their preference for a particular location over others. Generally, three key elements influence private real estate development decisions:

- Market conditions including rent levels, land values, vacancy rates, availability of financing, competing supply, etc.
- The regulatory framework and infrastructure that shape development plans and serve available land.
- The availability/suitability of land, including property ownership patterns, soil conditions, etc.

Exhibit 6. Public Sector Actions by Feasibility Phase



A Framework for Public Investment

The public sector, cities in particular, can influence real estate markets and redevelopment potential using urban renewal, development regulations, incentives, infrastructure investments, and, in some cases, partnering with the private sector to improve development feasibility.

To evaluate the most effective role for the Tillamook in each of these opportunity areas, we suggest a feasibility spectrum with a set of

potential public-sector roles and related actions. Exhibit 8 illustrates the difference in the relationship of public actions to private investment as an area grows and/or market feasibility changes.

The challenges that developers face differ based on where their projects sit relative to the feasibility hurdle. Actions that the City might take to incent or encourage redevelopment also differ accordingly. Generally, the City can think about its possible actions in three categories, or phases of feasibility: "set the stage", "catalyze", and "support." As rents increase relative to development costs, a project's market feasibility increases. Efforts in the "catalyze" category are generally meant to spur initial development through targeted subsidies, public-private partnerships, and remove barriers. When market feasibility reaches the redevelopment hurdle, private investment decisions lead to new construction without significant public subsidy.

The City and its partners need to consider how planning for future development of the study area aligns with economic development and tourist attraction efforts:

- What investments can draw tourists and support the broader regional tourism strategy?
- How do you keep people in the area once they visit?
- What programs can support investments in the built environment?

Our preliminary recommendations are to phase implementation of eventual recommendations over time. The first phase will be a set of actions that the City should take within five years. This set of actions acknowledges that many of the existing uses in the area will likely remain. During this time, the City should focus its efforts on the core area along 1st Street. Long term actions incorporate strategies that are dependent on a significant change in parcel use and/or ownership. The following preliminary recommendations will be updated as part of Memorandum #5.

Interim actions (5 years): Focus on Core Areas

- Calibrate URA funds to have the best near-term impact, specifically related to marketing the study area.
- Create better transportation connections to downtown/wayfinding.
- Market available sites.
- Work with Pelican and others to identify possible complementary uses.
- Take advantage of URA-funded parking lot and other infrastructure.
- Initiate discussions with property owners about partnership possibilities:
 - Work with property owner at southwest corner of Front Street and Main Avenue.
 - Work with empty city-owned lot at Front Street and Ivy Avenue: interim/seasonal uses, such as a kayak shop, or food car pods.
 - Public restrooms.

Full build out (20 years)

- Change uses along the Hoquarton to make the boardwalk more appealing.
- Determine the 20 year build out potential for the area.
- Establish a vision for sites that may have current active uses but may redevelop over the next 20 years.

Transportation

Existing Conditions

This evaluation of Tillamook's existing transportation network includes existing motor vehicle, pedestrian, bicycle, and transit facilities within the study area. The assessment of existing conditions serves as a baseline to determine deficiencies and evaluate needs.

Vehicular Facilities

The study area is served by a grid network with various roadway classifications per the ODOT 2013 classification map and the City of Tillamook 2003 Transportation System Plan (TSP), shown in Exhibits 9 and 10 respectively. An inventory of roadway characteristics, including posted speeds, directionality, roadway width, number of travel lanes, and presence of on-street parking is documented in Table 7. Appendix C includes the ODOT 2013 classification map and the City of Tillamook Functional Classification map.

Exhibit 7: ODOT Functional Classification



Exhibit 8: City of Tillamook Functional Classification

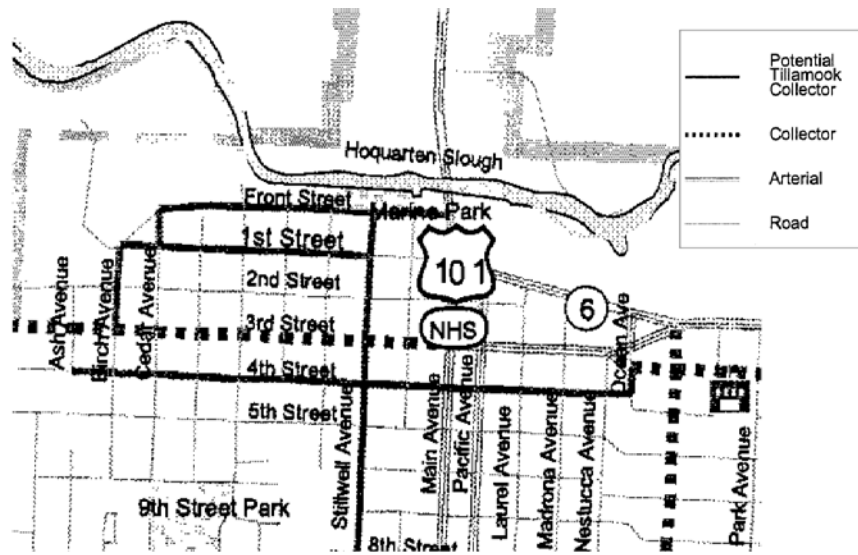


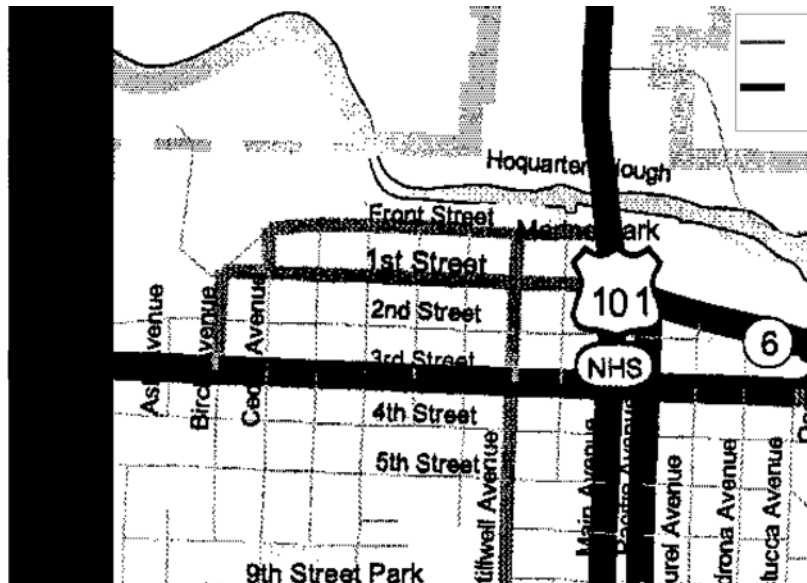
Table 6. Existing Study Area Roadway Characteristics by Functional Class

Roadway	Posted Speed (mph)	Directional?	Width (feet)	Lanes	On-Street Parking?	Function Classification	
						ODOT	Tillamook
US Route 101 (Main Ave)	20	Two-way	35-60	2-4	South of 1st Street	Principal Arterial	National Highway
HWY 6 (Wilson River Hwy)	25	One-way	40	2	Yes	Minor Arterial	State Highway
HWY 131 (3rd Ave)	30	One-way east of US 101 South (Main Ave)	40	2	Yes	Urban Collector	Collector
Front Street	20	Two-way	40	2	Yes	Minor Collector	Potential Tillamook Collector
1st Street	25	Two-way	35	2	Yes	Minor Collector	Potential Tillamook Collector (East of Stillwell Ave)
Cedar Avenue	20	Two-way	25-35	2	Yes	Local	Road
Douglas Avenue	20	Two-way	20	2	Yes	Local	Road
Elm Avenue	20	Two-way	35	2	Yes	Local	Road
Fir Avenue	20	Two-way	25	2	Yes	Local	Road
Grove Avenue	20	Two-way	20-35	2	Yes	Local	Road
Stillwell Avenue	20	Two-way	35	2	Yes	Local	Road

Roadway	Posted Speed (mph)	Directional?	Width (feet)	Lanes	On-Street Parking?	Function Classification	
						ODOT	Tillamook
Ivy Avenue	20	One-way between 2nd and 3rd Streets	35	2	Yes	Local	Road
2nd Street	20	One-way between US 101 and Grove Avenues	30-35	2	Yes	Local	Road

The City of Tillamook has designated Front Street, 1st Street, Birch Avenue (between 1st and 3rd streets), 3rd Street, and Stillwell Avenue as truck routes in the study area, as shown in Exhibit 11. Appendix C includes the City of Tillamook designated trucks routes per the 2003 TSP.

Exhibit 9: City of Tillamook Truck Route Designation

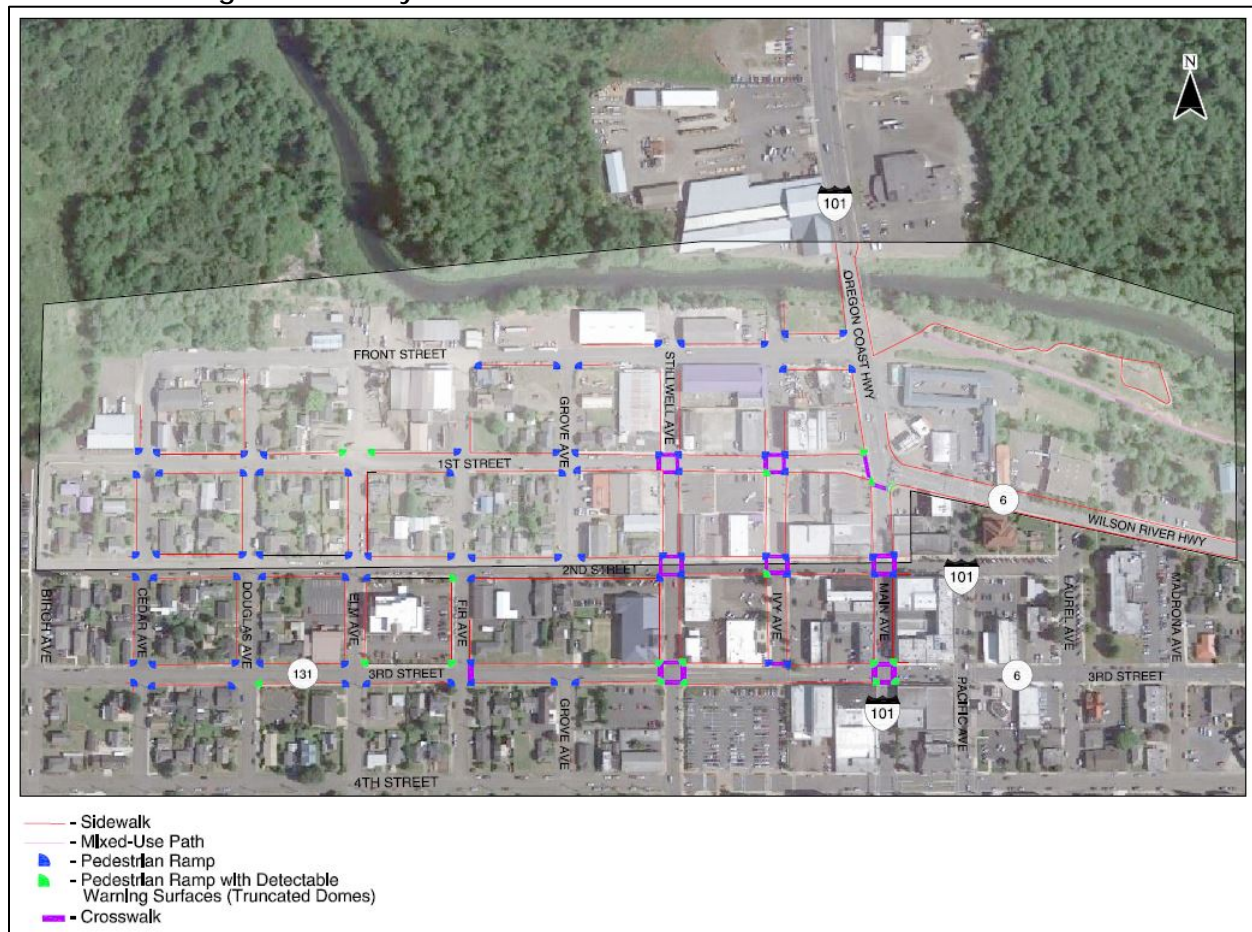


Pedestrian Facilities

As shown in Exhibit 12, the pedestrian system within the study area consists of sidewalks, multi-use paths, and trails, as well as marked and unmarked pedestrian crossings; an inventory of these facilities is shown in Exhibit 13. The overall condition of these pedestrian facilities varies throughout the study area. Along the US 101 and Highway 131 corridors, sidewalks are generally in good condition with regards to spalling/cracking, frequency of pedestrian obstructions, and horizontal/vertical faults. The sidewalks along the minor collectors and local roads west of US 101 have surface deterioration and cracking.

The condition of the pedestrian curb ramps also varies throughout the study area. Eighteen, or approximately 20 percent, of the curb ramps within the study area have been updated to comply with American Disability Act (ADA) standards using detectable warning surfaces and controlled slopes.

Exhibit 10: Existing Pedestrian System



Bicycle Facilities

There are no dedicated bicycle facilities within the study area, cyclists are expected to share the roadway with motorists.

Public Transportation Facilities

The Tillamook Town Loop, operated by the Tillamook County Transportation District (TCTD), provides service within the study area, as shown in Exhibit 13. The Tillamook Town Loop operates between 7:15 a.m. and 7:10 p.m. seven days a week at one hour headways. There are four transit stops within the study area; no shelters are provided at these stops.

Exhibit 11: Existing Public Transportation System



Deficiencies and Needs

Based on existing conditions, the following section identifies existing deficiencies and needs in the study area by mode of travel.

Vehicular Facilities

Per the Tillamook TSP, two intersections within the study area do not operate acceptably under existing conditions; the US 101/OR 6 and 3rd Street/Stillwell Avenue intersections. In 2020, these two intersections are expected to become progressively worse and the US 101 (Main Avenue)/3rd Street intersection is projected to surpass acceptable operational thresholds.

The TSP identifies the following vehicular needs within the study area:

- Install a traffic signal at the 3rd Street/Stillwell Avenue
- Improve intersection geometry for the US 101/3rd Street, Highway 131/Stillwell Avenue, US 101/Front Street, US 101/2nd Street, and US 101/OR 6 intersections
- Extend 1st Street to Highway 131

The TSP identifies intersections with safety deficiencies due to skewed geometry, including the US 101/OR 6 and US 101/2nd Street intersections. Many of these deficiencies will be addressed as part of the US 101/OR 6 improvement project (see Future Planned Conditions below).

Pedestrian Facilities

The following pedestrian improvement needs are based on existing deficiencies of the pedestrian network and facilities:

- Maintain existing sidewalks to repair spalling, cracking, and plant overgrowth.
- Complete pedestrian network
- Install ADA-compliant curb ramps

The TSP recommends that the 3rd Street and Front Street be widened to accommodate sidewalks.

Bicycle Facilities

“Sharrow” pavement markings and D11-1 “Bike Route” signs should be installed along traveled bicycle routes to help increase driver awareness of cyclists within the traveled way. The TSP recommends that the Stillwell Avenue (between Front Street and 11th Street) and Front Street be widened to accommodate bike lanes:

Public Transportation Facilities

Bus shelters, including benches, should be provided at the four stop locations in the study area.

Future Planned Conditions

The following section documents planned improvements as per adopted plans, including:

- City of Tillamook Transportation System Plan
- City of Tillamook Transportation Refinement Plan
- US 101/OR6 Traffic Improvement Project
- Crosstown Connections Project

The US 101/OR 6 Traffic Improvement Project was developed based on concepts in the TSP and alternatives in the Refinement Plan; therefore, some of the improvements in these two documents are no longer relevant.

Tillamook Transportation System Plan, June 2003

The TSP projects future transportation conditions and associated transportation projects for horizon year 2020. Much of the study area is currently zoned as light industrial and central commercial.

The 2003 TSP assumes population growth to occur at a rate of 1.7 percent annually between 2000 and 2020, with a projected population of 5,757 within the City of Tillamook by 2020. The TSP did not specifically assume residential or commercial growth within the study area. No travel demand model has been developed for Tillamook; however, the TSP developed annual growth rates along highways per ODOT historical growth rates, discussions with the Transportation Planning and Analysis Unit (TPAU), and review of the ODOT future volumes tables. Table 8 shows a comparison of annual growth rates per the TSP and updated 2033 ODOT future volume tables. As shown, the TSP assumed higher growth along the study roadway segments in comparison to the updated ODOT 2033 future volumes table.

Table 7: Projected Future Travel Demand Comparison

Segment	Annual Growth Rate (%)	
	2003 TSP	ODOT 2033 Future Volumes Table
US 101 (north of OR 6)	1.9%	0.4%
US 101 (south of OR 6)	0.7%	0.1%
OR 6	1.6%	0.1%
Netarts Highway (HWY 131)	2.5%	0.2%

The TSP identifies many projects within the study area. Some of the projects are no longer relevant due to the US 101/OR 6 Project. Others may no longer be desired by the City or will need to be reconsidered as part of this planning effort. Projects in the study area that need to be evaluated to determine if they should remain as part of the TSP include:

- Provide an eastbound right-turn lane at US 101 and Highway 131 (to US 101 southbound) while providing for safe pedestrian and bicycle movements.
- Install a traffic signal at Highway 131 and Stillwell Avenue and provide northbound and southbound left-turn lanes.
- Improve driver awareness (bulb-outs, removal of parking, consolidate driveways) at US 101 and 3rd Street. Improve signing and striping on the eastbound approach.
- Improve pedestrian visibility (by treatments such as corning bulb-outs with parking removal, and crossing flags) at US 101 and 2nd Street.
- Signalize the Highway 131/Stillwell Avenue intersection.
- Complete downtown sidewalk construction/replacement from the Hoquarton to 4th Street. Include bulb-outs at 2nd, 3rd, and 4th streets.
- Provide north-south bike route on Stillwell Avenue and connections with US 101 along Front Street, and coordinate with Hoquarton Trail.
- Develop Phase 1 of the Hoquarton Trail along south side of the Hoquarton for approximately 1,000 feet. Connect parks along the Hoquarton and proposed Stillwell Avenue bike route.
- Provide bike lanes on 3rd Street and OR 6 between Ash Avenue and the Trask River Bridge, and shared roadway designation for 1st Street, Birch Avenue, 4th Street and Ash Avenue.

Projects the City intends to remove from the TSP include:

- Create a one-way couplet system along 1st Street (westbound) and Highway 131 between Stillwell Avenue and US 101 (Main avenue). Include signing, channelization/restriping and intersection signal equipment and timing modifications.
- Construct interchange at Highway 131/OR 6.

Tillamook Transportation Refinement Plan, January 2006

Many improvements included within the Refinement Plan relate to the Study Area. Some of the projects are no longer relevant due to the US 101/OR 6 Project. Others may no longer be desired by the City or will need to be reconsidered as part of this planning

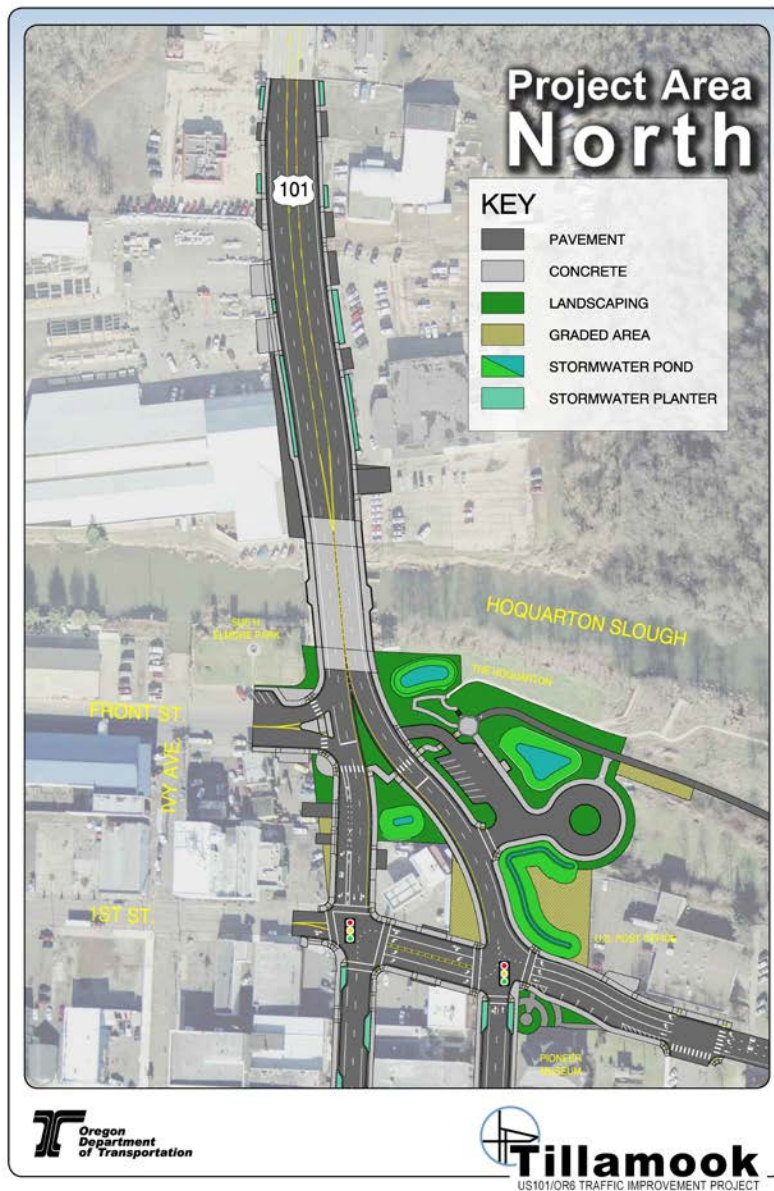
effort. Projects in the study area that need to be evaluated to determine if they should remain as part of the city's transportation plans include:

- Improve signage at US 101 and Front Street to encourage trucks to use this existing alternate route outside of downtown.
- Main and Pacific Avenue Design Alternatives. In the short-term (0-5 years), implement streetscape and related improvements to slow traffic and better delineate pedestrian space and movements from 1st Street to 5th Street.
- Downtown Parking Options
 - Building a deck or larger parking structure on current city parking lots, and a structured parking area on the south side of 1st Street west of Ivy Avenue.
 - Change parallel parking to angle parking along 2nd Street, Ivy Avenue, and Laurel Avenue. (Completed along 2nd Street and Laurel Avenue.)

US 101/OR 6 Traffic Improvement Project

The following improvements pertaining to the Study Area will be completed as part of the US 101/OR 6 Traffic Improvement Project, as shown in Exhibit 14. Main and Pacific avenues will be widened to improve street safety and operations. On-street parking will be maintained. Sidewalks will be narrowed by approximately two feet on both sides. Turn lanes will be added at select downtown intersections to decrease wait time for those traveling through and around Tillamook. New crosswalks at 1st Street and Main Avenue will help to improve pedestrian safety.

Exhibit 12: US 101/OR 6 Traffic Improvement Project Schematic

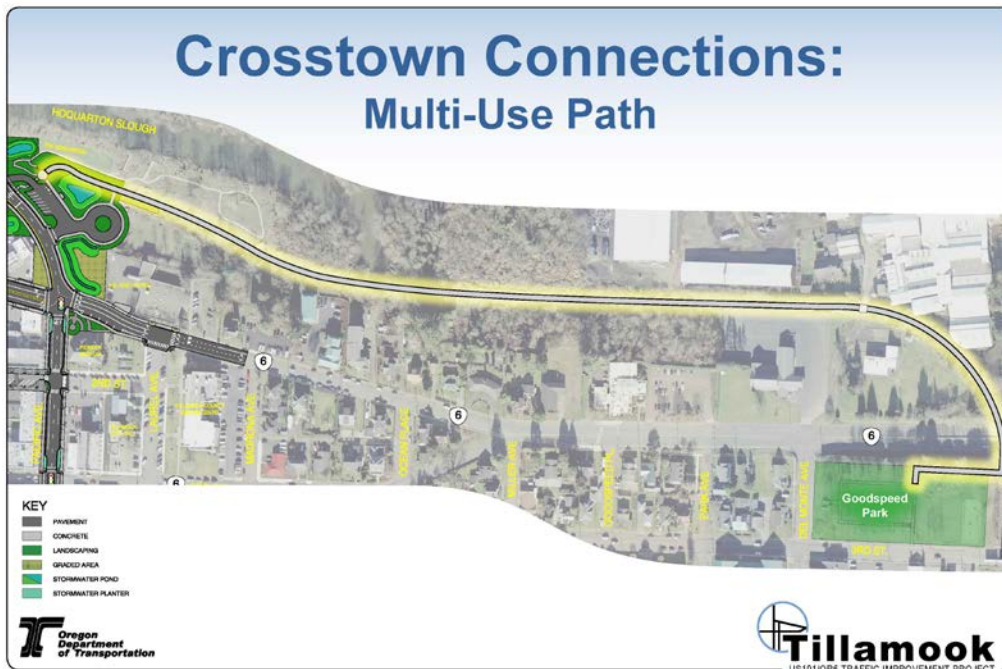


Crosstown Connections Project

The Crosstown Connections Project recommends the following improvements within the study area, as shown in Exhibit 15:

- Provide alternate bike route and signage on Front Street (between Stillwell Avenue US 101), Stillwell Avenue (between Front Street and 4th Street), and 4th Street (between Stillwell Avenue and Ocean Avenue).
- Provide new transit stop on Front Street at Ivy Avenue.
- Provide sidewalk improvements along 2nd Street between Ivy Avenue and Pacific Avenue (US 101).

Exhibit 13: Crosstown Connections



Parks and Trails

Existing Conditions

Within the study area, there are two parks, the 0.68-acre Sue H. Elmore Park (formerly Marine Park) and the 2.55-acre Hoquarton Park. The 2.32-acre Lillian Goodspeed Park lies east of the study area but is the terminus of a future trail connection from Hoquarton Park (see Salmonberry Trail section below). Undeveloped park parcels within the study area include Foundry Park and Ironworks Park. As shown in Exhibit 16, these are part of the Heritage Recreation Area, which consists of properties given to the city by the Federal Emergency Management Agency (FEMA) and other private property owners within the historic core of the city along Hoquarton, extending north to the banks of Dougherty. An interpretive trail will eventually link these properties, including a boardwalk along the Hoquarton and a bridge crossing over it to the Hoquarton Forest and a new trailhead on US 101, as shown in Exhibit 17. The Van Asperdt preliminary design (2003) includes a map of this proposed trail connection (page 12). Another 72.38 acres of natural open space (NW and Hoquarton West) could be potentially included in the Heritage Area.

Exhibit 14: Heritage Recreation Area

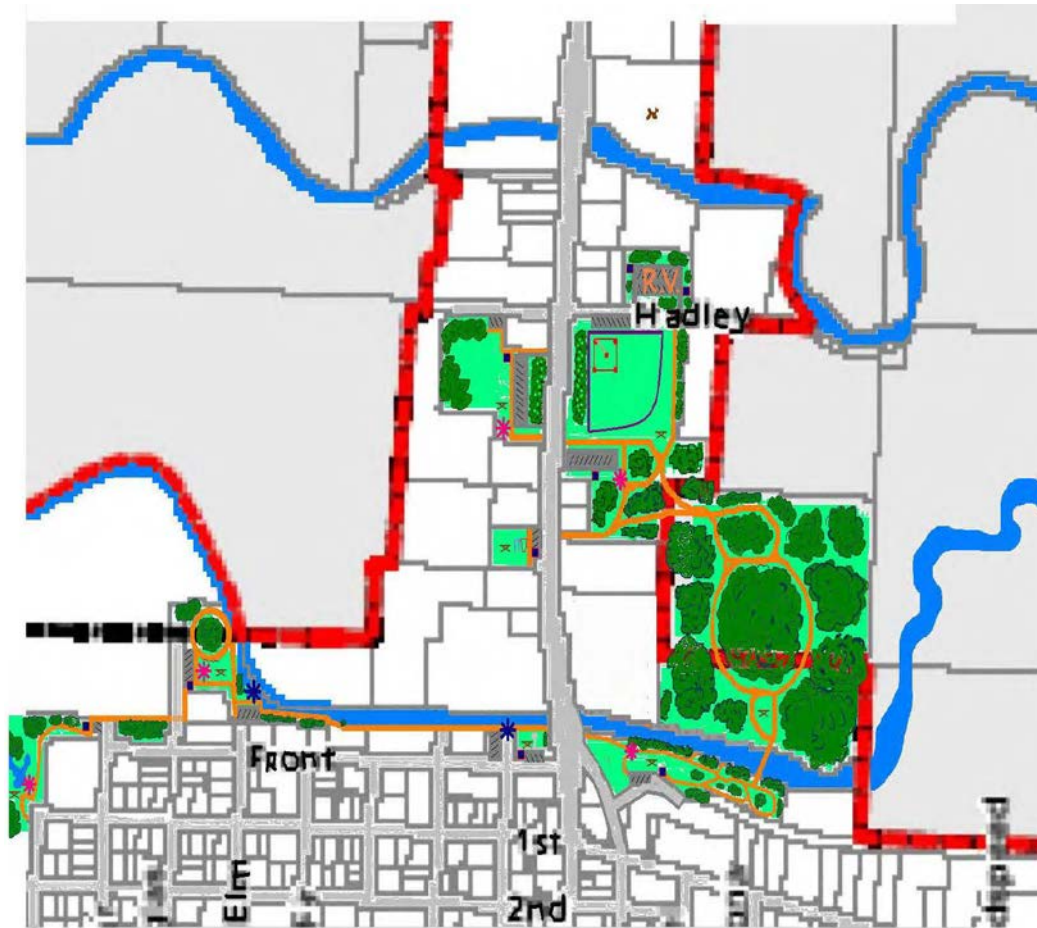
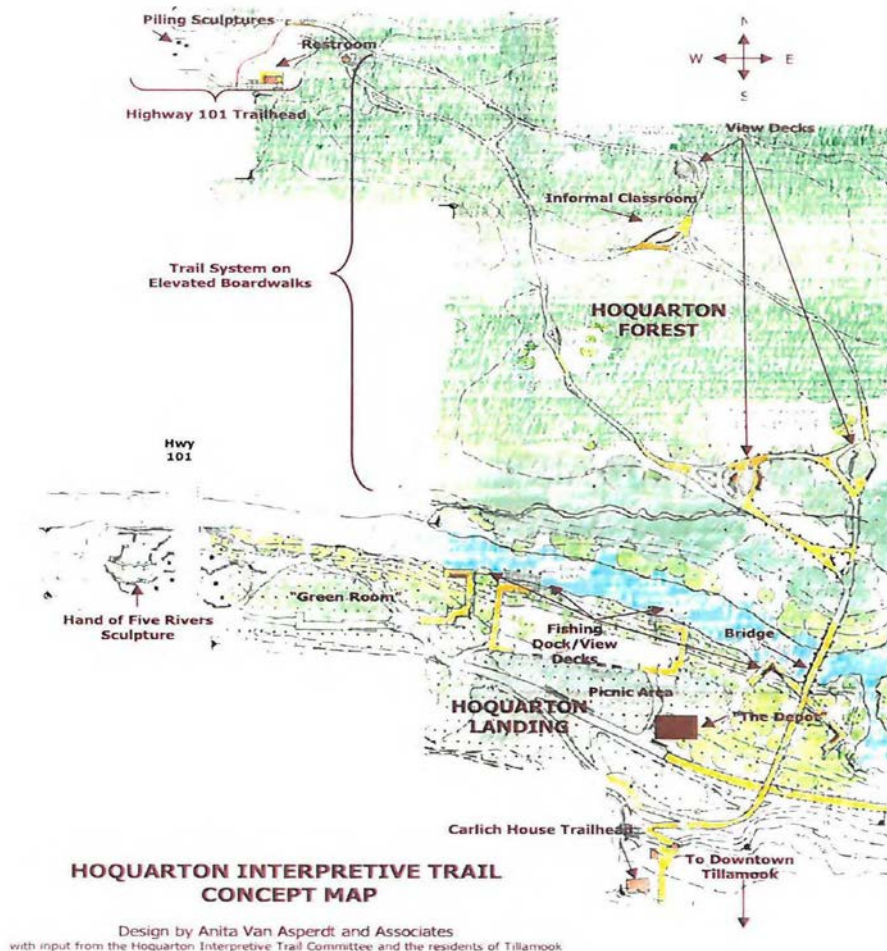


Exhibit 15: Hoquarton Trail



In the 2013 Parks and Recreation Master Plan (PRMP), no restrictions were noted relating to the two parks in the study area, although a condition of the Oregon Parks and Recreation Department (OPRD) grant that enabled purchase of the Hoquarton Interpretive Park and the Hamann Property states that “the City shall not allow any uses of, or activities on, the acquired lands or property which will cause a change to or loss of the feature or resource which constitutes the reason for transfer to public ownership and the object of the preservation action.”

The primary constraint to park development in the study area and nearby will be restrictions related to the 100-year floodplain that covers much of the study area north of Front Street. The floodplain is any area that is susceptible to being inundated by water from any source. Mostly, this is the area adjacent to a river, creek, lake, stream, or other waterway that is subject to flooding when there is a significant run-off event. All parks noted above are located within this floodplain. City zoning constraints include limits on fill that would alter the hydrology of the floodplain and floodway (the floodway is the channel of a river or other watercourse that carries the deepest, fastest water downstream). The Van Asperdt 2003 study considered ways to locate new park overlooks and bridges in a way that some decks could be submerged during major floods, while a floating walk remains above the flood waters.

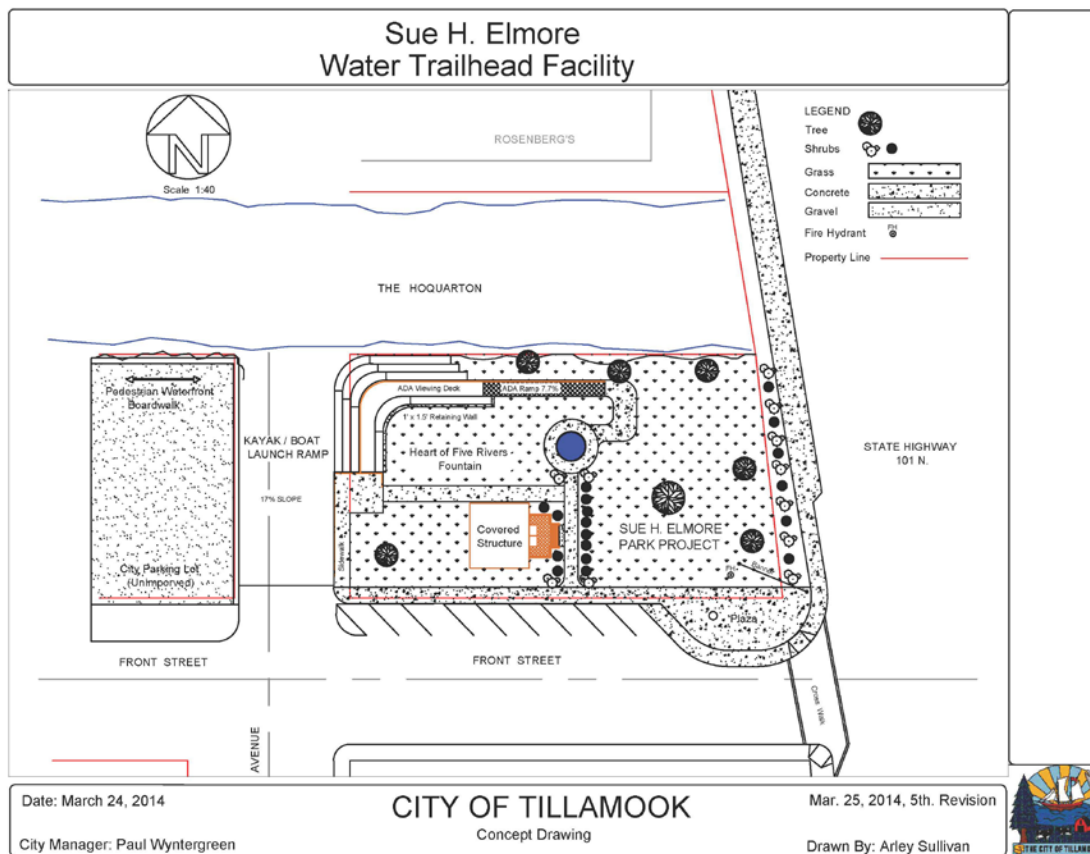
Tillamook County Water Trail

The County Water Trail (a National Recreational Water Trail since 2012) is the result of a vision conceived and developed by the Tillamook County Water Trail Committee and supported by the Tillamook Estuaries Partnership to help attract kayakers and canoeists (and increasingly, Stand Up Paddleboarders) to the approximately 200 miles of navigable waterways in the County. The Tillamook Bay Guidebook is most relevant to Hoquarton and includes a suggested itinerary beginning at Carnahan Park, with the following instructions:

“Step back in time as you float by old pilings which once supported lively docks and waterfront businesses. You would never imagine that you are now only a quarter mile from the heart of the City of Tillamook. Half way up the Hoquarton is a boat ramp (with no restrooms) for stretching your legs, getting a quick snack, or exploring the adjacent Hoquarton Interpretive Trail.”

The Guidebook map also notes that the Boat Ramp at Sue H Elmore Park “can be muddy and slick at low tide”. As shown in Exhibit 18, planned improvements for the Park, including steps down to the Hoquarton, will improve access for kayakers.

Exhibit 16: Sue H. Elmore Park Site Plan



Salmonberry Trail

The recently-completed Salmonberry Corridor Concept Plan includes options for a Rail-with-Trail alongside the active rail line between Enright (within the Salmonberry River canyon) and the Tillamook Creamery. In discussions with dairy farmers in Tillamook

County, several concerns were raised about the proposed corridor, based on potential conflicts with farming operations between Highway 6 and the Tillamook Creamery. They also are concerned about a Rail-With-Trail option that fills adjacent low-lying fields, which will likely result in altered drainage patterns and construction-related disruption of farming activities. The farmers support a bypass beginning at the Tillamook Creamery, extending west of the corridor either on a shoulder of US 101 or parallel to the highway along property lines to the east. This bypass would extend south to the Hoquarton Forest, joining the conceptual trail network proposed by Anita van Asperdt. From Hoquarton a connection can be made to Goodspeed Park via an old Port of Tillamook Bay (POTB) rail spur. An easement for this has been granted by POTB. This connection is listed as a Catalyst Project (#9) in the Salmonberry Corridor Concept Plan. The active Hampton Lumber Mill south of Highway 6 makes full Oregon Coast Scenic Railroad operation and/or a further trail south to the Air Museum challenging, but the Air Museum would nevertheless be a compelling destination for a trail from downtown Tillamook.

Planned Growth

Overall, pedestrian loops from the Parks and Recreation Master Plan and the pathways and connectors along the Hoquarton and ROWs provide opportunities for connections between parks, neighborhoods and other recreational facilities. These include proposed paths along the POTB Rail Road ROW and proposed Hoquarton boardwalk, Front Street, North Main Avenue, Elm Avenue and Birch Avenue. These connections are an important source of recreation in and of themselves, though the 2013 Parks and Recreation Master Plan did not include any market studies or development density assumptions to guide the need for future parks and trails. The PRMP notes that:

“...future parks are encouraged to occupy other areas of land designated as open space within the City of Tillamook, such as the area at the confluence of the Hoquarton and Dougherty, as shown on the Comprehensive Plan Map. Approximately 80 acres of land is available for community parks and development in the Urban Growth Boundary. This land is located along the Trask River in the southwest part of the city and along and near Hoquarton north of First Street. Acquisition is encouraged on this park/open space land. The City shall study the development of said property for various purposes, and estuary guidelines shall apply in all cases of development.”

Other key points from the PRMP:

- Despite the park size criteria noted above, the plan notes that “the park system of the City of Tillamook is adequate for a city of its size.”
- The Vision 2020 Document identifies a need to recognize and preserve community heritage and to inventory and develop the Hoquarton (wetland) interpretive boardwalk. There is also a need, identified through an Action Strategy, for the creation of a nature park in Hoquarton East.
- There is a need to focus on gateway identities to enhance Tillamook city entrances by placing signage at city entrance features and cleaning up landscaping on terrain around entrance features.

No timing was identified for PRMP projects but an opportunistic approach to phasing improvements has been employed and should probably continue, to take advantage of opportunities and funding as they arise. For example, the ODOT realignment of OR 6 and US 101 has allowed the City to request construction of a dedicated trailhead at Hoquarton to be included in the overall project budget.

Funding

In the 2013 Parks and Recreation Master Plan, City staff expressed interest in funding options such as System Development Charges (SDCs) and other options that may include grants, fundraising activities, private donation, charging fees for certain park uses and/or private-public partnerships. No further detail or research was included in the plan. The 2004 Hoquarton Planning process and the subsequent construction of the Interpretive Trail adeptly used a number of funding sources to complete the plan, so it is clear that there is a level of local volunteer commitment and knowledge for securing such funding and partnerships. The feasibility of SDCs is questionable in Tillamook, given the limited amount of new development in the city, which is the primary target of such charges.

In the Hoquarton study area, the only possible fees that could be collected would be for parking at the boat launch but this would require staff resources to monitor Sue H. Elmore Park or a future boat launch facility elsewhere on the Hoquarton. Given that the City wishes to encourage small non-motorized boat use of the Hoquarton, charging a fee for use would seem counterproductive, although a parking fee is charged at Carnahan Park (\$2 a day, September-November). A charge for parking at this park in particular, as Tillamook County does at their facilities through the Boat Launch Parking Fee, may not succeed due to the proximity of readily available on-street parking. Most park visitors using the boat launch for canoes and kayaks may simply park on nearby blocks and walk to the park or boat launch. Similarly, a parking fee for use of the proposed Hoquarton Interpretive parking lot to be built as part of the ODOT realignment project would face similar challenges.

OPRD's Local Government Grant Program (funded by lottery dollars) helped the City purchase Hoquarton Interpretive Park and the Hamann Property and is a good potential source of funding for improvements, with more than \$4 million available every year. The maximum grant request is \$750,000 (\$1 million for acquisition) and Tillamook would only be responsible for a 20 percent match, with a population below 5000. There are 4 categories for grants:

- Acquisition
- Development
- Rehabilitation
- Planning and Feasibility Studies.

Recreational Trail Program (RTP) Grants are another potential source of grant funding. RTP funding is federal, administered by OPRD and primarily for recreational trail projects. Types of projects include:

- Building new recreation trails, including building trail bridges and installing wayfinding signs.
- Restoring existing trails, including trail bridges and signing.
- Developing and rehabilitating trailhead facilities.

- Acquiring land and permanent easements.
- Water trails

Heritage Commission Grants also are administered by OPRD and provide small matching grants to “conserve, develop or interpret Oregon’s heritage”. Further interpretive signs on the Hoquarton describing the rich history of the area could be funded through this source.

Other key sources of grant funding include The Oregon Parks Foundation Fund and the Land and Water Conservation Fund (through the National Park Service). There could be ways to leverage improvements to open spaces along the Hoquarton through riparian or watershed enhancement and restoration grants. For example, the Tillamook Estuaries Partnership (with base funding from the EPA) has funded grants of over \$320,000 in Tillamook County.

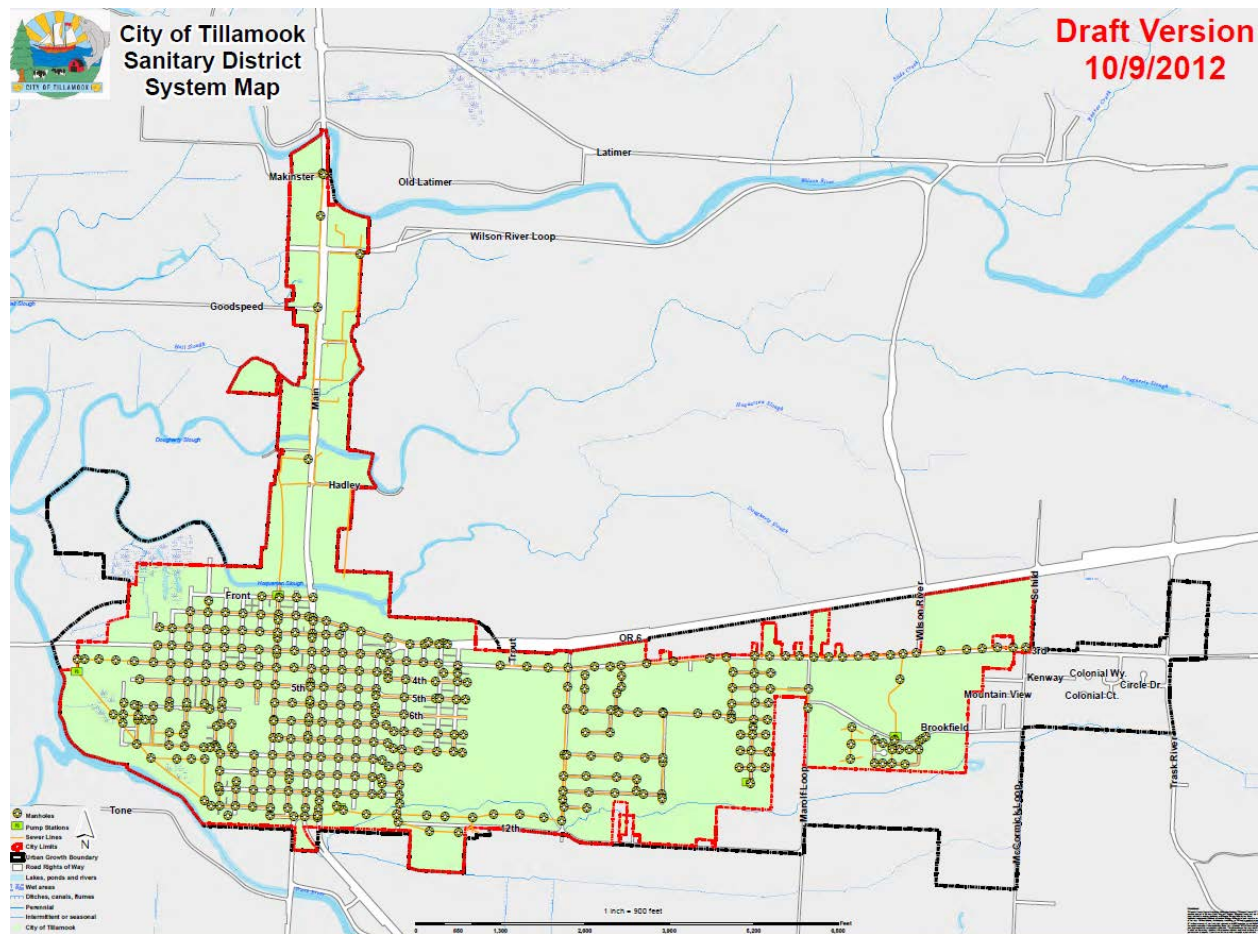
Public Facilities

Existing Conditions

Sewer/Sanitary

Sewer infrastructure in the study area consists of a sewer line along the length of 1st Street and then south along Cedar Avenue, as show in Exhibit 19. Along Front Street, a line extends to Stillwell Avenue, connecting to a water pump station on the corner block. Although sewer infrastructure is relatively complete within the study area, high flow at the west end of the study area is an issue.

Exhibit 17. Sanitary District System Map, City of Tillamook, 2012



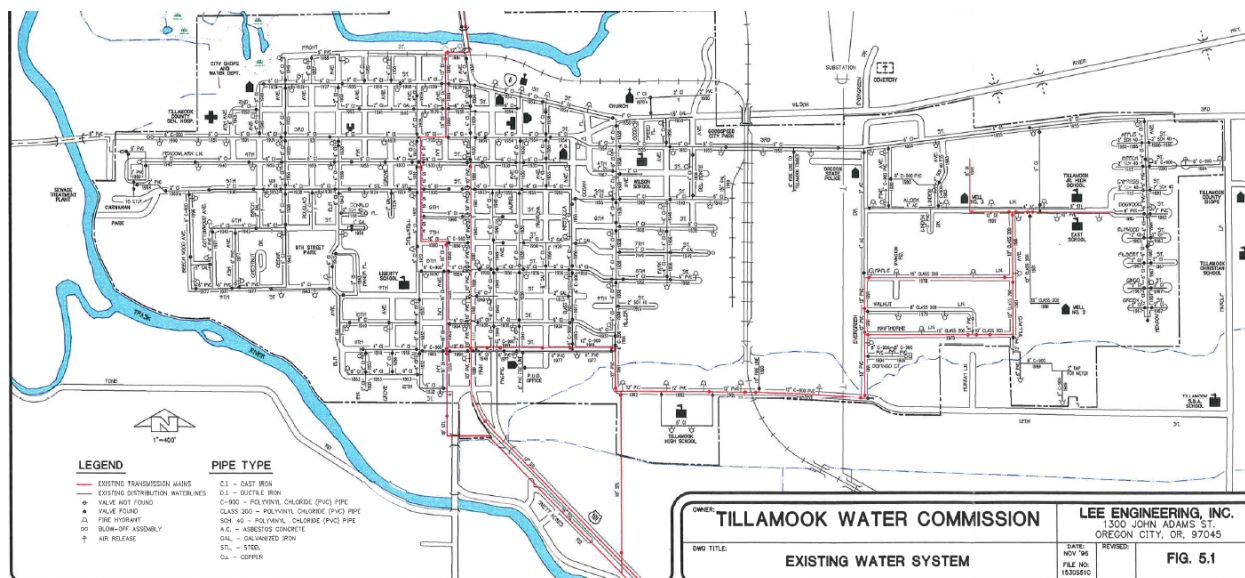
Source: Tillamook Comprehensive Plan, 2012

Water Systems

The 1997 Water Systems Master Plan indicates that surface water comes from the Fawcett and Killam Creeks through approximately six miles of transmission mains. In the past, these facilities have had excess capacity, which has allowed the Commission to sell surplus water. As of June 1996, the Commission served 1,634 customers within the city limits, of which 1,626 are metered and consume 272,009,000 gallons per year, or 66.2 percent of the total water sold. Of that amount, 48.2 percent was for residential use, 47.8 percent for commercial, 2.6 percent for schools, and 1.4 percent for farm use. System wide use in 1995 was 136 gallons per day/capita.

According to Exhibit 20, water infrastructure in the study area consists of a transmission line along US 101, which diverts to Front Street and down Ivy Avenue. To the east of US 101, a distribution water line runs along the southern bank of the Hoquarton, ending along Front Street at Fir Avenue.

Exhibit 18. Existing Water System, City of Tillamook, 1997



Source: Tillamook Water Systems Plan, 1997

Other Facilities

In addition to the water and sewer systems, the following facilities and conditions have been noted:

- Front Street was repaved, rebased and aligned with the right of way in 2005.
- Some buildings along Front Street crowd the public right-of-way line and one business along Ivy Avenue crosses into it.
- Fiber optic splits the study area.

Planned Growth

Sewer and Sanitary

The Tillamook Comprehensive Plan identifies reconstruction and maintenance of deteriorating sanitary sewer lines, as well as extending the lines eastward, as high priority projects. The Plan's policies commit the City to upgrading and expanding the sewer collection and treatment facilities as needed in order to accommodate expected growth within city limits.

Water Systems

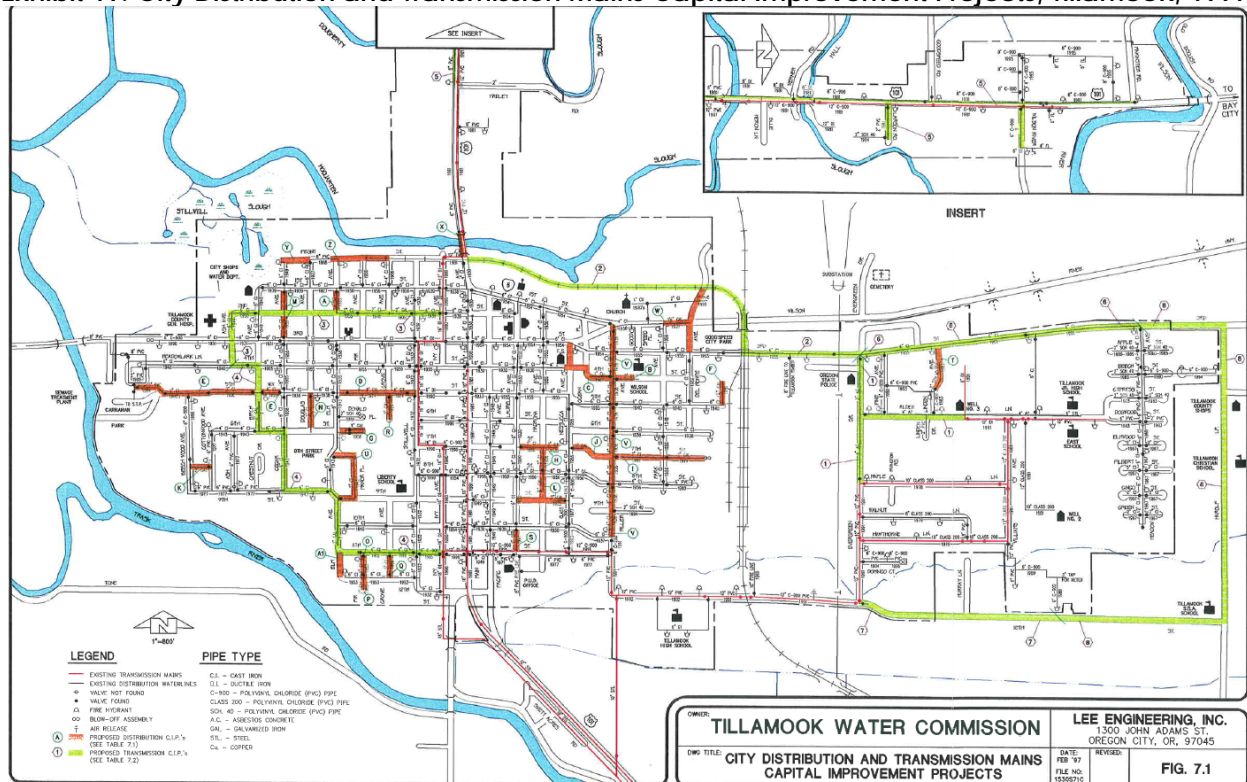
The Commission estimated the 1997 population served based on a count of residences times 2.39 persons per residence in the city. For the purposes of the study, population growth is assumed to be 1 percent annually. The Plan estimates a population of 8,280 by 2016 in its service area, and an average daily demand of 1,656,042 gallons and a peak daily demand of 3,312,084 gallons.

Historically, surface water has been the primary supply for the service area, though groundwater from two wells is used when surface water turbidity exceeds acceptable limits, as in the winter, and when demand exceeds surface supply, as in the summer. The combined quantity from both surface flow and the two wells are adequate to meet the projected year 2016 peak of 2,300 gpm. However, to ensure an adequate supply of water beyond the period of the Master Plan, and to fulfill the Commission's surface water rights, the Plan recommended:

1. Perfecting the Simmons Creek source
2. Studying the potential of raising the dam on Skookum Lake
3. Combining original groundwater between Well No. 2 and Well No. 1
4. Installing metering stations on Fawcett and Simmons Creeks to measure actual available water during varying flow conditions.

In terms of infrastructure, the Plan also included a proposed transmission line along 2nd Street, as well as extending a distribution main along Front Street to the west Exhibit 21. In 2001, a new water main was installed that ties back into downtown via Birch Avenue.

Exhibit 19. City Distribution and Transmission Mains Capital Improvement Projects, Tillamook, 1997



Funding

In addition to federal revenue sharing, Tillamook has identified grants-in-aid available through the Department of Housing and Urban Development, the Federal Highway Administration, the Department of Health, Education and Welfare, the Department of Agriculture and the Environmental Protection Agency for water and sewer facilities. In addition, the City of Tillamook makes capital expenditures with tax money secured from the local citizenry each year. Capital improvement programs (CIP) for water, sewer, streets, storm drains, and public buildings, provides the necessary link between the comprehensive plan and the operational budget of the city. However, Policy D-4 of the city's comprehensive plan also states that the City shall "ensure that new residential, commercial, and industrial development pays the full costs of whatever public facilities and services are installed for or extended to the new development."

Environment and Natural Resources

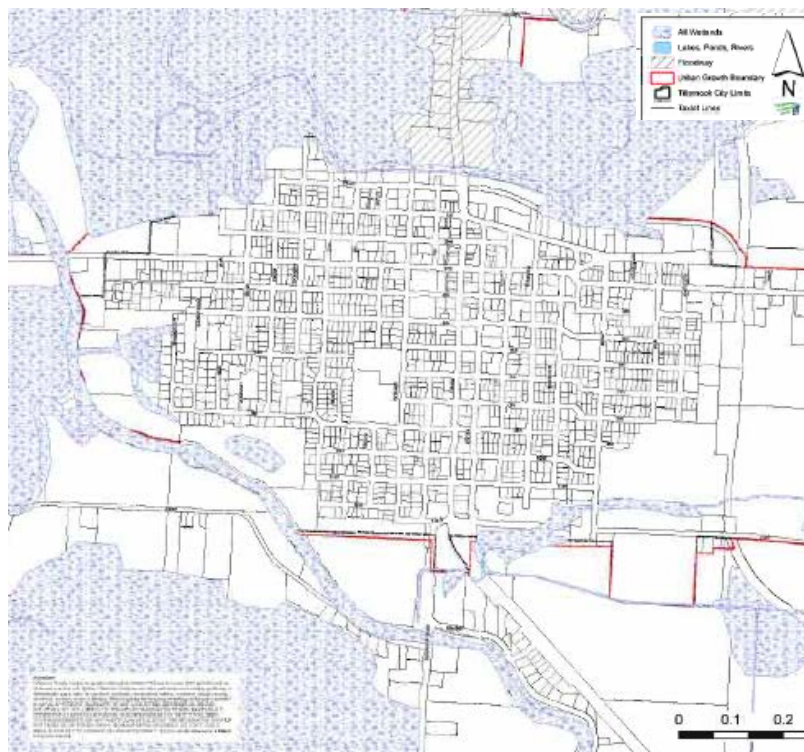
Existing Conditions

Despite dredging and active land uses along the Hoquarton, the study area encompasses a rich riparian area. A Riparian Inventory commissioned by the City in 1999 found portions of the Hoquarton to be the least compromised of the Tillamook Bay Watershed. The Inventory identified the Hoquarton as an area that is healthy and well suited for low-impact recreational use and wetland restoration activities.

While the Hoquarton reflects significant natural resources, development in the study area is subject to environmental constraints. With the Hoquarton in close proximity to Tillamook's commercial, industrial and residential areas, the study area is a primary wetland area and prone to flooding, particularly along Front Street, as shown in Exhibit 22. As previously noted, all parks in the study area exist within the 100-year floodplain.

Severe repetitive flooding with widespread damage to property and roads has characterized parts of the Hoquarton and areas to the west of the study area. This was highlighted by severe storms in December 2007, which damaged significant parts of POTB rail lines. In response to this event, POTB submitted a Public Assistance application to FEMA for an environmental impact statement to document benefits of the proposed Southern Flow Corridor project. This project intends to help reduce flood damage and restore wetland, tidal marsh and aquatic habitats that have been lost through diking, draining and other land uses.

Exhibit 20. Wetlands and Floodway, City of Tillamook, 2009

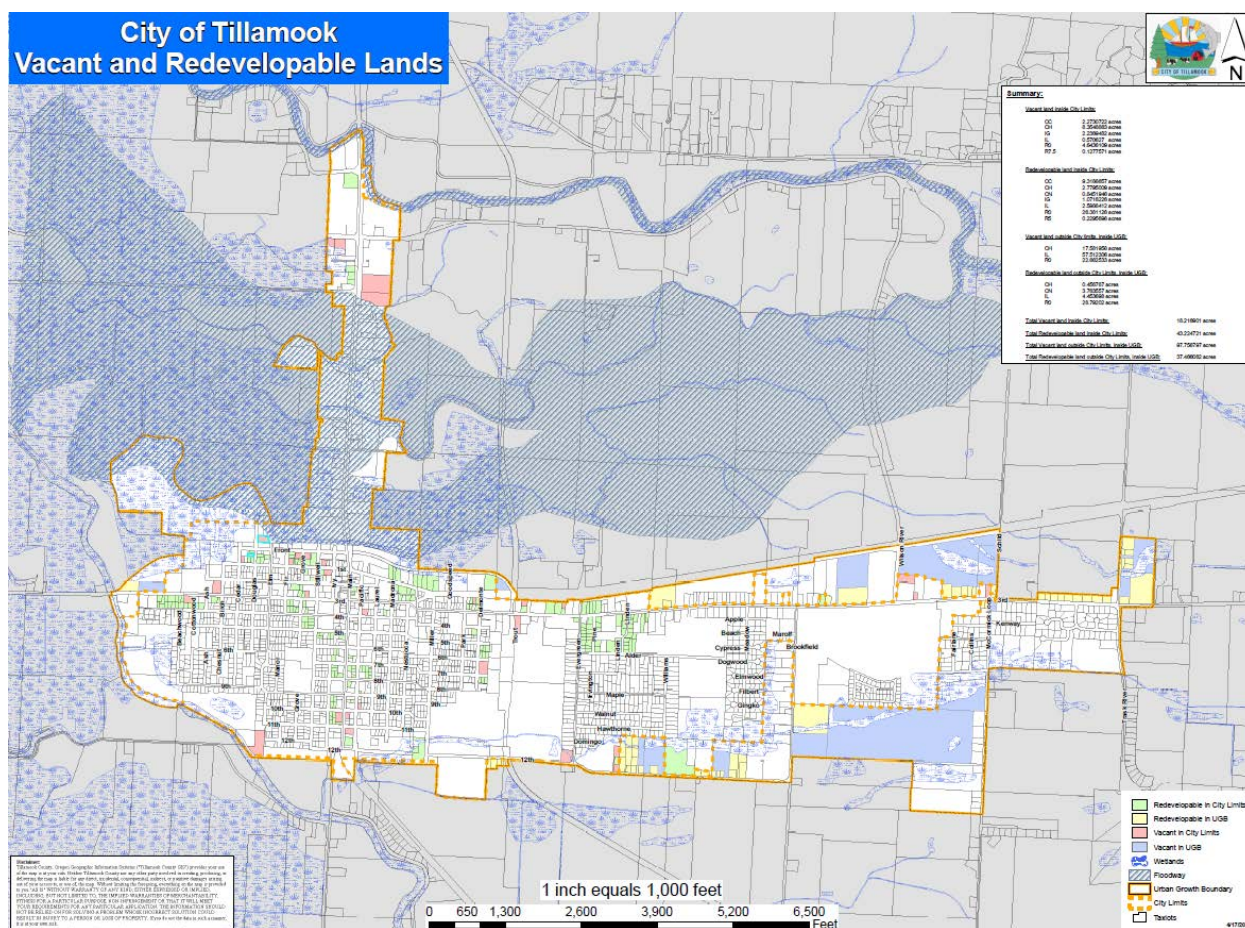


Source: City of Tillamook Comprehensive Plan, 2012

Future Growth and Plans

In light of floodways and wetlands, the city's comprehensive plan has identified certain vacant and redevelopable lots, shown in Exhibit 23. Within the study area, the Plan identifies 17 redevelopable taxlots, primarily between Front and 1st streets. The Plan states that the City will promote flood control measures that help minimize hazards, and enforce the provision of appropriate safeguards if development rights are granted.

Exhibit 21. Vacant and Redevelopable Lands, City of Tillamook, 2012



For natural resources, the Plan states that the City shall develop and help coordinate a plan to clean and maintain all estuaries in the Tillamook area, in conjunction in order to minimize flood conditions for susceptible areas. Coordination with relevant agencies, such as FEMA, is highlighted.

In 2012, the Southwest Flow Corridor Project, supported by grant funds from FEMA, the National Oceanic and Atmospheric Administration (NOAA) and US Fish and Wildlife (USFW) proposed an action plan for mitigating the effects of flooding and loss of habitat. This preferred alternative calls for:

- Removing seven miles and modifying three miles of levees to allow flood waters to flow across the SW Flow Corridor project area.
- Building one mile of new levees to protect lower delta agricultural lands.
- Restoring 526 acres of tidal wetlands.

- Requiring a flowage easement over 85 acres to allow high flows to pass to Tillamook Bay.
- Reducing flood elevations.

Specific to the study area, this plan would include restoring wetlands along the southern banks of the Hoquarton, as well as removing fill around the future Foundry Park near the western boundary.

Community Outreach: Preliminary Opportunities

A public workshop in April 2015 provided an opportunity for the broader community to review and comment on existing and planned conditions for the study area. Participants discussed their vision for the Hoquarton area, basing the discussion around opportunities related to housing, transportation, parks and commercial/retail. Comments made during the visioning exercise are summarized as follows, with support from annotated maps:

Housing:

There was an overall desire to see more housing options through moderate increases in density and greater live-work opportunities. Recommendations included senior, workforce, medical/extended-stay and mixed-use housing. Designs such as duplexes and four-plexes, cottage housing and apartments were suggested. Senior housing was emphasized due to the walkability of the area and proximity to major destinations, such as the library, hospital and grocery store.

Transportation:

Safe multi-modal connections to adjacent commerce and other activities was the primary discussion point. Concern was echoed over the interaction between cyclists and truck loading/unloading activities along Front Street. A suggestion was made to use Second Street rather than First Street as a biking route, and draw a centerline down First Street to address the narrow width of the road. In addition, a lack of parking for RVs, school buses and boat trailers was identified. Changing parking times from two to four hours was suggested as a means to support kayakers and park users, as well as measures to protect parking for these users. RV parking was recommended as a potential use for the new parcel created by the ODOT project. Finally, better signage for both parking and bicycle/pedestrian connections was identified as a major priority.

Parks:

Maintaining open space in the area is important, with a suggestion of turning some vacant lots into pocket parks to serve any additional density in housing. It was emphasized that any new parks, particularly those plans for Foundry and Ironworks, should be interesting but reasonable to maintain. A local Girl Scout troop volunteered to provide beautification efforts, like the planting of flowers and fruit trees, along the Hoquarton City Park (contact Crystal Kirkion, Troop 11021, Tillamook). Participants supported plans for providing public restrooms at the Sue Elmore Park. Dredging of the slough was suggested as a means to maximize boating activities and activate the proposed boardwalk with docking opportunities.

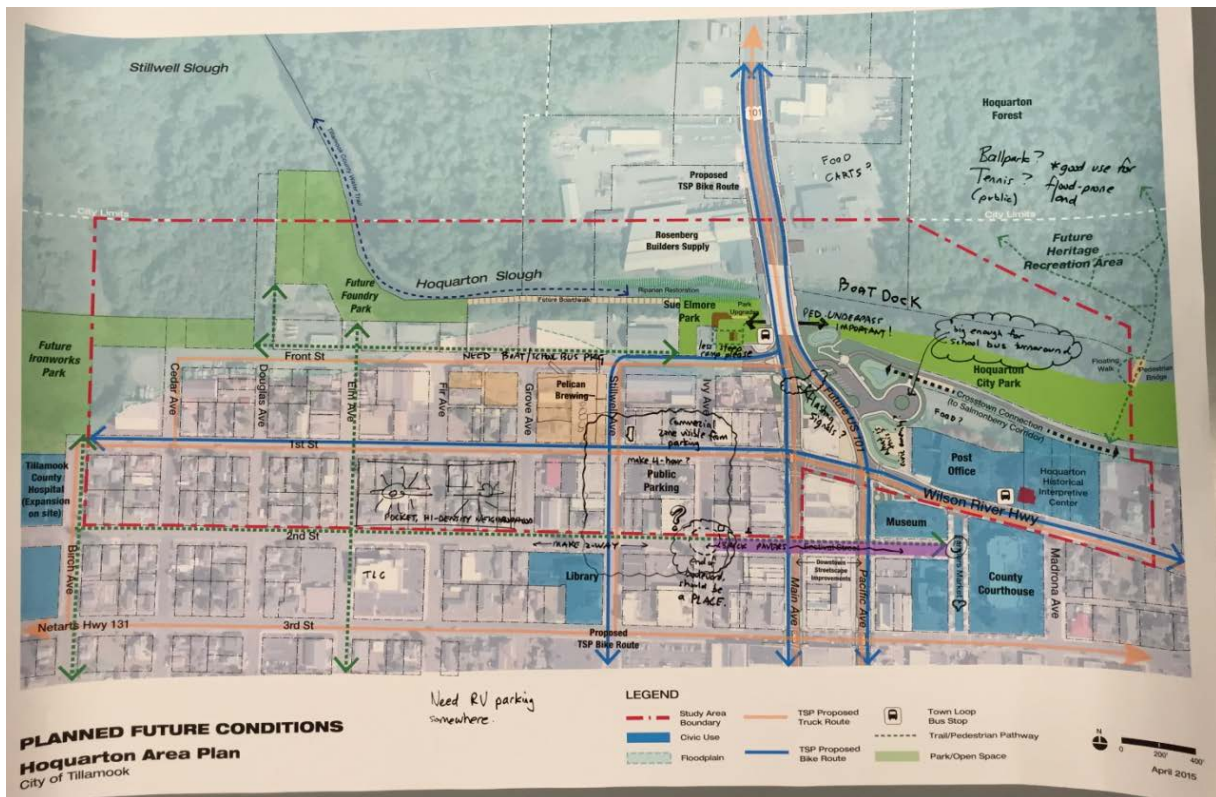
Overall, suggestions for commercial activity were centered along Front Street and in the new ODOT parcel. Comments highlighted the importance of retaining and maximizing industrial activities while promoting more retail uses linked to the small-scale manufacturing activities of the area. Other commercial uses included restaurants or coffee shops that either overlooked the slough or had outdoor seating. A boutique hotel, theater or pub was suggested for the new ODOT parcel. The future move of the NAPA Auto Center lot was identified as a prime opportunity due to its proximity to the public parking lot. Finally, concerns about building in the floodway prompted a desire to see more flexible uses, such as mobile businesses like food carts, in these flood-prone areas.

PLANNED FUTURE CONDITIONS
Hoquarton Area Plan
 City of Tillamook

LEGEND

- Study Area Boundary
- Civic Use
- Floodplain
- TSP Proposed Truck Route
- TSP Proposed Bike Route
- Town Loop Bus Stop
- Trail/Pedestrian Pathway
- Park/Open Space

Map Labels: Stillwell Slough, Hoquarton Slough, Future Foundry Park, Future Ironworks Park, Hoquarton City Park, Hoquarton Forest, Future Heritage Recreation Area, Rosenberg Builders Supply, Future Expansion, Future Rehabilitation, Sue Elmore Park, Pelican Brewing, Public Parking, Library, Museum, County Courthouse, Post Office, Hoquarton Historical Interpretive Center, Medford Ave, Wilson River Hwy, Netarts Hwy 131, Front St, 1st St, 2nd St, 3rd St, Birch Ave, Cedar Ave, Douglas Ave, Grove Ave, Main Ave, Festival Street, Broad Street, Main Street, 1st Ave, 2nd Ave, 3rd Ave, 4th Ave, 5th Ave, 6th Ave, 7th Ave, 8th Ave, 9th Ave, 10th Ave, 11th Ave, 12th Ave, 13th Ave, 14th Ave, 15th Ave, 16th Ave, 17th Ave, 18th Ave, 19th Ave, 20th Ave, 21st Ave, 22nd Ave, 23rd Ave, 24th Ave, 25th Ave, 26th Ave, 27th Ave, 28th Ave, 29th Ave, 30th Ave, 31st Ave, 32nd Ave, 33rd Ave, 34th Ave, 35th Ave, 36th Ave, 37th Ave, 38th Ave, 39th Ave, 40th Ave, 41st Ave, 42nd Ave, 43rd Ave, 44th Ave, 45th Ave, 46th Ave, 47th Ave, 48th Ave, 49th Ave, 50th Ave, 51st Ave, 52nd Ave, 53rd Ave, 54th Ave, 55th Ave, 56th Ave, 57th Ave, 58th Ave, 59th Ave, 60th Ave, 61st Ave, 62nd Ave, 63rd Ave, 64th Ave, 65th Ave, 66th Ave, 67th Ave, 68th Ave, 69th Ave, 70th Ave, 71st Ave, 72nd Ave, 73rd Ave, 74th Ave, 75th Ave, 76th Ave, 77th Ave, 78th Ave, 79th Ave, 80th Ave, 81st Ave, 82nd Ave, 83rd Ave, 84th Ave, 85th Ave, 86th Ave, 87th Ave, 88th Ave, 89th Ave, 90th Ave, 91st Ave, 92nd Ave, 93rd Ave, 94th Ave, 95th Ave, 96th Ave, 97th Ave, 98th Ave, 99th Ave, 100th Ave.



Appendix A. Study Area Taxlot Parcel Information and Map

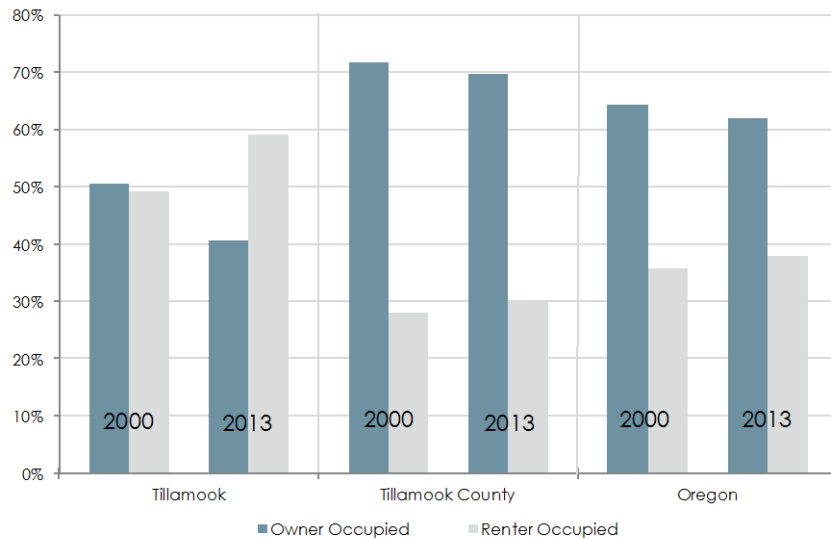


Appendix B. City of Tillamook Housing Tenure, Price and Stock

Multi-family Residential

The proportion of people who rent their homes has increased in both Tillamook and Tillamook County, as shown in Exhibit 5.

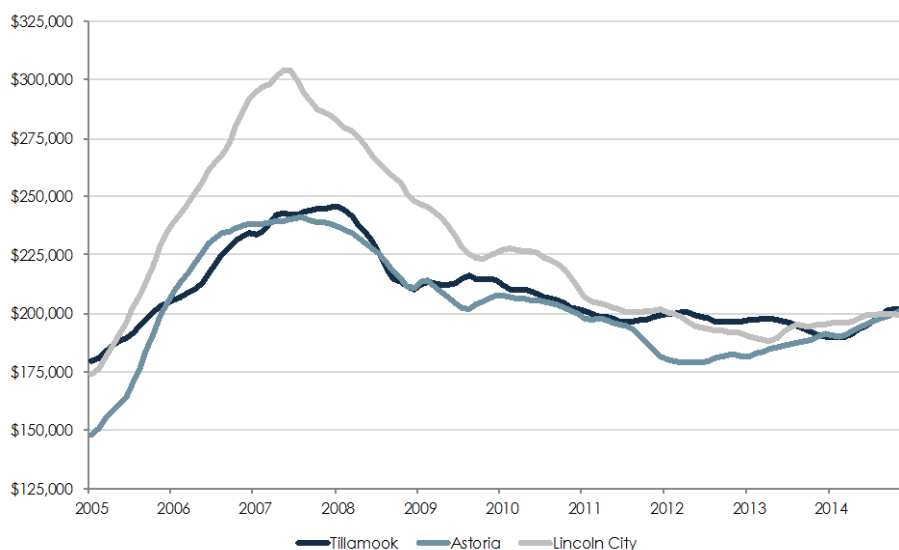
Exhibit C1. Housing Tenure, 2000 - 2013



Source: U.S. Census Bureau 2000 SF-1 Table H004, American Community Survey 5-year estimates 2009-2013 Table B25003.

Exhibit 6 shows median home sales prices for the City of Tillamook, Lincoln City, and Astoria. Each of these coastal communities experienced a sharp increase in prices between 2005 and mid 2007. Tillamook's median home sales prices have been similar to those in Astoria, and more recently to Lincoln City.

Exhibit C2. Median Home Sale Prices, 2005-2014



Source: Zillow Median Home Sales, Zillow.com http://www.zillow.com/homes/for_sale/Tillamook-OR/pmf.pf_pt/27422_rid/days_sort/45.45934,-123.835133,45.44906,-123.857578_rect/15_zm/

The majority (64%) of the housing stock in Tillamook is single-family detached units. We conducted a limited survey of the four existing apartment buildings with a total of 438 units. With the exception of Meadow Glen Apartments, the existing multi-family complexes have income restrictions. Average rent per square foot in the area is \$0.78 per square foot. A one-bedroom apartment at Meadow Glen is \$0.98 per square foot, for a total rent of \$684. The apartment manager for three of the four complexes said that they have no vacancies. Table 6 shows the rents and vacancy rates for these apartment complexes in Tillamook.

Table C1. Apartments in Tillamook

Complex	Address	Unit	Rent	SF	\$/SF	Number of Units	Number of Vacancies
Meadow Glen Apartments	4210 Marolf Pl.	1 Bedroom	684	700	0.98	4	0
		2 Bedroom	857	890	0.96	20	0
		3 Bedroom	710	1100	0.65	8	0
		Total/Average	750	897	0.86	32	0
Sheridan Square Senior Apartments (partial affordable)	895 3rd St.	1 Bedroom	954	655	1.46	23	0
		2 Bedroom	653	912	0.72	4	0
		Total/Average	804	784	1.09	27	0
Champion Park Apartments (income-restricted)	4317 Brookfield Ave.	2 Bedroom	653	912	0.72	52	0
		3 Bedroom	750	1218	0.62	50	0
		4 Bed Room	834	1374	0.61	28	0
		Total/Average	746	1168	0.65	130	0
Pine Avenue (income-restricted))	403 Pine Ave.	1 Bedroom	545	595	0.92	3	0
		2 Bedroom	659	814	0.81	20	0
		3 Bedroom	916	1100	0.83	7	0
		Total/Average	707	836	0.85	30	0
TOTAL/AVERAGE					0.78	438	

Source: ECONorthwest

Appendix C. ODOT and City of Tillamook Reference Maps

ODOT 2013 Classification Map

City of Tillamook Functional Classification Map

City of Tillamook Designated Truck Routes Map