

City of Lincoln City

Economic Opportunities Analysis and Housing Needs Analysis



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INTRODUCTION

The Lincoln City Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) provide a factual basis for the City to ensure there is sufficient land to accommodate population and employment growth over the next 20 years. The EOA and HNA also establish policies and objectives to guide planning efforts that seek to make Lincoln City a more economically viable community and provide housing options that meet the needs of its residents.

Oregon Regulatory Requirements

Lincoln City is undergoing a review of its Comprehensive Plan per Oregon requirements. As part of the Comprehensive Plan update, the City must address the requirements of Goal 9 (Economic Development, OAR 660-009) and Goal 10 (Housing).

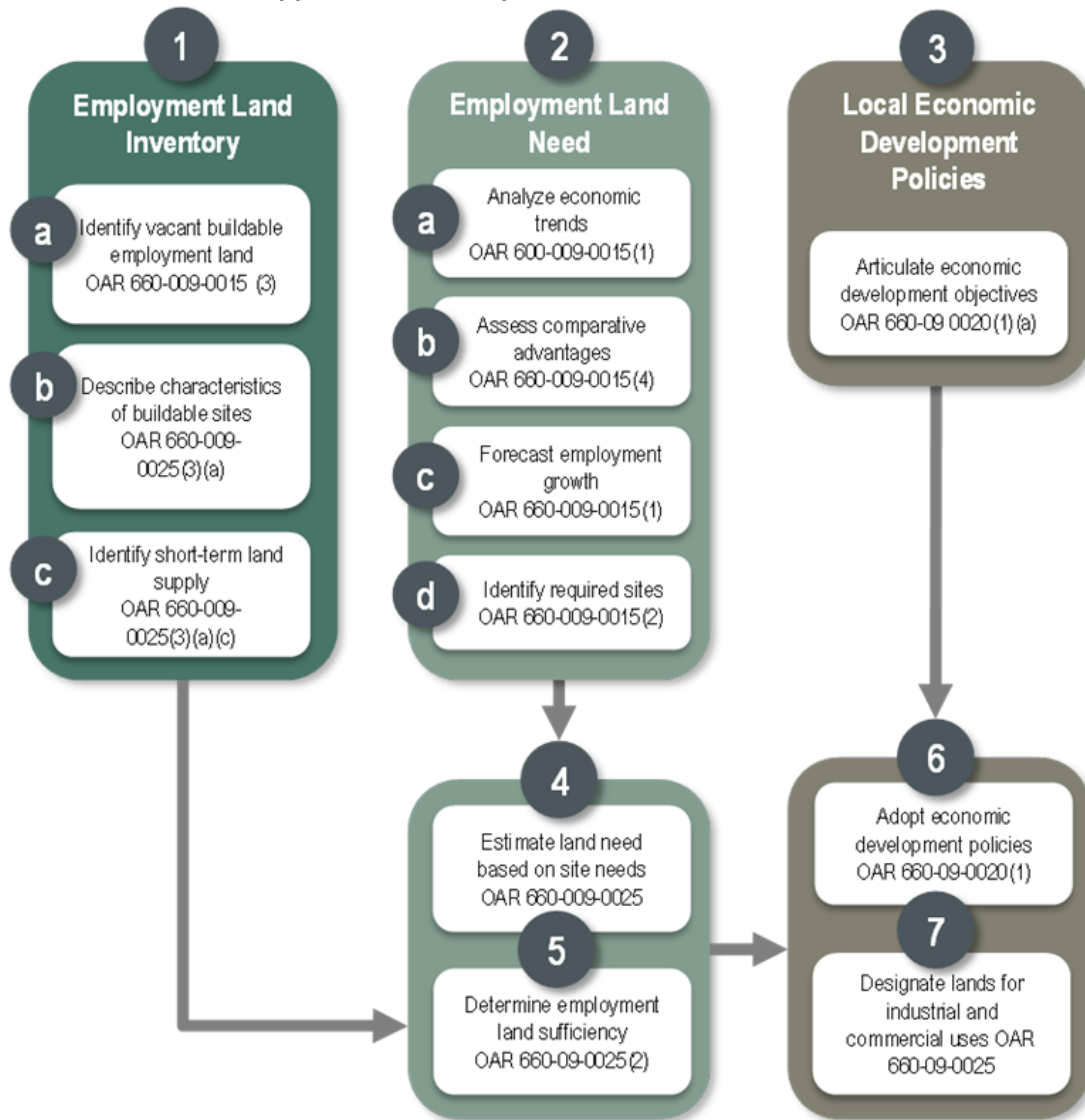
These goals require cities to periodically review and update the following:

- Local vision for strengthening local economies through the adoption of local economic policies that include community economic development objectives;
- Local urban growth requirements (land needs) for providing an adequate land needed to accommodate 20-year employment and population growth forecasts. Land needs are to be based upon:
 - Current analysis of vacant and part-vacant buildable lands that are zoned or planned to accommodate employment and housing growth.
 - Forecast land needs and housing requirements in a manner that's consistent with regional growth forecasts and coordinated population growth forecasts.

Methodology

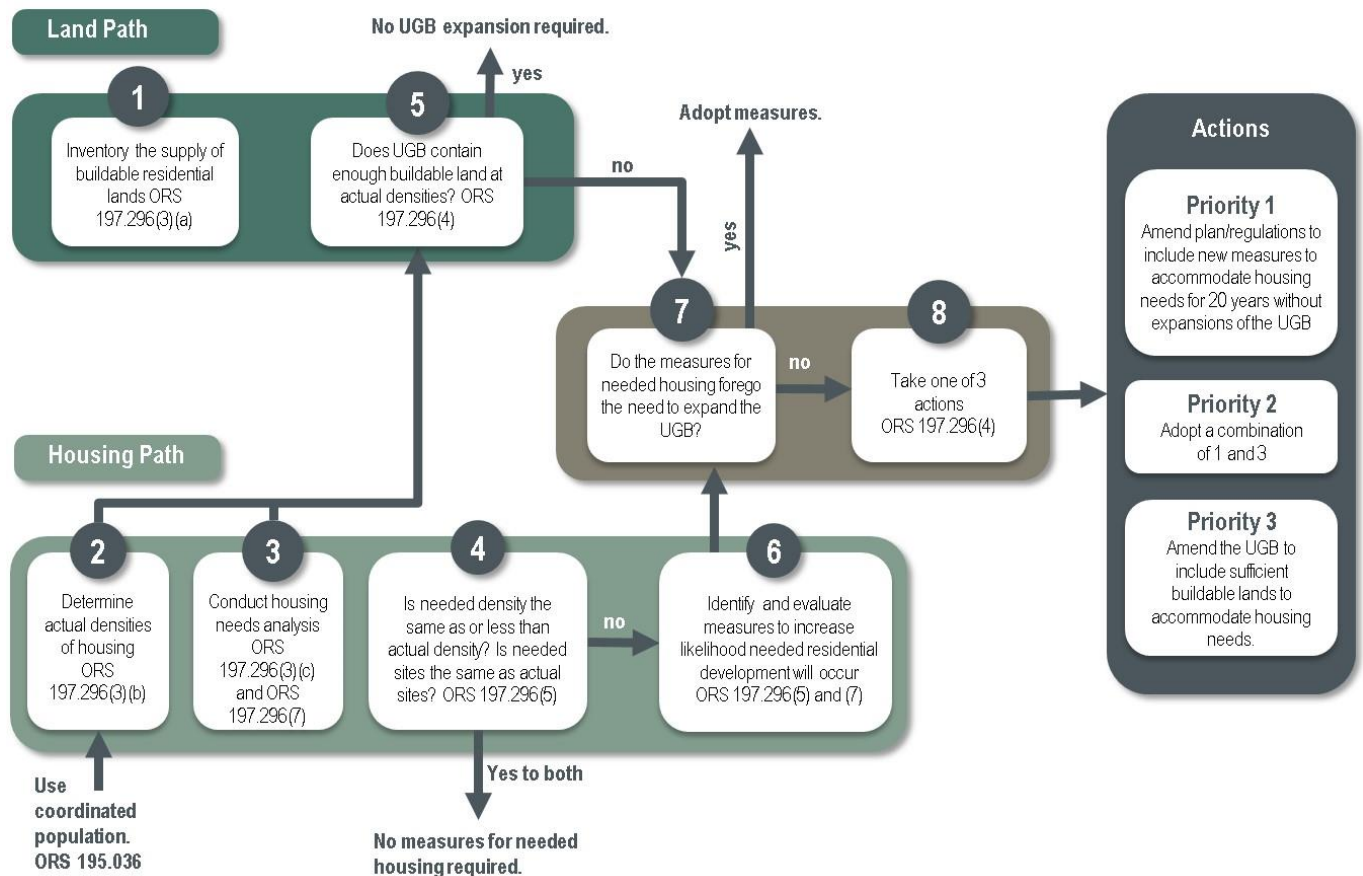
The technical and political approach used for the Lincoln City EOA and related steps are illustrated in Exhibit 1. This approach has been deemed to be consistent with the DLCDC Goal 9 administrative rule, the supporting OAR 660 guidance, as well as other supporting guidance provided per the *DLCDC Industrial & Other Employment Lands Analysis Guidebook (2005)* and the *Economic Development and Employment Land Planning Guidebook (July 2010)*.

Exhibit 1. Economic Opportunities Analysis Process



The approach used for the Lincoln City HNA and related steps are illustrated in Exhibit 2. This approach is consistent with the DLCD Goal 10 administrative rule, the supporting statutes, as well as guidance provided per the DLCD guidebook titled: *Planning for Residential Growth (1997)*. ORS 197.296 applies specifically cities of 25,000 people or more, but the statute is generally followed to determine housing needs for Lincoln City (pop. 8,485). Also, since the local coordinated population forecast for Lincoln City will not be release by Portland State University until July 2017 (per Oregon legislative amendments adopted in 2013), this analysis forecasts future Lincoln City population growth based on the City’s expected “capture” of Lincoln County forecasts prepared by the Oregon Office of Economic Analysis.

Exhibit 2. Housing Needs Analysis Process



ECONOMIC DEVELOPMENT AND HOUSING OBJECTIVES

The Lincoln City Economic Development and Housing Objectives are based on a discussions held by the TAC at their July 7, 2016 and September 27, 2016 meetings. The economic development objectives reflect the economic history of Lincoln City, changes affecting that tradition and new opportunities for economic development. The housing objectives reflect housing strengths, challenges and opportunities. The intent of these objectives is to guide the decisions of the TAC and planning team throughout the process. The objectives will serve as the basis for new comprehensive plan goals and policies.

Economic Development Objectives

- Encourage local businesses that provide family-wage jobs to locate in Lincoln City.
- Support the growth of existing businesses and entrepreneurs.
- Foster Lincoln City's recreation and tourism based economy, particularly during off-peak times (e.g. pursue a regional sports complex).
- Support the success of businesses that provide for the day-to-day needs of Lincoln City residents, including but not limited to the growing population of retirees.
- Encourage development of a local workforce with the skills that Lincoln City businesses need.
- Encourage the development of housing affordable to Lincoln City's workforce.

- Develop telecommunications and other infrastructure necessary to support home-based businesses and workers.
- Improve the transportation system to support economic development. Explore the use of Devil’s Lake for transportation purposes.
- Coordinate economic development efforts with local and regional partners.

Housing Objectives

Encourage the development of affordable and workforce housing:

- Investigate ways to reduce fees on new construction of affordable and workforce housing, while ensuring new infrastructure is not underfunded.
- Facilitate development of affordable housing on city-owned properties.
- Periodically review the development code’s regulations and zoning map to ensure they encourage a variety of housing types, such as accessory dwelling units, tiny houses, big houses and senior housing.
- Involve employers in efforts to provide and support workforce housing.
- Enact strategies to ensure that sufficient appropriately zoned land is available within the city and outside the tsunami inundation zone, such as increasing densities and annexing new lands.
- Design attractive neighborhoods that offer housing within walking distance to schools, jobs, shopping, and services.
- Streamline the permitting process for affordable and workforce housing.

ECONOMIC TRENDS AND FORECASTS

Economic Overview

This section includes an economic and market analysis of office, commercial, industrial and public government development for the Lincoln City area. This analysis focuses on the expected level of demand for new development related to job growth in Lincoln City over the next 20 years.

The United States (U.S.) economy is growing slowly since the last Great Recession.¹ Trends indicate moderate growth in the U.S. gross domestic product (GDP), which is the dollar value of all goods and services produced. The U.S. economy is expected to realize 2.0% year-over-year GDP growth in 2016 and a 2.2% year-over-year growth rate in 2017, compared with the 2.4% experienced in 2015. U.S. GDP growth in 2017 is expected to be much higher at 2.4% as consumer prices and wage growth pick up (Exhibit 3)

The U.S. Consumer Price Index (CPI) also has begun to increase consistently, though some years have been stronger than others, with an increase of 0.1% in 2015 marking the low end and a 1.4% increase in 2016 marking the high end since the end of the last recession.

¹ According to the National Bureau of Economic Research, the “Great Recession” occurred between December 2007 and June 2009.

Exhibit 3. Global GDP Growth Projection

	GDP			CPI		
	2015	2016 est.	2017 proj.	2015	2016 est.	2017 proj.
Advanced Economies	1.9%	1.8%	2.2%	0.3%	0.9%	1.5%
United States	2.4%	2.0%	2.2%	0.1%	1.4%	2.4%
Eurozone	1.5%	1.6%	1.9%	0.0%	0.2%	1.2%
United Kingdom	2.3%	1.6%	1.9%	0.0%	0.6%	1.4%
Japan	0.6%	0.3%	1.2%	0.8%	0.0%	1.0%
Korea	2.6%	2.6%	2.8%	0.7%	0.9%	1.9%
Canada	1.1%	1.9%	2.7%	1.0%	1.5%	1.9%
Developing Economies	4.0%	3.9%	4.0%	4.7%	5.5%	5.3%
China	6.9%	6.5%	4.0%	1.4%	2.1%	2.0%
India	6.6%	7.2%	7.6%	6.0%	4.9%	5.2%
Mexico	2.5%	2.6%	2.8%	2.7%	2.9%	2.8%
Brazil	-3.9%	-4.2%	-1.0%	9.0%	9.0%	7.2%
Russia	-3.7%	0.3%	1.7%	15.6%	7.3%	5.9%

Source: Wells Fargo Bank, Forecast as of June 27, 2016. Abbreviations: CPI - Consumer Price Index, GDP - Gross Domestic Product
Compiled by FCS GROUP.

Oregon’s GDP has fluctuated significantly since the end of the Great Recession. According to the U.S. Bureau of Economic Analysis, the Oregon economy grew at the 22nd fastest rate in the U.S. since 2010 in terms of percent GDP growth, as shown in Exhibit 4.

Exhibit 4. GDP Growth in Oregon, the United States and Select States

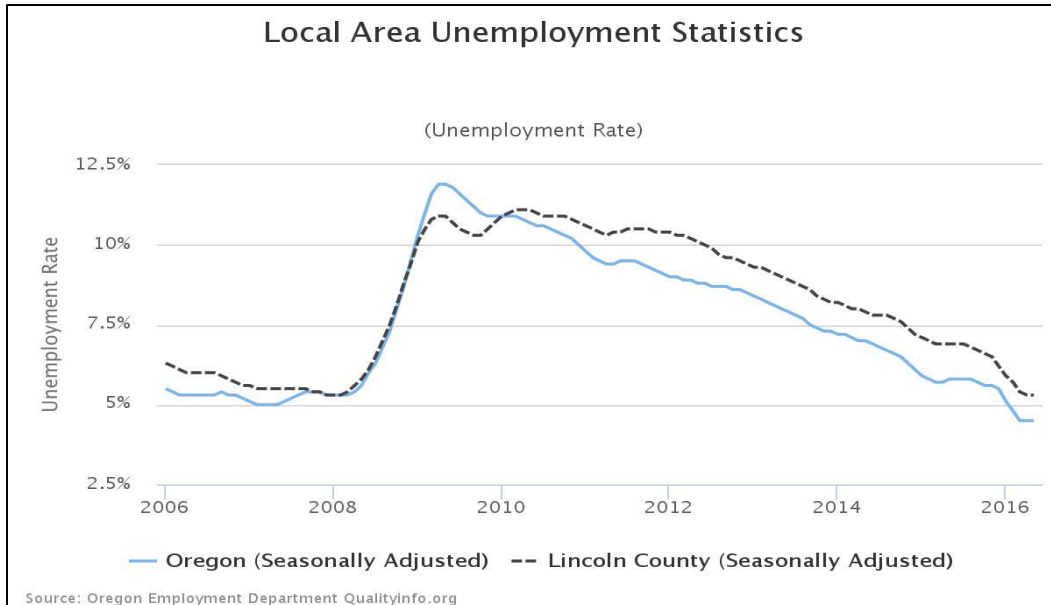


Source: US Bureau of Economic Analysis, Compiled by FCS Group.

Despite modest GDP growth for the state, many rural areas of Oregon are still recovering from the high unemployment brought on by the Great Recession. The statewide unemployment rate peaked at a seasonally adjusted rate of 11.6% in May 2009 before dropping to 4.5% in May 2016 then increasing to 5.5% as of September 2016, as shown in Exhibit 5. Lincoln County has followed the state trend closely, consistently maintaining an unemployment rate within one percentage point of the state average.

Like most coastal counties in Oregon, Lincoln County experienced relatively higher unemployment levels than the state. As of September 2016, Lincoln County had an unemployment rate of 6.3% and total employment is down about 1,600 jobs from the high recorded before the Great Recession.

Exhibit 5. Unemployment Rates, Lincoln County and Oregon, 2006-2016



Since the unemployment rate is a measure of the percentage of workers that are actively looking for a job, it does not reflect factors regarding labor participation rates and under-employment (workers that have accepted low paying jobs since other jobs are not available locally). Labor participation rates, the share of civilian population that is employed or unemployed) have been decreasing nationally since 1998 and are relatively low in Lincoln County (51%) compared with the state average (61%).

Population

Lincoln City’s economy is driven to a large degree by tourism. Hence, population and visitation from Oregon and west coast residents has a major bearing on local and service employment. National migration patterns point towards faster population growth for Oregon and the western U.S. than the nation as a whole. According to the U.S. Census Bureau, population increases in the West are projected to grow at an average annual rate of 1.6% compared to 1.0% nationally over the next 20 years.

Over the last 15 years, population in Lincoln City increased by more than 14%, up from 7,437 residents in 2000 to 8,485 in 2015. Lincoln City’s average annual growth rate (AGR) in population has consistently outpaced the growth rates exhibited by Lincoln County as a whole (Exhibit 6).

Exhibit 6. Population Trends

	2000	2010	2015	AGR 2000-2010	AGR 2010-2015
Lincoln City	7,437	7,930	8,485	0.6%	1.4%
Lincoln County	44,479	45,857	47,225	0.3%	0.6%
Oregon	3,421,399	3,761,925	4,013,845	1.0%	1.3%

Source: U.S. Census Bureau and Portland State University Population Research Center.

Abbreviations: AGR = average annual growth rate

Compiled by FCS Group.

Lincoln County population is projected to increase by 0.66% annually between 2015 and 2030 while Oregon is projected to grow by 1.1% annually during the same period (Exhibit 7).

Exhibit 7. Population Forecasts

	2015	2020	2025	2030	2035	AGR
Lincoln County	47,225	49,535	51,371	52,857	53,895	0.66%
Oregon	4,013,845	4,252,100	4,516,200	4,768,000	4,995,200	1.10%

Source: Office of Economic Analysis, Department of Administrative Services, State of Oregon,

Forecasts of Oregon's County Populations and Components of Change, 2010-2050.

Compiled by FCS Group. AGR = average annual growth rate.

Income and Employment

Income levels in Lincoln City are well below Lincoln County and the state, but this income gap is closing. Between 1999 and 2014, income for Lincoln City residents has increased measurably, outpacing the County and the state in income growth. Similarly, Lincoln City's per capita income has trended upward, gaining on Oregon and the U.S. while keeping pace with Lincoln County. Increases in local income came despite two recessions occurring during the 2000-2014 timeframe (Exhibit 8).

Exhibit 8. Income Trends

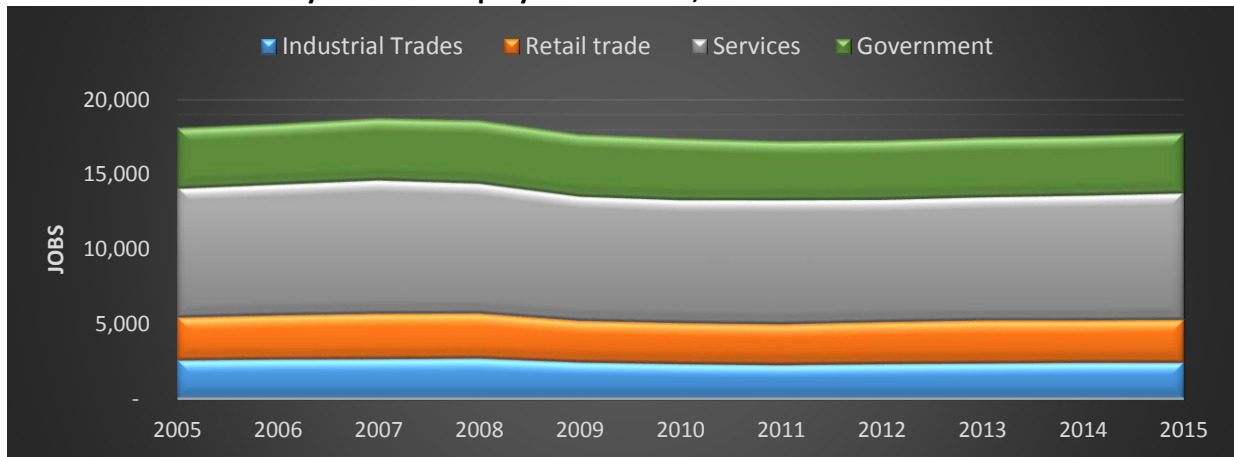
		1999	2014	AGR
Median Household Income	Lincoln City	\$24,779	\$35,524	2.4%
	Lincoln County	\$32,690	\$42,429	1.8%
	Oregon	\$40,818	\$50,521	1.4%
	U.S.A.	\$41,851	\$53,482	1.6%
Per Capita Income	Lincoln City	\$15,597	\$20,895	2.0%
	Lincoln County	\$18,692	\$25,130	2.0%
	Oregon	\$20,940	\$27,173	1.8%
	U.S.A.	\$21,587	\$28,555	1.9%

Source: Census (in 1999 dollars) and 2014 ACS 5-year estimates

Compiled by FCS Group. AGR = average annual growth rate.

At the end of 2014, the total number of total “covered jobs”² in Lincoln County was still below pre-recession levels, particularly in the services sector. However, over the past four years (2011-2015) employment has improved within all four major job sectors (Exhibit 9). These employment estimates tend to understate the total number of employees that work in Lincoln County because the Oregon Employment Department job counts tend to exclude home-based workers and other workers that are not “covered” by unemployment insurance. More detailed information is found in Appendix A.

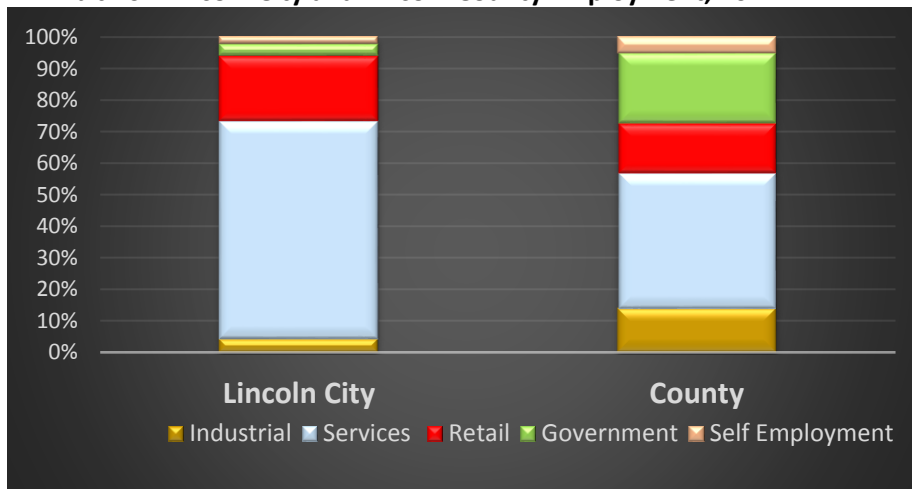
Exhibit 9. Lincoln County Covered Employment Trends, 2005-2015



Source: Oregon Employment Department; FCS GROUP.

Exhibit 10 shows the top two employment sectors within Lincoln City; services and retail.

Exhibit 10.: Lincoln City and Lincoln County Employment, 2014



Source: Oregon Employment Department; FCS GROUP.

² Covered jobs reflect average annual at-place-of-work employment for the reporting of workers’ compensation insurance by the Oregon Employment Department.

The top employers in Lincoln City include health care (Samaritan North Lincoln Hospital), entertainment (Chinook Winds Casino), and several retail and food service establishments (Exhibit 11). Note, this list excludes Lincoln County school district employment.

Exhibit 11. Largest Employers in Lincoln City

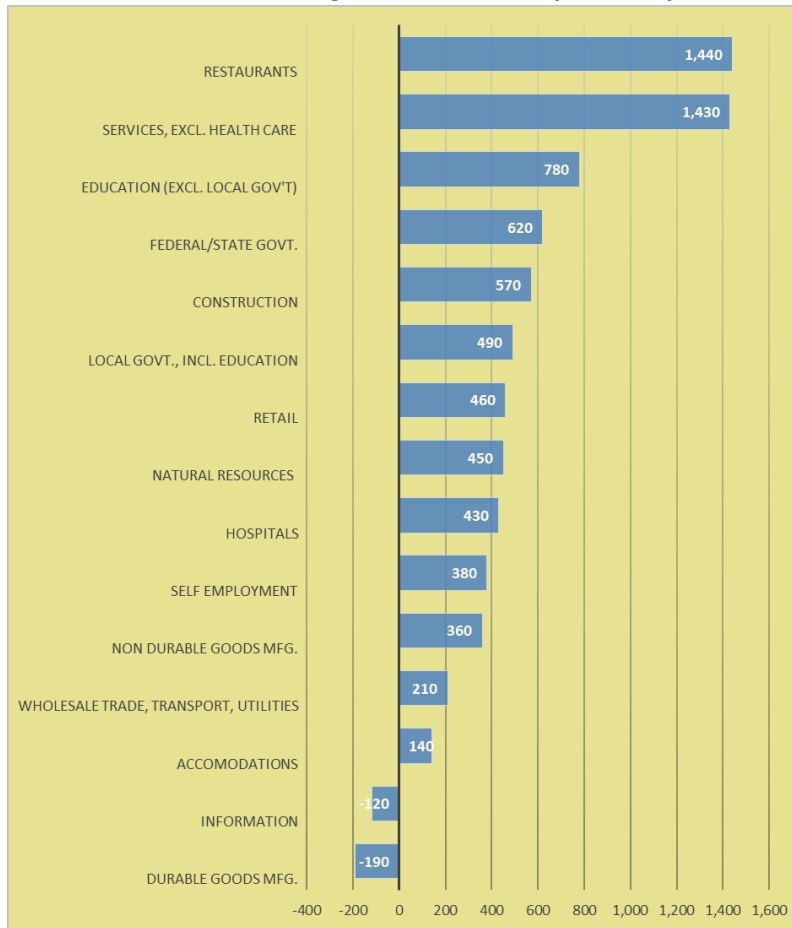
Name	Employment
Surftides Inn on the Beach	50 to 100
Kyllos Seafood & Grill	50 to 100
Lakeview (assisted living)	50 to 100
Inn at Spanish Head	50 to 100
Contractors Clearing House, Inc.	50 to 100
Mo's Restaurant	50 to 100
Safeway Stores, Inc.	100 to 150
City of Lincoln City	150 to 200
Samaritan North Lincoln Hospital	300 to 400
Chinook Winds Casino	750 to 1,000

Source: Dun and Bradstreet (2014), FCS GROUP.

Employment Growth Forecast

The Oregon Employment Department (OED) prepares employment forecasts for defined “regions” in the state. Lincoln County is a part of Oregon’s “Northwest Region” which includes four north coastal counties: Lincoln, Clatsop, Columbia and Tillamook. As shown in Exhibit 12, the Northwest Region is expected to experience positive growth over the next 10 years in all job sectors, with the exception of information sector and durable goods manufacturing. The sectors that should see the most jobs added include: restaurants, services, education, federal/state government, construction, retail, natural resources (such as timber and fishing), hospitals and independent contractors.

Exhibit 12. Northwest Oregon Job Growth by Industry, 2014-2024



Source: Oregon Employment Department. Compiled by FCS Group.
Includes Lincoln, Clatsop, Columbia and Tillamook counties.

Location Quotient Analysis

Location quotient (LQ) analysis is a way of determining which business sectors are clustered in Lincoln City compared to other Oregon coastal counties. This approach reveals what makes the local economy unique relative to a broader geography. The LQ analysis indicates existing and potential emerging business clusters within Lincoln City based on their size, as measured by payroll, and growth potential. The data used for the cluster analyses were derived from 2014 OED wage and salary employment statistics.

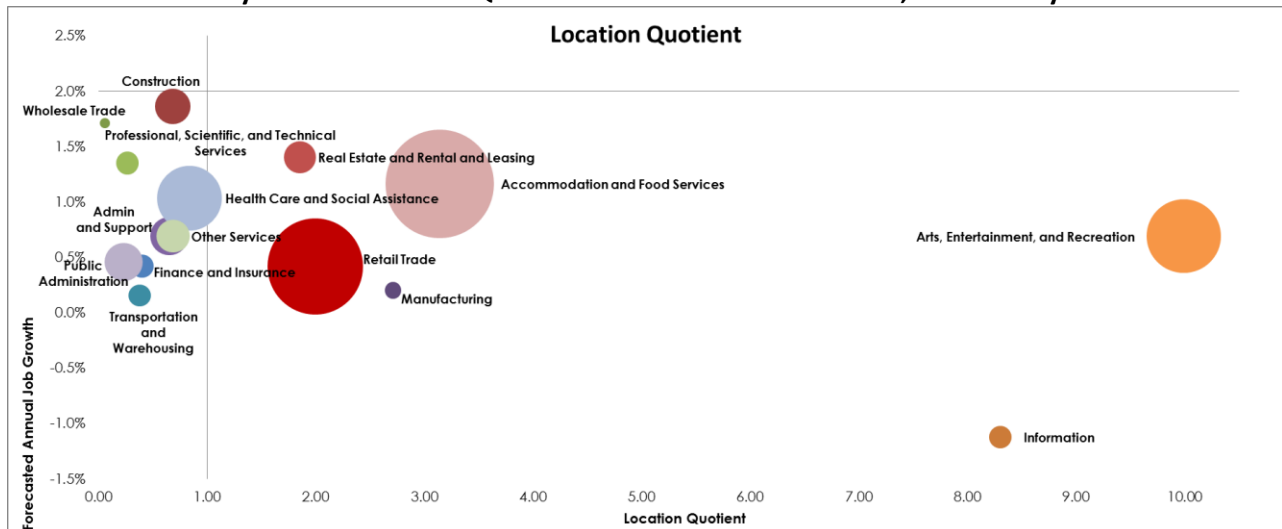
As shown in Exhibit 13, the “Arts, Entertainment and Recreation” business cluster, which includes the Chinook Winds Casino, has a particularly high LQ. The LQ for this cluster is 10, signifying that the business cluster is 10 times more concentrated in Lincoln City than average.

An LQ of less than 1.0 may represent a business cluster with either a competitive disadvantage (e.g. lack of access to key markets) or pent-up demand. Clusters with pent-up demand could represent “emerging” opportunities if the job growth rate is projected to be higher than average. For example, the Health Care and Social Assistance cluster has a 0.9 LQ and a high job growth forecast, so it may now be in position to expand if local employment sites are available.

The LQ analysis for Lincoln City identifies potential target business clusters for Lincoln City, such as:

- Arts, Entertainment and Recreation has a high LQ and 1.0% annual job growth forecast, which could represent expansion of casino-related entertainment, arts/writers' galleries and workshops, and destination-oriented recreation (e.g., sporting events, weddings).
- Accommodations and Food Services is a high LQ cluster expected to support new or expanded hotels and restaurants, meeting facilities and culinary arts programs.
- Health Services is a potential emerging cluster with lower than average LQ and could include hospital expansion, specialty treatment center, health services training center, etc.
- Business Services sector has pent-up demand that may require new office locations or home-based businesses for professional services, such as engineering, accounting and legal services.
- Niche Manufacturing has a high LQ and could result in artisan businesses that require flex space for specialty product manufacturing, food processing, furniture/cabinet warehouse/showroom, etc.

Exhibit 13. Industry Cluster Location Quotients and Forecasted Growth, Lincoln City



Source: Compiled by FCS Group based on Oregon Employment Department data from 2014.

Tourism Market

Visitor spending has remained a bright spot along the central and north coast of Oregon. Lincoln City enjoys access to abundant recreational areas, such as the Siuslaw National Forest, Devils Lake, Siletz Bay, river estuaries and nearby Salishan Resort and Depoe Bay. Major attractions also include Chinook Winds Casino and Resort and local breweries and wineries. The U.S. 101 corridor is an Oregon Scenic Byway as well as an “All-American Road.” Lincoln City also is home to major events including the Siletz Bay Music Fest and the Fall Kite Festival, which draw thousands to the area.

Exhibit 14 depicts trends in visitor spending within Lincoln County from 2009 to 2015. Trends show visitor spending in Lincoln County reached record levels in 2015 at \$519.5 million, up 4.9% from the prior year.

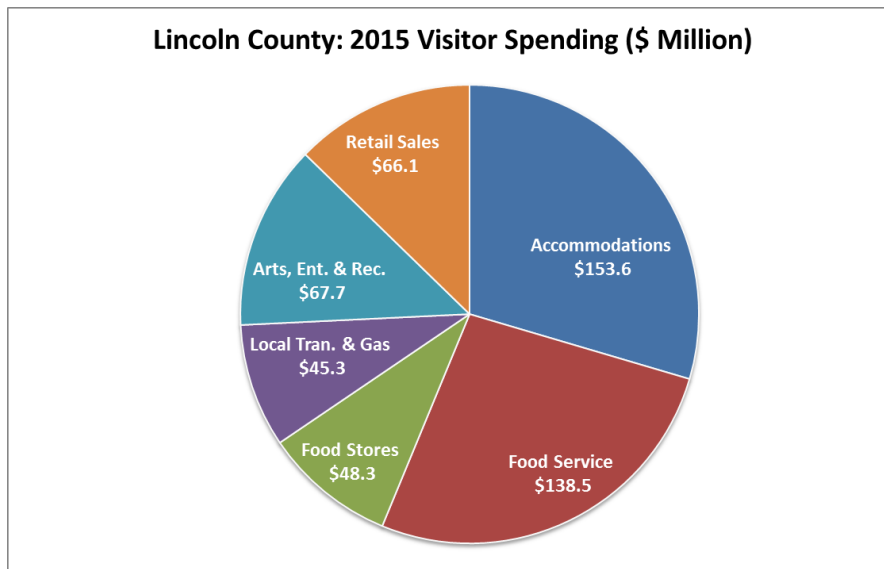
Exhibit 14: Lincoln County Visitor Spending By Category in Millions, 2009-2015

	2009	2010	2011	2012	2013	2014	2015
Accommodations	\$ 117.3	\$ 120.5	\$ 119.3	\$ 121.7	\$ 127.3	\$ 138.6	\$ 153.6
Food Service	\$ 104.8	\$ 105.1	\$ 102.3	\$ 105.9	\$ 116.3	\$ 129.0	\$ 138.5
Food Stores	\$ 39.4	\$ 38.2	\$ 39.0	\$ 40.4	\$ 43.0	\$ 46.1	\$ 48.3
Local Tran. & Gas	\$ 39.6	\$ 45.4	\$ 51.0	\$ 51.3	\$ 52.3	\$ 53.6	\$ 45.3
Arts, Ent. & Rec.	\$ 58.5	\$ 57.2	\$ 55.6	\$ 56.6	\$ 60.5	\$ 64.9	\$ 67.7
Retail Sales	\$ 56.9	\$ 56.8	\$ 55.8	\$ 56.7	\$ 60.3	\$ 64.0	\$ 66.1
Total	\$ 416.5	\$ 423.2	\$ 423.0	\$ 432.6	\$ 459.7	\$ 496.2	\$ 519.5

Source: Dean Runyan Associates "Oregon Travel Impacts" June 2016. Compiled by FCS Group

Exhibit 15 illustrates the distribution of tourism spending in Lincoln County in 2015 and underscores the economic benefits received by business types including restaurants, hotels, retail stores, arts and entertainment, food stores and auto service centers.

Exhibit 15. Lincoln County Visitor Spending By Category in Millions, 2015



Source: Dean Runyan Associates "Oregon Travel Impacts" June 2016.

Business Openings and Closures

Lincoln City has witnessed several business openings/expansions in the past four years. The business activity listed in Exhibit 16 reflects diverse industries ranging from food service establishments to construction contractors and health care establishments. Over the past four years, 14 businesses have opened, two have expanded, and two establishments closed.

Exhibit 16. Lincoln City Business Openings and Closures, August 2014 to June 2016

	Business Name	Date
Openings	Ocean Freeze	4/27/2016
	Autobahn	3/30/2016
	Subway	3/9/2016
	NW Septic Service	9/23/2015
	Oregon State Credit Union	9/9/2015
	Snap Fitness	8/30/2015
	Corner Café	8/22/2015
	Dutch Bros. Coffee	7/15/2015
	Red Hook Restaurant	2/25/2015
	Taft Athletic Club	1/7/2015
	Momiji Gourmet Japanese	10/8/2014
	Dress Barn	10/8/2014
	Goodwill Industries	10/1/2014
	Lincoln City Veterans Clinic	10/1/2014
	Samaritan Coastal Clinic	8/20/2014
	Closures	Beachtown Coffee
Beach Dog Café		4/29/2015

Source: Oregon Employment Department

* Denotes that a firm is expanding

Compiled by FCS Group.

MARKET OPPORTUNITIES

Since 2011, Lincoln City has approved nearly 20 commercial building permits for a mix of office, retail and lodging construction. This section summarizes local market opportunities for commercial retail, office, industrial and lodging development along with required land and sites to accommodate such uses.

Retail

The existing retail inventory in Lincoln City predominantly consists of retail outlets, shopping centers, boutique stores, auto-oriented strip centers and individual “build to suit” buildings. Current vacancy rates for retail space in Lincoln City are relatively low at an estimated five percent of available inventory.

An analysis of retail sales data to identify existing retail trade flows within the Lincoln City market area examines the consumer retail demand and existing estimated sales within a 15 and 30 minute drive time of Lincoln City (to/from city hall).

The retail trade flow analysis measures the difference between potential sales from resident demand within the footprint of the analysis area and the actual sales in the same area. An examination of the 30-minute trade area indicates that Lincoln City currently serves as a regional retail hub that attracts more than \$371 million in annual sales, including \$77 million in “net sales inflow” from outside the City that supports local stores.

The retail trade analysis summary in Exhibit 17 shows that Lincoln City has an overall net retail inflow in general retail sales and food and drink sales.

Exhibit 17. Lincoln City Retail Market Trade Area Profile 2016

	Trade Area (Drive Time)*	
	15 minutes	30 minutes
Population	10,668	16,994
Households	4,984	8,015
Aggregate Income	\$276,653,244	\$371,182,948
General Retail Demand and Sales (Supply) within Trade Area		
Demand	\$131,657,978	\$233,937,392
Supply	\$209,003,451	\$237,389,333
Retail Trade Outflow/(Inflow)	\$(77,345,473)	\$(3,451,941)
Food & Drink Demand and Sales (Supply) within Trade Area		
Demand	\$11,484,416	\$19,761,594
Supply	\$32,278,200	\$40,489,781
Retail Trade Outflow/(Inflow)	\$(20,793,784)	\$(20,728,187)

Source: * drive time from city hall; Dun & Bradstreet data compiled by ESRI and FCS Group.

Despite an overall net retail inflow into Lincoln City there is still a significant retail outflow for certain store groups that are under-represented in the city at this time. The detailed trade flow analysis of individual store groups provided in Appendix B, indicates that the following store groups have high levels of retail outflow, which means most local residents now travel outside the trade area to make purchases:

- Automotive sales and parts
- Home appliances and electronics
- General merchandise
- Building materials and garden supplies

If half of the current retail sales outflow in these categories can be captured by new commercial developments in Lincoln City, the retail development potential from intercepting trade outflow could range from 41,000 to 91,000 square feet of floor area. This would help support new general merchandise establishments, such as a Fred Meyer, and additional automotive sales and service establishments.

In addition to attracting new retail development to intercept retail sales outflow, future increases in spending from visitors and new residents would support additional commercial development. Over the next 20 years, an increase in trade activity in Lincoln City would likely result in increased sales per existing establishment as well as demand for new retail businesses.

While online retail purchases continue to increase, up nearly 15% from last year nationally according to *internetretailer.com*, these sales account for less than 2% of total retail demand in Lincoln City (based on data provided in Appendix B). Increasing online retail sales may lead to additional demand for sub-regional warehouse/distribution buildings and jobs in Lincoln City.

Lodging

As tourism increases, so too will demand for overnight accommodations. An analysis of the lodging market within Lincoln City indicates that the market is currently served by 25 “competitive” lodging establishments, including nine (9) full-service hotels and 16 limited-service facilities (Exhibit 18). In addition, an estimated 500 short-term rentals are marketed through various websites, such as Air B&B and VRBO. The number of homes and condos being utilized for shared arrangements, such as has increased significantly since 2010. We estimate that this short-term rental segment currently accounts for approximately 91,250 annual room nights of demand, which equates to nearly 20% of total annual room night demand in Lincoln City.

Exhibit 18. Lincoln City Accommodations

Lodging Type	Facilities	Rooms	Est. Avg. Annual Occupancy Rate	Annual Room-night demand
Hotels with Meeting Facilities	9	1,038	70%	265,209
Other Hotels/Motels/B&Bs	16	478	70%	122,129
Air B & B rooms	n/a	500	50%	91,250
Total	25	2,016		478,588

Source: Hotels.com (Appendix C) and Air B&B.com, survey by FCS Group.

Exhibit 19 shows the results of an evaluation of local lodging demand by market segment, including: tourists/visitors, groups (organized events, weddings, conventions) and business travelers. Each segment’s growth is based on the trends and forecasts that have been described in previous sections of this report.

Exhibit 19. Lodging Demand Segments

Demand Segment	Annual Growth Rate	Source
Visitors	3.90%	Dean Runyan Travel Impacts in Lincoln County: 2009-2015, real dollars
Groups (weddings, conventions)	1.10%	Oregon Office of Economic Analysis pop. projected for Oregon: 2015 to 2040
Business Travelers	0.70%	OED 2014-2024 Job Forecast for Northwest Oregon

The lodging demand analysis indicates that over the next 20 years there will be demand for approximately 1,600 new hotel/motel rooms in Lincoln City (**Exhibits 20.1-4**). If the existing lodging supply is not expanded to accommodate increases in demand, there will be market pressure to convert single family dwellings to short-term rentals. However, the potential supply of permitted short-term rental units would be subject to City policy regulations.

Exhibit 20.1: Estimated 2016 Room-Night Demand by Lodging Type

Lodging Type	Visitors	Groups	Business Travelers	Total
With Meeting Facilities	65%	20%	15%	100%
Without Meeting Facilities	90%	0%	10%	100%

Exhibit 20.2: Estimated 2016 Room-Night Demand by Lodging Type

Lodging Type	Visitors	Groups	Business Travelers	Total
With Meeting Facilities	172,386	53,042	39,781	265,209
Without Meeting Facilities	109,916	0	12,213	122,129
Total	282,302	53,042	51,994	387,338

Source: Hotels.com and Hotel Staff; compiled by FCS Group.

Exhibit 20.3 Projected 2035 Room-Night Demand by Lodging Type

Lodging Type	Visitors	Groups	Business Travelers	Total
With Meeting Facilities	370,521	66,015	45,737	482,273
Without Meeting Facilities	236,250	0	14,041	250,292
Total	606,771	66,015	59,778	732,564

Source: Hotels.com and Hotel Staff; compiled by FCS Group.

Exhibit 20.4: Projected 2035 Lodging Demand

Existing Lodging Rooms	Net New Room-Night Demand	Total Supportable Rooms*	Net New Supportable Rooms*	% Needing Meeting Facilities
1,516	345,226	3,153	1,637	66%

Source: * assumes 70% minimum required average annual occupancy; FCS GROUP.

Industrial and Office Potential

Office and industrial construction activity in Lincoln City has been limited in recent years. Office building vacancy rates appear to be in the 7-10 percent range, and there are few available small (less than two acre) “build to suit” commercial and industrial parcels for sale or lease.

Future office and light industrial job growth in Lincoln City will likely be attributed to expanding service businesses (health care and personal services), new home-based businesses and small artisan “maker” establishments.

Recommended Target Uses

Based on the previous analysis and findings, several “target business types” have been identified that are consistent with market trends and community development objectives. Target business opportunities are summarized in Exhibit 21 and include:

- **Health Care services:** hospital expansion and specialty treatment centers along with supporting medical office professions, in-home nursing care, etc.
- **Entrepreneurs and Professional Businesses:** home-based businesses and small office buildings that can accommodate growing small businesses, such as civil engineering, environmental consulting, legal and accounting professionals. A business accelerator program and high school and the Oregon Coast Community College training programs would help foster business growth and local job creation.
- **Artisan Makers and Sub-regional Warehouses:** businesses that require light industrial/flex buildings for expanding specialty manufacturing operations, such as glass making, cabinet making, food/beverage processing. Also warehouse/distribution businesses, such as a warehouse/retail showroom and a sub-regional distribution facility.
- **General Retail:** particular focus on general merchandise site(s) for establishments such as Fred Meyer and/or Dollar General. Since the city currently has a floor area “footprint” maximum that limits total floor area for a retail business to 60,000 square feet in the General Commercial zone, the ability to attract a Fred Meyer will likely be hampered unless local regulations are changed to allow larger footprints if special conditions are met, such as the ability to mitigate traffic impacts.
- **Food/Beverage Services:** food and beverage services and training programs already are key components of the Lincoln City economy. The City currently sponsors the Culinary Center within the city hall/library building and there are a variety of cuisines, breweries and distilleries along the North Coast. Expansion of the food/beverage cluster could be assisted by a designated food cart pod area and continued partnerships with Oregon Coast Community College and local high school training programs.
- **Continuing Care Facilities:** an established location for retirees with full-service health care provided by Samaritan North Lincoln City Hospital and other health service establishments, Lincoln City is well positioned to attract new facilities that offer a wide range of treatment or care. This could include new retirement communities, Alzheimer’s care facilities and assisted living facilities that provide services to occupants, such as:
 - Physical therapy
 - Personal concierge
 - Restaurant dining
 - Medication management
 - Transportation services
 - Nursing care
 - Cleaning services
 - Cultural, spiritual and educational events

- **Lodging:** new or expanded overnight accommodations will be needed to accommodate growth in visitation, group and business demand from overnight travelers. New facilities that accommodate events and trade association conventions could augment demand, particularly during off-peak shoulder months.
- **Arts/Entertainment/Recreation:** another way to enhance off-peak visitation is to provide locations and events related to arts, entertainment and recreation. A mix of indoor and outdoor facility options could include an indoor/outdoor market place, indoor recreation/events center, and outdoor locations for mountain biking, zip line tours and eco-tours on kayaks and stand up paddle boards.

Exhibit 21. Recommended Target Uses for Lincoln City

Target Use	Market Potential	Potential Revenue Generation for Lincoln City	Potential Job Creation	Avg. Salary	Pays Above County Avg.
Health Care Services	●	●	●	\$51,820	<input checked="" type="checkbox"/>
Entrepreneurs and Prof. Services	●	●	●	\$32,260	<input type="checkbox"/>
Contractors & Light Manufacturing (Flex Industrial)	●	●	●	\$48,765	<input checked="" type="checkbox"/>
Retail (General Merchandise Stores)	●	●	●	\$24,989	<input type="checkbox"/>
Food Services	●	●	●	\$18,796	<input type="checkbox"/>
Continuing Care Facilities	●	●	●	\$25,716	<input type="checkbox"/>
Lodging	●	●	●	\$20,696	<input type="checkbox"/>
Arts/Recreation/Entertainment	●	●	●	\$24,364	<input type="checkbox"/>

Legend: Good: ● Fair: ● Poor: ●

Source: FCS GROUP based on EOA findings and TAC input. Wages based on 2015 Lincoln County OED data.

Employment Land Needs

Each of the following three employment land needs scenarios takes into account Lincoln County and Northwest Oregon growth forecasts for population and jobs. This analysis also bases future land needs on expected levels of total employment, which includes both “covered” and “non-covered” workers based on the ratio of total jobs to covered jobs for each sector.³ Appendix D includes detailed job growth scenarios and assumptions.

³ This approach of adjusting covered jobs to total jobs has been endorsed by Business Oregon in various economic studies, including *The Economic Impact of Oregon’s Public Ports* (2014) by FCS GROUP and Northwest Economics.

- **Employment Growth Scenario A:** assumes the existing level of estimated employment in Lincoln City will grow at a 0.85% AGR, which is consistent with the population growth forecast for Lincoln City and Lincoln County described in the next section.
- **Employment Growth Scenario B:** assumes that the OED 10-year job growth forecast for each employment sector in the Northwest Oregon region is extrapolated to 20 years and Lincoln City is successful in intercepting half of current retail trade outflow.
- **Employment Growth Scenario C:** assumes that the upper-range of job growth is likely to accrue under the two aforementioned job growth scenarios.

As indicated in Exhibit 22, the total net new job growth for Lincoln City over the next 20 years is projected to range from 1,567 to 1,730 jobs depending on the scenario. The category with the greatest expected job growth is Services, followed by Retail and Home-based businesses.

Exhibit 22. Lincoln City 20-Year Net New Job Growth Forecast

Category	Scenario A ²	Scenario B ³	Scenario C ⁴
Industrial 1	78	67	78
Services	1,054	1,195	1,195
Accommodations	211	239	239
Food Services	247	280	280
Retail	309	332	332
Government	36	18	36
Work At Home	90	80	90
Total	1,567	1,692	1,730

¹ Includes natural resources, construction, manufacturing, wholesale trade, transportation, information, warehousing & utilities.

² Growth rates consistent with OEA pop forecast for Lincoln County.

³ Growth rates consistent with OED employment sector growth forecast: 2014-2024 for region consisting of Lincoln, Benton, Clatsop, Tillamook counties; plus 50% retail outflow capture.

⁴ Growth rates assume upper-end of Scenario A and B forecasts.

Source: derived from Appendix E. FCS GROUP.

Based on the job growth forecasts shown above, it is estimated that Lincoln City will require between 45 and 52 acres of net buildable vacant land to meet 20-year employment growth forecasts (Exhibit 23). This assumes that existing buildings and redevelopment areas could accommodate approximately 16 percent of the overall job growth through “refill” (jobs added in vacant or underutilized space) and “redevelopment” (jobs added through the reuse of existing buildings and redeveloped sites).

Services would primarily consist of lodging and restaurant demand plus office requirements for health care and professional services. It is anticipated that up to 1,600 new lodging rooms would be needed over time. It is likely that each hotel would require a site of two to five acres.

Retail uses would be accommodated primarily through one additional large format general merchandise store, such as Fred Meyer or Dollar General. As new population and housing is added, a small neighborhood center with anchor grocery store would be needed on a five-acre site. Other

miscellaneous retail uses could be accommodated through refill, infill (development on sites under one acre) and redevelopment

Artisan “maker” businesses could be accommodated through a mix of one to two-acre sites and in industrial flex buildings (e.g., 12,000 square foot single level tilt-up buildings).

In addition to home-based businesses, Lincoln City should plan for a few new one or two-level office buildings as part of a professional center, with proximity to the hospital. Business services, such as insurance, real estate, finance, accounting and consulting may also be accommodated as part of a new retail shopping center.

Government uses reflected in this analysis pertain primarily to health and safety occupations such as police and fire, which may require additional space needs over time. The need for other public or community facilities, such as schools and parks facilities are not included in this analysis.

Exhibit 23. Lincoln City 20-year Employment Vacant Land Needs (buildable acres)

Job/Use Type	Scenario A	Scenario B	Scenario C	Site Requirements
Private Employment				
Industrial	5.4	6.9	8.0	2 to 5 acre parcels; full infrastructure services
Services				
Accommodations	10.1	11.5	11.5	1 to 4 acre parcels, visibility
Food Services	7.0	7.9	7.9	1+/- acre parcels, visibility
Office/Other Services	10.5	11.9	11.9	1+/- acre parcels and home based
Retail	10.9	11.7	11.7	10+/- acre parcel, plus 3-ac. parcel
Private Subtotal	43.9	49.9	51.0	
Government	1.1	0.6	1.1	2-acre parcel, emergency access
Total	45	50	52	

Source: FCS GROUP, derived from Appendix F.

Special Siting Land Needs

It should be noted that these employment growth scenarios omit potential land needs attributed to special siting requirements for major facilities, such as schools, parks and recreational areas. It is possible that the TAC or City Council may identify certain desired uses that would enhance the land need requirements stated above.

RESIDENTIAL LAND NEEDS

This section presents the housing needs analysis for Lincoln City. The purpose of this analysis is to address the requirements for planning needed housing in urban areas for small cities (population less than 25,000) using the methodology described in Exhibit 2 on page 3.

Lincoln City Housing Needs

A City’s defined housing need must be based on the statewide land use Goal 10 mandate to plan for housing that meets the need of households at all income levels. This entails understanding resident

“permanent” population (owner and renter) housing demand as a primary focus of housing need and non-resident seasonal housing demand as a secondary market for housing. The issue of housing affordability and the need for workforce housing also is discussed in this section using U.S. Department of Housing and Urban Development guidelines.

Steps in the Housing Needs Analysis

The method used in this HNA is consistent with Goal 10 requirements for small cities and comports with most requirements used for larger cities as well. The key steps include:

- Step 1. Describe demographic characteristics of the population that relate to housing tenancy (owner and renter households).
- Step 2. Identify national, state and local demographic and economic trends and factors that may affect the demand for different housing types.
- Step 3. Forecast the amount of resident population and households expected over the next 20 years for Lincoln County and Lincoln City. This HNA includes two population growth scenarios.
- Step 4. Determine the types of housing that are considered to be “attainable” or affordable based on household income.
- Step 5. Estimate the number of additional housing units required for permanent households and seasonal residents by structure type.
- Step 6. Determine the “base scenario” buildable land needs for housing types and land use designation, based on ranges in net density by structure type.
- Step 7. Consider another scenario that takes into account local policies that support increased development of workforce housing and cap the amount of housing that is used as short-term rentals.

According to ORS 197.307, “needed housing” refers to housing types that meet the need for housing within an urban growth boundary (UGB) at particular price ranges and rent levels, and must include the following types:

- Attached and detached single family dwelling units and multiple family housing for owners and renters.
- Government assisted housing.
- Mobile home or manufactured homes (as part of dwelling parks).
- Manufactured homes on individual lots planned and zoned for single-family residential use that are in addition to lots within designated manufactured housing parks.
- Housing for farmworkers. Farmworker housing is not considered applicable to this Lincoln City HNA as there are no current farms or farmworker housing units that exist within the city.

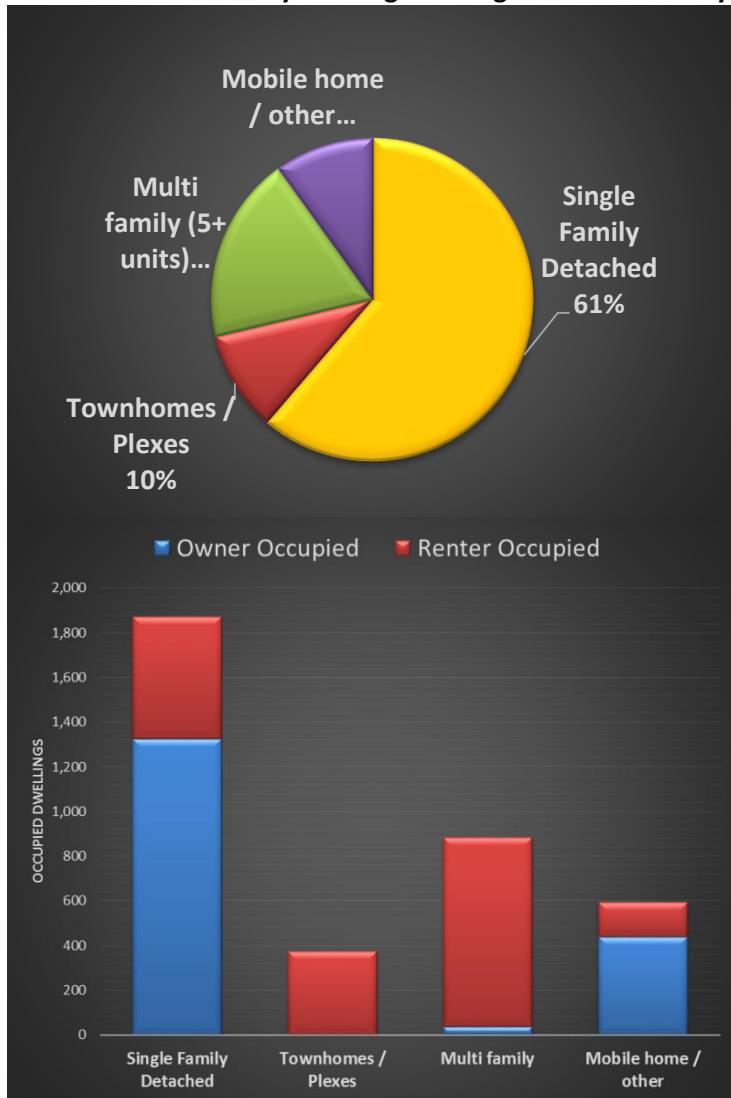
Existing Housing Inventory and Tenancy

The current housing mix in Lincoln City consists of primarily of single family detached homes, with 61% of the total housing stock. Multifamily housing accounts for 19% of the housing inventory. Townhomes/plexes⁴ and mobile homes each account for 10% of the housing inventory. Among

⁴ “Plexes” include duplex, tri-plex and quad-plex buildings.

permanent residents, owner-occupied housing is concentrated in the single family detached and mobile home categories (see Exhibit 24).

Exhibit 24. Lincoln City Existing Housing Mix and Tenancy



Source: U.S. Census, American Community Survey, 2014.

According to the American Community Survey (ACS), there were 5,734 housing units in Lincoln City in 2014 (most recent data available). As indicated below in Exhibit 25, the housing inventory is fairly evenly distributed among owner-occupied dwellings, renter-occupied dwellings and second homes/short-term rentals.

Exhibit 25. Lincoln City Existing Housing Characteristics

Housing Type	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Second Homes & Short Term Rentals	Other Vacant Units	All Dwelling Units
Single Family Detached	1,325	545	1,100	91	3,061
Townhomes / Plexes	0	374	183	18	576
Multi-family (5+ units)	36	846	550	43	1,475
Mobile home / other	440	153	-	29	622
Total Units	1,801	1,918	1,834	181	5,734
Distribution	31%	33%	32%	3%	100%

Housing Type	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Second Homes & Short Term Rentals	Other Vacant Units	All Dwelling Units
Single Family Detached	74%	28%	60%	50%	53%
Townhomes / Plexes	0%	19%	10%	10%	10%
Multi-family (5+ units)	2%	44%	30%	24%	26%
Mobile home / other	24%	8%	0%	16%	11%
Total	100%	100%	100%	100%	100%

Source: American Community Survey, 2010-2014; compiled by FCS GROUP.

Population and Housing Forecast

As mentioned previously, Lincoln County and Lincoln City have both shown measurable increases in population and households over the past few decades. The share of Lincoln County population that resides within Lincoln City has increased from 16.7% in 2000 to 18.0% in 2015. Hence, over the past 15 years, approximately 38% of the net change in Lincoln County population occurred within Lincoln City.

As indicated in Exhibit 26, according to the long-term growth forecast provided by the Oregon Office of Economic Analysis, Lincoln County population is expected to increase by 4,147 permanent residents over the next 20 years.

Scenario A: Baseline Housing Forecast

The baseline housing forecast scenario takes into account trends in population and seasonal housing demand given recent housing capture rates for Lincoln City. Scenario A assumes that Lincoln City will continue to capture 38% of the County’s growth by adding 1,583 residents over the next 20 years, which equates to a 0.85% annual average growth rate for Lincoln City. The baseline scenario also assumes that average household size (people per household) will continue its downward trend from 2.21 people per household in 2016 (est.) to 2.10 in 2036 (forecast), as “baby boomers” (residents born between 1946 and 1964) become empty nesters, retirees move into the area, and “millennials” (residents born between 1981 and 1997) delay starting families.

The resulting baseline housing forecast for Lincoln City identifies the need for 948 net new dwellings for permanent residents over the next 20 years (Exhibit 26). If we assume the current level of seasonal housing (second homes and short-term rentals) and vacant inventory remain at current levels (36% of total inventory), there would be additional demand for approximately 536 housing units. The combination of housing for permanent residents and seasonal housing is expected to require 1,484 dwellings over the next 20 years (Exhibit 26).

Exhibit 26. Lincoln City Housing Needs Forecast, Baseline Scenario A

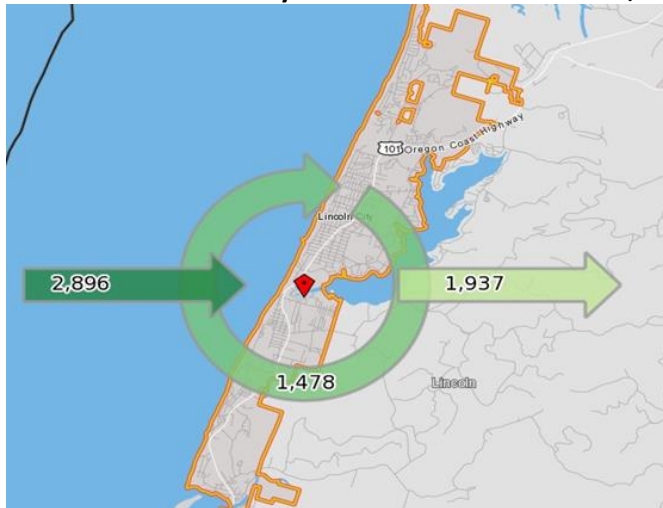
	Estimate 2015	Estimate 2016	Forecast 2036	Proj. Change 2016-36	Proj. AAGR
Lincoln County Population	47,225	47,423	51,571	4,147	0.42%
Lincoln City Population	8,485	8,601	10,183	1,583	0.85%
City/County Share	18.0%	18.1%	19.7%	38.2%	
Lincoln City Housing Needs					
Group Quarters Population	85	86	102		
Population in Households	8,400	8,515	10,082		
Avg. Household Size	2.22	2.21	2.10		
Resident Housing Units	3,784	3,853	4,801	948	1.11%
Total Housing Units	5,922	6,030	7,513	1,484	1.11%
Seasonal & Vacant Housing Units	2,138	2,177	2,713	536	1.11%
Percent of housing stock	36%	36%	36%	36%	
Second Homes		2,000	2,492	492	
Short Term Rentals		497	619	122	

Source: Estimates based on 2014 ACS data and current Lincoln City permitting activity. Forecasts consistent with OEA 2015-2049 population forecast for Lincoln County, and projected 2010 to 2015 Lincoln City capture rates by FCS GROUP.

Scenario B: Baseline + Workforce Housing Forecast

Scenario B is intended to address the current workforce housing imbalance along with the baseline demand forecast included with Scenario A. Through interviews, stakeholders identified the current lack of existing “affordable” workforce housing as an important issue that likely accounts for high levels of in-commuting by Lincoln City workers that travel long distances from their homes to their place of work. As indicated in the following map shown as Exhibit 27, the local “covered workforce” includes approximately 1,478 workers that live and work in Lincoln City; 1,937 workers that live in Lincoln City and commute outside the City to work and 2,896 workers that in-commute to jobs in Lincoln City.

Exhibit 27. Lincoln City Worker Commute Pattern, 2014



Source: U.S. Census, On-the-Map database; FCS GROUP.

As indicated in Exhibit 28, an estimated 2,921 people in-commute to Lincoln City daily from a distance of 25 miles or greater based on 2014 Census data. If adequate workforce housing is provided in Lincoln City for 25% of these workers (preliminary policy goal), it would require 330 workforce dwellings to offset the current housing imbalance.⁵ In Scenario B, the total housing need consists of the baseline demand (1,484 units) plus the added workforce housing demand (330 units), or 1,814 dwellings.

Exhibit 28. Lincoln City Housing Needs Forecast, Workforce Housing Scenario B

	Estimate 2015	Estimate 2016	Forecast 2036	Proj. Change 2016-36
Existing Workforce In-commuters	2,896	2,921		
Avg. Household Size	2.22	2.21		
Housing Unit Demand	1,305	1,322		
City Capture Rate Policy Goal*			25%	
Existing Pent Up Workforce Housing Demand		----->	330	330
Baseline Scenario: Resident Housing Units		3,853	4,801	948
Baseline Scenario: Seasonal & Short-term Units		2,177	2,713	536
Total Housing Units	5,922	6,030		1,814

* Represents city policy aimed at capturing share of workforce in-commuters that currently travel over 25 miles into Lincoln City.

Source: U.S. Census, On The Map, 2014. FCS GROUP.

⁵ Note, this level of workforce housing demand reflects a potential local (City) workforce housing policy aimed at generating affordable workforce housing for at least 25% of the existing workforce that now in-commutes from over 25 miles away. The ability to achieve this goal would be enhanced by a broader Lincoln County policy goal of accommodating a (higher) level of workforce housing as a share of net new jobs generated in the County. Communities throughout the U.S. have similar policies; such as Teton County, WY which has adopted a policy that requires 65% of the workforce to be accommodated in affordable workforce housing within cities and rural development centers. Developers of commercial developments that generate new employment must either: develop a calculated share of workforce housing on site; or pay housing mitigation fees.

Residential Land Needs Forecast

The next step in the housing needs analysis is to identify the required housing unit types and requisite land needs. This is accomplished by applying the expected distribution of housing characteristics (shown in Exhibit 25) to each growth forecast discussed above and applying an average development density level for each dwelling unit type based on permitting activity in the city over the past five years.

Scenario A: Baseline Housing Forecast

In baseline forecast Scenario A, Lincoln City should plan for 1,484 additional dwelling units over the next 20 years. Housing distribution would likely resemble current characteristics with the need for 459 owner-occupied dwellings, 489 renter-occupied dwellings and 536 short-term rental units (Exhibit 29). The expected housing mix under this scenario would consist of 798 single family detached homes, 160 townhomes/duplexes, 385 multifamily units and 141 manufactured housing units.

The amount of required land area required to accommodate this level of housing development is approximately 206 acres (Exhibit 29). Much of the new single family detached and manufactured housing demand would require vacant land. Townhomes and multifamily developments could be accommodated through a mix of infill, redevelopment and vacant sites.

Exhibit 29. Lincoln City Baseline Housing Forecast Scenario A

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Second Homes & Short Term Rentals	Net New Dwelling Units	Average Density (DU per Net Buildable Acre)	Potential Land Need (Net Buildable Acres)*
Housing Tenure Distribution:	459	489	536	1,484	7.2	206.3
	31%	33%	36%	100%		
Housing Unit/Type Distribution						
Single Family Detached	344	132	321	798	6.0	152.9
Townhomes / Plexes	14	93	54	160	13.7	13.5
Multi family (5+ units)	9	215	161	385	18.6	23.8
Mobile home / other	92	49	0	141	10.0	16.2
Total	459	489	536	1,484	7.2	206.3

* Assumes 15% of land area added for public roads and infrastructure.

Scenario B: Baseline + Workforce Housing Forecast

Under housing forecast Scenario B, Lincoln City should plan for 1,814 additional dwelling units over the next 20 years. In comparison with Scenario A, the future housing mix would be more oriented towards long-term rental housing and a bit less towards short-term rentals. Scenario B emphasizes multifamily, townhomes and manufactured housing units, which potentially provide a greater range of more affordable housing options than under Scenario A. The total housing need is expected to consist of 570 owner-occupied dwellings, 709 renter-occupied dwellings and 536 short-term rental units. The expected housing mix under this scenario would consist of 940 single family detached homes, 205 townhomes/duplexes, 484 multifamily units and 185 manufactured housing units. The

amount of required land area to accommodate this level of housing development is expected to be approximately 249 acres (Exhibit 30).

Exhibit 30. Lincoln City Housing Forecast Scenario B

	Owner-Occupied Dwelling Units	Renter-Occupied Dwelling Units	Second Homes & Short Term Rentals	Net New Dwelling Units	Average Density (DU per Net Buildable Acre)	Potential Land Need (Net Buildable Acres)*
Housing Tenure Distribution:	570	709	536	1,814	7.3	248.6
	31%	39%	30%	100%		
Housing Unit/Type						
Single Family Detached	427	191	321	940	6.0	180.2
Townhomes / Plexes	17	135	54	205	13.7	17.2
Multi family (5+ units)	11	312	161	484	18.6	29.9
Mobile home / other	114	71	0	185	10.0	21.3
Total	570	709	536	1,814	7.3	248.6

* Assumes 15% of land area added for public roads and infrastructure.

Housing Attainability

Current housing prices in Lincoln City, as measured by home sales prices and rent levels, have been increasing in recent years as the vacant inventory tightens. Local home prices are being inflated to some extent by an influx of investment from “second home” buyers from outside the local market area.

An examination of current median family income (MFI) levels and U.S. Housing and Urban Development (HUD) guidelines help gauge housing attainability in Lincoln City. As indicated in Exhibit 31, the current (2014) MFI for Lincoln County was \$42,429. Using HUD guidelines for upper middle households earning 80% of the MFI, a four-person family would be able to afford monthly rents at \$849 or lower and homes priced at \$168,000 or less.

A survey of 22 apartment complexes in Lincoln City with 760 rental units indicates that the average apartment is now 35 years old, with monthly rents ranging from \$0.80 to \$1.10 per square foot of floor area for older units and \$1.20 to \$1.23 per square foot for the newer units (see Appendix G).

The ability to deliver an affordable two or three bedroom apartment unit at 80% of the MFI would mean that such a unit would be rented at \$850 or less, which is about 15-25% below current market prices for such a unit. A policy goal of providing 300 attainable apartments priced at 80% of the MFI would require total “incentives” of approximately \$17,000 to \$20,000 per dwelling unit.⁶

⁶ Estimate calculated by FCS GROUP.

Exhibit 31. Lincoln City and County Housing Attainability Guidelines

Lincoln County Median Family Income Level (2014)*	\$42,429	
Available Monthly Rent or Payment (@30% of income level)		
	Lower-end	Upper-End
High (120% or more of MFI)	\$1,273	or more
Upper Middle (80% to 120% of MFI)	\$849	\$1,273
Lower Middle (50% to 80% of MFI)	\$530	\$849
Low (30% to 50%)	\$318	\$530
Very Low (less than 30% of MFI)	\$318	or less
Approximate Attainable Home Price**		
	Lower-end	Upper-End
High (120% or more of MFI)	\$252,000	or more
Upper Middle (80% to 120% of MFI)	\$168,000	\$252,000
Lower Middle (50% to 80% of MFI)	\$105,000	\$168,000
Low (30% to 50%)	\$63,000	\$105,000
Very Low (less than 30% of MFI)	\$63,000	or less

* Based on Housing and Urban Development thresholds for Lincoln County in 2014.

Note, this analysis is generally consistent with 4-person household size characteristics.

** Assumes 20% down payment on 30-year fixed mortgage at 6.0% interest.

Source: analysis by FCS Group using Housing and Urban Development, and US Census data.

Recent home sales and asking prices of homes in Lincoln City shows indicate that over the past two years, there have been 172 sales per year (Exhibit 32). The standing inventory is now well below four months for units priced at 80% MFI or lower.

Exhibit 32. Lincoln City Housing Inventory, Absorption and Attainability

Asking Sales Price	Current Listings	Avg. Annual Sales	Standing Inventory (months)	Housing Attainability Group
\$63,000 to \$105,000	0	2	0	Low (30% to 50% of MFI)
\$105,001 to \$168,000	13	41	4	Lower Middle (50% to 80% of MFI)
\$169,000 to \$252,000	41	64	8	Upper Middle (80% to 120% of MFI)
\$252,001 to \$300,000	15	24	8	High (120% or more of MFI)
\$300,001 to \$400,000	45	25	22	High (120% or more of MFI)
\$400,001 and higher	61	17	44	High (120% or more of MFI)
Total	175	172		

Source: Redfin; compiled by FCS GROUP as of 9/15/16.

BUILDABLE LANDS INVENTORY

The previous sections forecast a 20-year land demand in Lincoln City ranging from 251.3 acres to 300.6 acres, including 45 to 52 acres for employment uses and 206.3 to 248.6 for residential uses. The Buildable Lands Inventory (BLI) evaluates the existing supply of buildable land within Lincoln City’s city limits and urban growth boundary in accordance with OAR 660-024 and OAR 660-038.

Methodology

Lincoln City's BLI is comprised of existing vacant and partially vacant (sub-dividable) tax lots as well as City-owned land that will be available for future development. All tax lots within the Lincoln City UGB are classified into the following categories:

- **Vacant** – tax lots that have an improvement value of less than \$10,000 are considered vacant
- **Partially Vacant** – Tax lots that contain enough land to be subdivided without need of rezoning. There are two sub categories:
 - **Partially Vacant Residential** – Residential tax lots that have at least one half acre of buildable land. One quarter acre was subtracted from the buildable land to account for the existing dwelling. An aerial photography scan deemed existing multi-family parcels to be not well suited for subdividing and therefore not designated as partially vacant.
 - **Partially Vacant Employment** – Parcels with commercial zoning that have at least two acres of buildable/unconstrained land. Aerial photography helped in determining the amount of buildable land.
- **Undevelopable** – Vacant land that is either constrained by more than 90%, is deemed unbuildable by existing use (right of way, common land for home owner association, etc.), or zoning disallows for future development (Parks, Open Space, Marine Water, Agricultural Conservation, Timber Conservation).
- **Public** – Lands in public or semi-public ownership. Public lands were identified by Lincoln County's property class and additional data provided by Lincoln City. There are two subcategories:
 - **Public** – Land in public or semi-public ownership that is considered unavailable for future development.
 - **Public available** – Land identified and owned by Lincoln City that is available for future development.
- **Developed** – Occupied tax lots in private ownership with an improvement value of \$10,000 or above that cannot be subdivided under current zoning or redeveloped.
- **Redevelopable** – Developed tax lots with an improvement value that is lower than the land value with at least 10,000 square feet of unconstrained land.

Following buildable land requirements, all significant environmental constraints are deducted from gross vacant land area to estimate buildable land area. These constraints include open water (such as Devil's Lake), wetlands, riparian buffers, floodways, slopes of more than 25 percent, and the 100-year floodplain. Because much of the city's current development lies within the floodplain and construction does happen within the floodplain, the analysis allows for only 50% development within the floodplains. All other constraints are applied with a 100% reduction. All GIS data was provided by the City. Buildable Lands Inventory maps are found in Appendix H.

Buildable Vacant Land Supply

The total buildable vacant land inventory (vacant and partially vacant land) for the Lincoln City UGB area is approximately 1,312 acres on 2,084 parcels after accounting for the variety of environmental constraints described above. This includes approximately vacant land, partially vacant land, and public land that the City has made available for development.

Employment and Mixed Use Lands

The buildable land inventory for employment uses in Lincoln City includes approximately 188.4 acres on 382 tax lots, as shown in Exhibit 33. The total acres of employment lands are well distributed among varying lot sizes. The inventory of commercial land includes 78.4 acres on 288 parcels. Of the 288 parcels, 274 are less than one acre. More than 18 acres of vacant land is on parcels of 1 to 5 acres and there is one parcel of greater than 10 acres. Likewise, 57 of the 62 vacant mixed use parcels are less than one acre, while accounting for only 30% of the 23.1 total vacant mixed use acres. The inventory of industrial land includes 87.0 acres on 32 parcels. More than half of the acreage is on three lots totaling 57.6 acres.

Exhibit 33. Buildable Employment and Mixed Use Land Inventory

	< 1 acre		1 to 5 acres		5 to 10 acres		> 10 acres		Total	
	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres
Commercial	274	47.7	13	18.6	0	0.0	1	12.0	288	78.4
Mixed Use	57	6.9	4	5.7	2	12.2	0	0.0	62	23.1
Industrial	17	4.5	9	12.9	3	12.0	3	57.6	32	87.0
Total	348	59.1	26	37.2	5	24.2	4	69.6	382	188.4

Source: Fregonese Associates and Cogan Owens Greene, LLC.

Redevelopable/Refill Supply

The inventory of available employment and mixed use lands also includes an evaluation of the relative level of redevelopment potential for each developed tax lot in Lincoln City. While this is not a stated requirement within OAR 660, Division 9, it is considered an important factor in deciding which land use growth scenario to target. The analysis of redevelopment opportunities is based on the ratio of assessed improvement value to land value for each tax lot. The results provided in Exhibit 34 indicate that there is approximately 121.7 acres of redevelopable land on 162 tax lots. Approximately 54 acres is classified as having high redevelopment potential and 67.8 acres have moderate redevelopment potential. Most of the parcels available for redevelopment are designated for commercial or industrial use.

Exhibit 34. Redevelopable Employment and Mixed Use Land Inventory

	High (< 0.50)		Moderate (0.50 to 1.00)		Total	
	Lots	Acres	Lots	Acres	Lots	Acres
Employment	77	45.0	56	62.6	133	107.6
Mixed Use	16	8.9	13	5.2	29	14.1
Total	93	53.9	69	67.8	162	121.7

Residential Lands

The buildable land inventory for residential uses in Lincoln City includes approximately 1,124.5 acres on 1,702 tax lots, as shown in Exhibit 35. Nearly 93% of the residential land supply, or 1,041 acres, is dedicated to single family homes. The remaining 83.5 acres is designated for multi-family development. Buildable residential lands are well-distributed among various lot sizes.

Exhibit 35. Buildable Residential Land Inventory

	< 1 acre		1 to 5 acres		5 to 10 acres		> 10 acres		Total	
	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres	Lots	Acres
Single Family	1,282	202.5	99	154.19	28	138.6	15	217.6	1,448	1,041.0
Multi-family	227	32.29	25	37.24	2	13.92	0	0.0	254	83.5
Total	1,509	234.8	124	191.4	30	152.5	15	217.6	1,702	1,124.5

Source: Fregonese Associates and Cogan Owens Greene, LLC.

Reconciliation of Land Demand and Supply

Employment Land Need and Parcel Requirements

As indicated in Exhibit 23, the estimated demand for employment lands in Lincoln City ranges from 45 to 52 acres, including 5 to 8 acres of industrial land and 38 to 43 acres of commercial land. With a vacant employment land supply of 188 acres, the City has a surplus of more than 136 acres of employment land and has sufficient land to meet both commercial and industrial needs. In addition, the City has approximately 122 acres of employment land available for redevelopment.

Residential Land Need and Parcel Requirements

As indicated in Exhibits 29 and 30, the estimated demand for residential lands in Lincoln City ranges from 206 to 249 acres. With a vacant residential land supply of 1,124 acres, the City has a surplus of approximately 876 acres of buildable residential lands.

SUGGESTED ECONOMIC DEVELOPMENT AND HOUSING POLICIES

The following suggested goals and implementation policies for economic development and housing were developed in coordination with the Technical Advisory Committee and consider the comments from Lincoln City community members found in Appendix G. The suggested policies will be considered and refined as part of the Lincoln City’s Comprehensive Plan update process.

Economic Development

1. Land Availability. Plan for suitable commercial and industrial land on sites that offer choice in characteristics (e.g., size, locations, visibility) in an amount that can accommodate the business development the city desires in the next 20 years.

1. On the Comprehensive Plan map, designate an adequate supply of land for commercial and industrial use in desired locations to accommodate the desired types and amount of economic development and growth.
2. Monitor the supply of commercial and industrial lands, home occupations and businesses as part of mixed use within the city.
3. Ensure an adequate supply of commercial and industrial land with suitable zoning and access to infrastructure to respond to economic development opportunities as they arise.

2. Planning. Coordinate economic development efforts with local and regional partners.

1. Create an economic development team with representatives from the City, economic development partners, and local businesses and residents to guide local economic development efforts.

2. Prepare a five-year economic development strategy and action plan that implements the community vision and goals using recommendations in the Economic Opportunity Analysis. In the action plan, assign responsibilities, timeframe and tools for the City and other partners to use and a method for evaluating progress.
 3. Coordinate economic development efforts with local and regional economic development agencies and organizations, including the Urban Renewal Agency, Lincoln City Chamber of Commerce, Economic Development Alliance of Lincoln County, Small Business Development Center, Oregon Cascades West Council of Governments, Bay Area Merchants Association, and others through representation at group meetings, periodic meetings with key individuals and review of new plans and publications.
 4. Encourage new commercial and industrial development and redevelopment outside of the tsunami inundation zone.
 5. Consider joining the Oregon Main Street Program.
- 3. New Businesses.** Encourage businesses that provide family-wage jobs⁷ to locate in Lincoln City.
1. Develop a plan to attract the types of businesses needed to achieve the community's vision and goals.
 2. Support efforts to create a quality of life (e.g., schools, health care, housing, transportation, attractive neighborhoods) that draw telecommuters and encourages residents to start and grow businesses.
 3. Facilitate the development of industrial lands for manufacturing and other export-oriented businesses that tend to provide higher-wage jobs.
 4. Work with the Chamber of Commerce and other partners to develop a marketing plan and materials that describe Lincoln City's advantages and amenities for businesses.
 5. Encourage property owners and their representatives to prepare sites for development and help owners to market them.
 6. Review the municipal code to identify opportunities to clarify, and where possible, simplify Lincoln City's zoning code and land use application processes.
 7. Consider incentives to lower development costs.
- 4. Local Businesses.** Support the success and growth of existing businesses and entrepreneurs.
1. Maintain open communications with local business owners and provide available staff support and share technical resources for economic development projects initiated by the business community and as needed, provide leadership to facilitate general improvement (e.g., design standards, parking issues, infrastructure improvements).
 2. Administer existing and explore new programs that support local businesses, such as Urban Renewal's Façade Improvement Loan Program, Local Program Support Grant, Energy Efficiency Loan Program and Business Expansion Loan Program.
 3. When possible, use local businesses to supply materials and supplies for City operations and functions.
- 5. Tourism Industry.** Foster Lincoln City's recreation and tourism based economy.
1. Participate in the development of tourism-related businesses to attract visitors.

⁷ Find definition of family-wage jobs for Lincoln County at Oregon Employment Department site: https://www.oregon.gov/PRISM/docs/family_and_living_wage_definitions.pdf

2. Coordinate with tourism-related businesses and destinations within and around Lincoln City to market Lincoln City to potential visitors.
3. Encourage indoor and outdoor events and activities that draw people to the city year round.
4. Consider developing a sports complex to attract regional sports tournaments.
5. Explore the development of additional attractions to the city.

6. Community Needs. Support businesses that provide for the day-to-day needs of Lincoln City residents, including but not limited to the growing population of retirees.

1. Research opportunities to zone land for small-scale commercial development in or near areas where a substantial amount of residential development is planned.
2. Support development and redevelopment in commercial nodes to stimulate new or improved commercial services, especially businesses that serve the permanent population.
3. Encourage businesses that serve residents in locations that facilitate walkable neighborhoods.
4. Periodically, study how retirees spend their money and what support they desire or need

7. Workforce Development. Encourage development of a local workforce with the skills that Lincoln City businesses need.

1. Periodically administer a survey of local businesses and those considering locating in Lincoln City to identify workforce needs.
2. Work with the Small Business Development Center, the economic development team and other community partners to support workforce and entrepreneurial training opportunities to meet the needs of Lincoln City's businesses and attract new businesses the city desires.
3. Frequently assess the need for and encourage the development of housing attainable to Lincoln City's workforce.
4. Support elementary, middle school, high school and alternative high school programs that stimulate civic engagement, and a work ethic, job skills, and entrepreneurship that command higher wages. .

8. Infrastructure. Provide adequate infrastructure efficiently and fairly to support employment growth.

1. Coordinate capital improvement planning to ensure infrastructure availability on employment land and pursue funding for needed infrastructure to support economic development activities
2. Promote Improvements to the transportation system that support economic development. Explore the use of Devils Lake for transportation purposes.
3. Facilitate county-wide conversations with businesses and public and nonprofit partners to further develop a transit system for the local workforce and promote its use.
4. Facilitate the development of telecommunications and other infrastructure necessary to support home-based businesses and workers.
5. Seek opportunities to provide incubators for small and emerging businesses.
6. Make infrastructure or place making improvements in commercial districts, such as streetscape, sidewalk, storefront or façade, and wayfinding improvements.

Housing

1. Housing Supply and Variety. Provide a sufficient quantity and variety of housing to meet community needs.

1. Annex where feasible and zone an adequate supply of residential land outside the tsunami inundation zone to accommodate the city's housing needs.

2. Promote a variety of residential densities and housing types in all price ranges to meet a range of housing needs.
3. Revise plan designations, zoning districts and regulations as needed to implement the mix of housing indicated in the adopted Housing Needs Analysis.
4. Periodically review development code regulations and the zoning map to ensure they encourage a variety of housing types, such as accessory dwelling units, “plexes”, tiny houses, big houses, senior housing, manufactured homes, etc.
5. Consider incentives that encourage development outside the tsunami zone while ensuring sufficient revenue to serve new development (e.g., transfer of development/redevelopment rights).
6. Discourage development within all tsunami zones, using techniques such as zoning inundation areas for uses other than residential, adding criteria for approving conditional uses and variances to restrict residential density in hazard areas, and encouraging transfer of development/redevelopment rights.
7. Zone multifamily housing in areas close to shopping, employment, parks, services and public transportation, and outside of the tsunami inundation zone.
8. Control the number and location of vacation rentals to preserve adequate housing for residents and protect the quality of life in the city’s residential neighborhoods.

2. Housing Affordability. Provide for a range of housing opportunities outside the tsunami inundation zones to address the needs of all economic segments of the community.

A. For properties outside the tsunami inundation zones, evaluate the following incentives and tools:

1. Explore innovative approaches to setting fees and system development charges (SDCs) on new construction of affordable housing to be as low as possible while ensuring necessary infrastructure to make neighborhoods cost-effective places to live and good investments for homeowners.
2. Explore offering expedited review and permitting for residential or mixed-use projects that meet certain criteria (e.g., receive local, state or federal affordable housing funding).
3. Consider offering property tax exemptions to low-income rental housing projects that meet certain criteria in accordance with state law (e.g., receive local, state or federal affordable housing funding.)
4. Consider applying system development charges (SDCs) on a square foot or fixture count basis, so smaller homes pay less and larger homes pay more.
5. Consider deferring SDCs and providing other incentives for Accessory Dwelling Units (ADUs).
6. Periodically review density bonuses for effectiveness as an incentive to providing affordable housing and adjust, as necessary.
7. Consider setting parking requirements to the minimum standards that will meet the community’s needs in order to reduce land utilized for parking, reduce the cost of housing development, and encourage walking, transit use and a compact development pattern.
8. Give priority to capital improvement projects that support development of affordable homes and neighborhoods.
9. Consider providing grant or loan programs provided by or through the city to reduce housing costs.
10. Facilitate development of vacant or under-developed land by bringing together property owners, developers, and financiers through a local accelerator program.
11. Give priority to capital improvement projects that support development of affordable homes and neighborhoods outside the tsunami inundation zone.

B. Partnerships

1. Involve major employers in efforts to develop and support housing attainable by their workforce.
2. Facilitate development of affordable housing on publicly-owned properties and preserve its attainability.
3. Explore public/private/nonprofit partnerships to preserve or develop additional housing for very low, low, and moderate income households.
4. Develop and nurture local and regional affiliations and alliances to provide affordable housing.
5. Explore local and regional funding options to support development of housing for low- and moderate-income households.
6. Work with local organizations, other jurisdictions and health and social service organizations to on a coordinated, regional approach to homelessness.
7. Coordinate with Tribal, County, State and housing developers to identify, obtain and leverage funding sources for the development of new housing for very low, low, and moderate-income residents, as determined by appropriate percentages of area median family Income in the Housing Needs Assessment.
8. Work with partners to provide workshops that:
 - a. Assist developers with the design and finance of affordable housing.
 - b. Educate first time homebuyers.
 - c. Pair property owners with developers.
9. Look into establishing a non-profit development corporation.

C. Affordable Housing Fund

1. Establish and oversee an affordable housing program that increases the supply of housing attainable to low to middle income individuals and families.
2. Utilize affordable housing resources (e.g., land, funds, staff support) to make dwelling units affordable to households with very low, low and medium incomes.
3. Consider ways to expand the affordable housing fund, such as a housing levy, construction excise tax, or dedicated percentage of building permit valuation for all building permits.
4. Utilize affordable housing funds only outside the tsunami inundation zone.

D. Regulations

1. Allow affordable housing throughout the city and especially in areas with good access to transit, employment, education and shopping.
2. Consider an inclusionary housing program that requires multifamily developments of 20 units or more to designate up to 20% of the units for rent or sale at no more than 80% MHI. OR Designate a certain percentage of new multifamily construction of at least 20 units as affordable to those making 80 percent of area median income or less in exchange for density bonuses or property tax exemptions.
3. Consider pre-approving ADU and other housing designs to lower housing costs for residents.
4. Periodically examine and revise the municipal code to reduce barriers to new affordable housing development
5. Utilize various mechanisms to ensure the continued affordability of housing that is the result of City initiatives.
6. Enforce regulations that ensure maximum safety for residents and residential property owners. Notify potential buyers and developers about risk of tsunami, flooding and other potential hazards.

7. Consider zoning property in the tsunami inundation zone for the lowest possible single-family density or low intensity non-residential uses.
8. Include in the municipal code zoning regulations that ensure multi-family buildings and special needs housing are attractive for the residents and for their neighborhoods.

3. Special Needs. Encourage housing options outside the tsunami zones for special needs populations, including independent living for seniors, assisted living, memory care, drug and alcohol rehab and mental health facilities.

1. Integrate housing for people with special needs into neighborhoods, avoiding concentrations.
2. Encourage the development of senior-friendly housing, particularly in areas within walking distance of services and amenities.
3. Promote the provision of support services, including transportation options, to allow seniors and those with special needs to remain in their own homes or non-institutional settings.
4. Support public and private housing and services for people who are homeless.
5. Review municipal code to ensure compliance with the Affirmatively Furthering Fair Housing rule.⁸
6. Educate the public regarding zoning and fair housing laws.

4. Vacation Rentals. Control the number and location of vacation rentals to preserve adequate housing for residents and protect their quality of life.

1. Maintain an appropriate balance in residential zones between housing for residents and short-term vacation rental properties for visitors.
2. Fine tune vacation rental policies as needed to protect residential neighborhoods.

⁸ See https://www.huduser.gov/portal/affht_pt.html.

LINCOLN CITY ECONOMIC OPPORTUNITIES ANALYSIS AND HOUSING NEEDS ANALYSIS APPENDIX

April 2017

Appendix A. Covered Employment Trends

Lincoln County Employment Trends by Sector, 2005-2015 (covered workers)

	2005	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015	2005-2015	
												Annual Growth Rate	
												Jobs	%
Total nonfarm employment	18,120	18,410	18,780	18,630	17,720	17,470	17,280	17,310	17,500	17,590	17,780	(340)	-0.19%
Total private	14,100	14,380	14,660	14,450	13,580	13,360	13,350	13,360	13,540	13,650	13,800	(300)	-0.21%
Mining and logging	160	160	150	160	130	130	140	140	150	160	160	-	0.00%
Construction	830	900	960	980	830	740	670	660	660	670	720	(110)	-1.41%
Manufacturing	1,120	1,110	1,060	1,110	1,050	1,030	1,030	1,060	1,080	1,130	1,100	(20)	-0.18%
Durable goods	290	280	250	250	210	190	170	170	160	170	170	(120)	-5.20%
Nondurable goods	830	830	810	850	840	840	860	890	930	960	920	90	1.03%
Food manufacturing	220	240	260	280	280	290	320	330	370	390	360	140	5.05%
Trade, transportation, and utilities	3,330	3,410	3,520	3,450	3,200	3,160	3,150	3,270	3,350	3,290	3,310	(20)	-0.06%
Retail trade	2,830	2,920	3,000	2,970	2,730	2,680	2,690	2,760	2,830	2,800	2,840	10	0.04%
Food and beverage stores	710	720	720	710	690	660	660	670	650	660	710	-	0.00%
Transportation, warehousing, and utilities	340	330	340	330	300	310	320	320	340	350	340	-	0.00%
Information	220	210	210	210	180	180	180	170	170	190	180	(40)	-1.99%
Financial activities	780	810	880	860	810	790	780	740	750	750	730	(50)	-0.66%
Professional and business services	1,080	1,170	1,090	980	880	870	940	1,000	1,000	960	1,000	(80)	-0.77%
Education and health services	1,620	1,660	1,740	1,790	1,850	1,850	1,830	1,730	1,700	1,710	1,810	190	1.12%
Leisure and hospitality	4,330	4,280	4,420	4,320	4,060	4,020	4,020	4,030	4,110	4,240	4,250	(80)	-0.19%
Accommodation and food services	4,130	4,070	4,220	4,130	3,840	3,790	3,820	3,810	3,890	4,000	4,040	(90)	-0.22%
Accommodation	1,950	1,920	1,950	1,880	1,730	1,710	1,730	1,710	1,720	1,760	1,810	(140)	-0.74%
Food services and drinking places	2,170	2,150	2,270	2,250	2,120	2,080	2,090	2,100	2,170	2,230	2,240	70	0.32%
Other services	630	660	630	590	590	590	610	570	580	550	540	(90)	-1.53%
Government	4,020	4,040	4,120	4,180	4,140	4,110	3,930	3,940	3,950	3,940	3,980	(40)	-0.10%
Federal government	250	240	260	270	280	300	320	370	350	330	320	70	2.50%
State government	830	820	800	770	790	820	770	750	740	760	830	-	0.00%
Local government	2,940	2,980	3,070	3,140	3,070	2,990	2,840	2,830	2,870	2,850	2,830	(110)	-0.38%
Indian tribal	1,090	1,090	1,100	1,100	1,050	1,050	1,040	1,040	1,040	1,030	1,020	(70)	-0.66%
Local education	730	730	750	780	790	750	660	630	660	670	670	(60)	-0.85%

Source: OED; compiled by FCS GROUP. Employment includes workers "covered" by unemployment insurance.

Appendix B-1. Retail Inflow/Outflow Analysis, 15 Minute Trade Area

Retail Marketplace Profile for Lincoln City 15-minute drive time from Lincoln City

Demographics within a 15 Minute Drive Time	
2016 Population	10,668
2016 Households	4,984
2016 Median Disposable Income	\$ 30,299
2016 Per Capita Income	\$ 25,933

Lincoln City Retail Marketplace Profile within a 15 Minute Drive Time

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Supportable Net New SF with 50% Outflow Capture*
Motor Vehicle & Parts Dealers	441	26,640,408	3,533,410	23,106,998	27,000
Furniture & Home Furnishings Stores	442	3,256,245	5,183,217	(1,926,972)	0
Electronics & Appliances Stores	443	7,416,552	6,854,185	562,367	1,000
Bdlg. Materials, Garden Eqpt. & Supply Stores	444	6,107,209	7,178,595	(1,071,386)	0
Food & Beverage Stores	445	23,666,104	36,765,605	(13,099,501)	0
Health & Personal Care Stores	446 & 4461	6,847,675	14,887,419	(8,039,744)	0
Gasoline Stations	447 & 4471	7,426,707	22,503,976	(15,077,269)	0
Clothing & Clothing Accessories Stores	448	5,918,366	23,989,687	(18,071,321)	0
Sporting Goods, Hobby, Book & Music Stores	451	3,611,587	8,403,381	(4,791,794)	0
General Merchandise Stores	452	19,789,319	8,457,344	11,331,975	13,000
Miscellaneous Store Retailers	453	7,304,778	38,164,128	(30,859,350)	0
Nonstore Retailers	454	2,188,612	804,304	1,384,308	n/a
Food Services & Drinking Places	722	11,484,416	32,278,200	(20,793,784)	0
Total		131,657,978	209,003,451	(77,345,473)	41,000

* assumes 5% vacancy rate and \$400 in annual sales per net square foot of floor area.

NAICS = North American Industrial Classification System.

Source: ESRI, Marketplace Profile; Urban Land Institute, Dollars and Cents of Shopping Centers; FCS GROUP.

Appendix B-2. Retail Inflow/Outflow Analysis, 30 Minute Trade Area

Retail Marketplace Profile for Lincoln City 30-minute drive time from Lincoln City

Demographics within a 30 Minute Drive Time	
2016 Population	16,994
2016 Households	8,015
2016 Median Disposable Income	26,581
2016 Per Capita Income	21,842

Lincoln City Retail Marketplace Profile within a 30 Minute Drive Time

Industry Group	NAICS	Demand (Retail Potential)	Supply (Retail Sales)	Retail Gap	Supportable Net New SF with 50% Outflow Capture
Motor Vehicle & Parts Dealers	441	48,200,215	4,254,611	43,945,604	52,000
Furniture & Home Furnishings Stores	442	5,679,664	5,641,918	37,746	0
Electronics & Appliances Stores	443	12,926,031	7,111,670	5,814,361	7,000
Bdlg. Materials, Garden Eqpt. & Supply Stores	444	11,220,313	7,982,513	3,237,800	4,000
Food & Beverage Stores	445	41,874,793	45,377,168	(3,502,375)	0
Health & Personal Care Stores	446 & 4461	12,308,754	15,258,432	(2,949,678)	0
Gasoline Stations	447 & 4471	13,309,167	24,438,693	(11,129,526)	0
Clothing & Clothing Accessories Stores	448	10,168,245	25,582,074	(15,413,829)	0
Sporting Goods, Hobby, Book & Music Stores	451	6,482,359	8,861,966	(2,379,607)	0
General Merchandise Stores	452	34,745,215	8,918,253	25,826,962	31,000
Miscellaneous Store Retailers	453	13,268,092	42,522,279	(29,254,187)	0
Nonstore Retailers	454	3,992,950	949,975	3,042,975	n/a
Food Services & Drinking Places	722	19,761,594	40,489,781	(20,728,187)	0
Total		233,937,392	237,389,333	(3,451,941)	94,000

* assumes 5% vacancy rate and \$400 in annual sales per net square foot of floor area.

NAICS = North American Industrial Classification System.

Source: ESRI, Marketplace Profile; Urban Land Institute, Dollars and Cents of Shopping Centers; FCS GROUP.

Appendix C. Summary of Competitive Lodging Facilities

Facility	Rooms	Meeting Facilities	Avg. Daily Room Rates	Year Built	Amenities
Chinook Winds Casino Resort	227	10-200 people	\$74-225	1995	Golf resort, fitness center, play palace, arcade, free concerts, casino
Salishan Spa and Golf Resort	205	10-350 people	\$251-332	N/A	Spa, golf resort, pool & fitness center, dining
Surftides Lincoln City	154	3 rooms	\$130-245	2001	Restaurant, free internet, indoor heated pool
Inn At Spanish Head	120	10-150 people	\$225-349	1969	Outdoor ocean view heated pool, fitness room, elevator to beach, oceanfront penthouse restaurant and bar
Liberty Inn	77	80 people	\$102-231	1998	Complimentary full breakfast buffet, indoor heated pool, pet friendly, exercise facility
Ashley Inn & Suites	75	1 room	\$112-209	1995	Salt water pool, complimentary full breakfast, exercise room, washing machines and dryers
Motel 6 Lincoln City	72	No	\$77-99	N/A	Free morning coffee, free expanded cable, pets allowed, kids stay free
The Coho Oceanfront Lounge	65	30 people	\$151-212	1969 (2004)	Indoor heated swimming pool, fitness room, wireless internet access
Comfort Inn and Suites	62	No	\$129-189	1977	Free breakfast, exercise room, free newspaper, indoor whirlpool/hot tub
Best Western Plus Landmark Inn	62	10-75 people	\$117-162	N/A	Exercise facilities, wireless internet connection, complimentary breakfast, indoor pool
Quality Inn	57	No	\$89-114	1996	Free full breakfast, spa, exercise room, business center
Ester Lee Motel	53	No	\$72-129	1941	Fabulous views of the ocean and surf, free Wi-Fi, most with full kitchens, paved access down to beach
Nordic Oceanfront Inn	53	36 people	\$69-179	1978	Free continental breakfast, free Wi-Fi, fireplace suites available, jacuzzi suites available
Sandcastle Beachfront Motel	39	No	\$70-155	1940	Quite and secluded, restaurants and shopping close by, kitchen units, newly upgraded cable
Sea Gypsy (Condos)	36	No	\$79-250	1971	Right on the beach, kitchens, indoor pool and dry sauna
Pelican Shores Inn	35	No	\$153-221	1965	Private beach access, complimentary continental breakfast, gas fireplaces, some oceanfront patios
Best Western Plus Lincoln Sand Suites	33	No	\$189-234	N/A	Property on beach, heated outdoor pool, patio area with gas barbecues, balcony available, ground floor has patios
Shearwater Inn	30	No	\$141-209	1998	Panoramic ocean views, gas fireplaces, suites with full kitchens, free wireless internet
WestShore Ocean Front Suites	20	No	\$149-169	1965	Private beach access, full kitchens, select rooms have semi-private decks and fireplaces, complimentary Wi-Fi
Starfish Manor Oceanfront Hotel	17	No	\$145-400	2005	Large ocean view whirlpool tubs, oceanfront decks, kitchenettes, free high-speed wireless internet
Overlook Motel (Apartments)	8	No	\$91-190	1920	Panoramic views of the ocean, full kitchens, pets welcome, most units have decks or patios
Hideaway Motel	6	No	\$95-150	1944	Beach access, ocean view, fully equipped kitchen, quiet and secluded
Bed & Breakfasts					
Brey House	5	No	\$114-\$164	1941	Ocean view, fireplaces, kitchens, continental breakfast, private bath, free wireless internet access
Salmonberry Inn & Beach House	3	No	\$185	1970	Spa/hot tub, fireplaces, continental breakfast, internet available
Baywood Shores B & B	2	No	\$179 or \$199	2004	Kingsize bed, twoperson jacuzzi, private deck, ocean view, continental breakfast

Source: Hotels.com and TripAdvisor.com, survey by FCS Group.

Appendix D. Lincoln City Job Growth Forecasts

Lincoln City 20-Year Employment Forecasts				Scenario A ²		Scenario B ³		Scenario C ⁴		Net New Job Growth		
Category	Actual 2014	Est. 2016	Est. 2016 Total Jobs	Proj. 20-yr jobs based on Pop. Growth Forecast	AGR based on proj. City pop growth forecast	Proj. 20-yr jobs based on OED Growth Forecast	AGR based on OED Regional Forecast w/ 50% retail outflow capture	Proj. 2036 jobs	AGR	Scenario A	Scenario B	Scenario C
	Covered Jobs	Covered Jobs										
Industrial ¹	346	351	421	499	0.85%	488	0.74%	499	0.85%	78	67	78
Services	3,512	3,579	5,727	6,781	0.85%	6,921	0.95%	6,921	0.95%	1,054	1,195	1,195
Accommodations	702	715	1,145	1,355	0.85%	1,383	0.95%	1,383	0.95%	211	239	239
Food Services	823	839	1,342	1,589	0.85%	1,622	0.95%	1,622	0.95%	247	280	280
Retail	1,191	1,201	1,681	1,991	0.85%	2,013	0.90%	2,013	0.90%	309	332	332
Government	192	194	194	229	0.85%	212	0.45%	229	0.85%	36	18	36
Work At Home	87	88	490	580	0.85%	570	0.76%	580	0.85%	90	80	90
Total	5,328	5,413	8,513	10,080	0.85%	10,205	0.91%	10,243	0.93%	1,567	1,692	1,730

¹ includes natural resources, construction, manufacturing, wholesale trade, transportation, information, warehousing & utilities.

² growth rates consistent with OEA pop forecast for Lincoln County.

³ growth rates consistent with OED employment sector growth forecast: 2014-2024 for region consisting of Lincoln, Benton, Clatsop, Tillamook counties; plus 50% retail outflow capture.

⁴ growth rates assume upperend of Scenario A and B forecasts, with exception of government sector which assumes low-end forecast.

FCS GROUP.

Appendix E. Lincoln City Employment Land Needs Forecast

Projected Employment & Land Need, Lincoln City, 20-Year Forecast							
Scenario A: 20-year Employment Land Need, Lincoln City							
Job/Use Type	20-Year Job Growth Forecast ¹	Avg. FAR	Building Floor Area Per Job ²	20-Year Building Need (floor area SF)	Refill/ Redevelopment Share Capture	Refill/ Redevelopment Floor Area	20-Year Land Need (buildable acres) ³
Private Employment							
Industrial	78	0.2	1,000	78,000	10%	7,800	5.4
Services	1,054						
Accommodations	211	0.35	750	158,000	15%	23,700	10.1
Food Services	247	0.30	400	99,000	20%	19,800	7.0
Office/Other Services	596	0.30	250	149,000	20%	29,800	10.5
Retail (baseline growth)	309	0.30	500	155,000	20%	31,000	10.9
Private Subtotal	1,441			639,000		112,100	43.9
Government⁴	36	0.30	500	18,000	30%	5,400	1.1
Total	1,477			657,000	18%	117,500	45.0

Scenario B: 20-year Employment Land Need, Lincoln City							
Job/Use Type	20-Year Job Growth Forecast ¹	Avg. FAR	Building Floor Area Per Job ²	20-Year Building Need (floor area SF)	Refill/ Redevelopment Share Capture	Refill/ Redevelopment Floor Area	20-Year Land Need (buildable acres) ³
Private Employment							
Industrial	67	0.2	1,000	67,000	10%	6,700	6.9
Services	1,195						
Accommodations	239	0.35	750	179,000	15%	26,850	11.5
Food Services	280	0.30	400	112,000	20%	22,400	7.9
Office/Other Services	676	0.30	250	169,000	20%	33,800	11.9
Retail (from growth + 50% outflow capture)	332	0.30	500	166,000	20%	33,200	11.7
Private Subtotal	1,593			693,000		122,950	49.9
Government⁴	18	0.30	500	9,000	30%	2,700	0.6
Total	1,611			702,000	18%	125,650	50.4

Scenario C: 20-year Employment Land Need, Lincoln City							
Job/Use Type	20-Year Job Growth Forecast ¹	Avg. FAR	Building Floor Area Per Job ²	20-Year Building Need (floor area SF)	Refill/ Redevelopment Share Capture	Refill/ Redevelopment Floor Area	20-Year Land Need (buildable acres) ³
Private Employment							
Industrial	78	0.2	1,000	78,000	10%	7,800	8.0
Services	1,195						
Accommodations	239	0.35	750	179,000	15%	26,850	11.5
Food Services	280	0.30	400	112,000	20%	22,400	7.9
Office/Other Services	676	0.30	250	169,000	20%	33,800	11.9
Retail (from growth + 50% outflow capture)	332	0.30	500	166,000	20%	33,200	11.7
Private Subtotal	1,604			704,000		124,050	51.0
Government⁴	36	0.30	500	18,000	30%	5,400	1.1
Total	1,640			722,000	18%	129,450	52.1

Notes:

¹ Derived from Appendix D. Excludes home-based workers.

² Assumptions for job densities reflect "covered jobs" and are generally consistent with Oregon DLCD, Industrial and Other Employment Land Analysis Handbook, 2001.

³ Assumes net land area is adjusted upwards by 15% for public road circulation, easements and utilities.

⁴ Excludes special site requirements for city, school district, county, state and federal governments.

Source: FCS GROUP based on assumptions stated above.

Appendix F. Lincoln City Apartment Inventory

Apartment Complex	Bedrooms	Bathrooms	# of Units	Total # of Units	Rental Rate (per month)	Square Feet	Year Built	Amenities
Oceanlake Estates Apartments	1	1	18	48	\$825	780	1972	Patio or balcony, washer and dryer, 4X4 ft. storage room
	2	2	25		\$950	980		
	3	2	5		\$1,200	1,250		
The Ridge Apartments	2 (Flat)	1	24	80	\$668.50	811	1984	Ample parking, kid's club, pet friendly recreation area
	2 (Townhouse)	1.5	16		1,010			
	3 (Flat)	1	24		\$792.50	1,001		
	3 (Townhouse)	1.5	16		1,178			
Hilltop Apartments	1	1	12	56	\$750	618	1997	Large walk-in closets, landlord pays water/sewer/garbage, free covered parking
	1	1	1		\$800	627		
	2	1	38		\$900	857		
	3	2	6		\$1,100	1,052		
Lakepointe Apartments	2	1	96	96	\$817.50	850	1994	Private balconies/porches, ocean and lake views, bonus storage space
Surfwood Manor Apartments	1	1	48	48	\$745	529	1978	Secured entrance, abundant natural light, open floor plan
	2	1	1		\$874	794		
Real Estate 100 Lincoln City: 537 SW 32nd St	1	1	3	3	\$795	966	1931	Ocean view, landlord pays water, sewer, garbage, electric, and gas
Pinehurst Apartments	1	1	8	44	\$750	700	1998	Pet play area, property manager on site, air conditioning
	2	1	36		\$875	850		
Total Property Management: 1540 NW 39th St	1	1	3	3	\$850	500	1946	All utilities included, gas fireplace, available month to month, close to ocean and casino
Total Property Management: 1815 NW Harbor Ave (Sandpiper Condos)	1	1	50	50	\$1,100	573	1981	Ocean views, most utilities paid for, granite counter tops, electric fireplace
Norris & Stevens Investment Real Estate Services (Sandpiper Condos)	2	1	1		\$875	945		
Lincoln Woods Apartments	1	1	19	107	\$625	592	1980	Swimming pool, walking distance to the beach, garage parking available
	2	1	41		\$725	776		
	3	1	47		\$825	943		
Sea Haven Apartments	1	1	40	40	\$500	550	1987	Balcony, property manager on site, heating, high speed internet access
Cedar Crest Townhomes	1	1	49	108	N/A	552	1985	Private patio, abundant natural light, open floor plan, scenic view
	2	1.5	49		\$850	884		
	3	1.5	10		\$1,000	1,023		
Lincoln Village	1	1	10	26	\$594	528	1973	Fully equipped kitchen, patio/deck/balcony, storage space, water, sewer, and garbage included
	2	1	10		\$704	756		
	3	1.5	6		\$784	1,120		
208 SW Keel Ave	2	1.5	20	20	N/A	900	1972	Barbecue area, property manager on site, 1 surface lot assigned parking space
Terrace Gardens	1	1	4	20	N/A	500	1964	Dogs allowed, 1 covered parking space, outdoor courtyard, carpet living space
	2	1	12		\$763	700		
	3	1.5	4		\$1,100	900		
West Devils Lake Apartments	1	1	4	50	\$603	700	1982	Balcony, storage units, on-site laundry, playground
	2	1	42		\$754	900		
	3	1	4		\$1,111	1,100		

Lincoln City Apartment Inventory Continued

Apartment Complex	Bedrooms	Bathrooms	# of Units	Total # of Units	Rental Rate (per month)	Square Feet	Year Built	Amenities
Windward Place (Under Construction)	2	1	9	30	\$895	700	Currently under construction	Dogs allowed, balcony/deck, granite countertops, hardwood floors
	2	2	12		\$995	900		
	3	2	9		\$1,095	900		
Beacon Crest Apartments	1	1	13	41	\$537	713	2008	Close to outdoor attractions and shopping, kids park, additional storage, free internet, off street parking
	2	1.5	10		\$643	928		
	2	2			917			
	3	1.5	16		\$736	1,252		
	3	1.5			1,150			
	4	2	2	\$814	1,626			
Oregon Coast Property Management: 1941 NE 7th (Townhome)	2	1.5	1	1	\$1,200	N/A	1997	Dishwasher, disposal, microwave, refrigerator, stove, views
Oregon Coast Property Management: 3532 NE Quay	1	1	1	1	\$800	N/A	N/A	Fireplace, refrigerator, stove
Cascade View Commons Apartments	2	2	N/A	N/A	\$995	900	2014	Built in 2015, granite countertops, large covered decks, backs up to open space

Source: Apartments.com, and telephone survey by FCS GROUP.

Summary of Apartment Survey Data

Bedrooms Per Unit	Average Rental Rate (per month)	Average Square Feet	Total # of Units in Survey	Rent per SF
1	\$734	629	184	\$1.168
2	\$852	861	429	\$0.990
3	\$961	1,068	147	\$0.900

Source: survey by FCS GROUP.

Appendix G. Lincoln City Outreach Summary

The City of Lincoln City is conducting a study of housing needs and economic opportunities. The Lincoln City Economic Opportunities Analysis (EOA) and Housing Needs Analysis (HNA) will help the City ensure there is sufficient land to accommodate population and employment growth over the next 20 years. The EOA and HNA also establish policies and objectives to guide planning efforts that seek to make Lincoln City a more economically viable community and provide housing options that meet the needs of its residents.

To engage community members in the process, the City conducted several interviews and an online questionnaire to help assess current and future economic development and housing needs and issues. Seventy one respondents answered questions about their ideas and priorities related to economic development and housing. The following is a summary of interview and questionnaire results.

Interviews

1. What are the top 3 issues that are constricting Lincoln City's ability to add housing for its workers?

- Negative effects of housing bubble and Lincoln City is always late to the party. No new construction since 2008 besides new apartments by Bi-Mart. Rents have been low so no incentive to build and also lack of land to build.
- Prices of land, system development fees and taxation. Also the cost of building and property taxation.
- Seems to be an adequate supply of units for very low income and very high income, but not a lot in between.
- Community is perplexed about how to get moderately-priced housing here when market isn't self-correcting. There is plenty of demand, but now supply. A small number of units have been and are being built in that range, but it's not enough to meet the demand.
- The issue is seasonal. No one wants to rent during the summer and therefore do not give long-term leases. Many leases are nine months or month-to-month because there is a lot of money to be made from short-term summer rentals.
- Developers have said that city and county rules don't make it easy or attractive to do build moderately-priced housing.
- Geography is another barrier. Limited land supply due to ocean and coastal range drives up demand resulting in higher land costs. One factor that can make it not affordable for developers to build needed housing types.

2. What types of public policies or incentives should be considered by the City to foster development of work force housing in Lincoln City?

- Encourage accessory dwelling units.
- Look into abatement on reimbursement for costs and fees. An 11-acre development was proposed and approved and recommended by the planning department, but denied by city council. Maybe because of the abundance of bare land on the market.

3. What is limiting Lincoln City’s ability to attract private business investment (ex., limited sites, proper zoning, high speed internet, etc.)?

- Stagnation. Not highly suited to industry. Suited for arts and internet based businesses from home. The city doesn’t necessarily discourage business. Highly suited for work from home business. Admit that 40% is tourism, 40% is supporting retirees, and other 20% is basic support.
- Complicated vacation rental industry. Not allowing people to have more than one. Time constraints of vacation rentals: six week process, long unknowns. Not giving a full range of usage. Should let market decide.
- For retail: constraints of parking, clear vision rule: limit what you can build, force property close to the highway. City creates unbuildable locations through regulation. Too many rules and regulations.
- System development fees too high and upfront. No consideration for help with offsite (sidewalks).

4. What types of public policies or incentives should be considered by the City to foster private business investment in Lincoln City?

- Universal high speed internet.
- Address transportation issues. How do people get from Portland or Salem to Lincoln City with public transport?
- Make things real simple. Don’t make them more complicated. Not a live person answering the phone at the city.
- Look at deferments for system development fees

5. Are there places the City should rezone or annex to expand residential and employment development opportunities in the future?

- Recently annexed Road’s End, 600 houses. Maybe Neotsu.
- Possibly the east side. Commercial area is so narrow, push commercial zone east and west. Can’t stay more than 30 days at anything that’s a condo because they didn’t meet the parking standard. Let people stay as long as they want. More second homes equal more money for restaurants and other things.

Community Questionnaire

1. Rank the economic development objectives from 1 (most important) to 8 (least important).

Objective	Responses	Score
Encourage the development of housing affordable to Lincoln City’s workforce.	66	6.70
Encourage businesses that pay good wages to locate, develop or expand in Lincoln City.	57	6.09
Encourage development of a local workforce with the skills that Lincoln City businesses need.	64	4.95
Support businesses that provide for the needs of Lincoln City residents, including, but not limited to, the growing population of retirees.	60	4.62
Improve the transportation system to support economic development.	70	4.49
Foster Lincoln City’s recreation and tourism based economy, with particular attention to off-peak seasons.	61	4.03
Develop the infrastructure necessary to support working from home.	62	3.71
Other.	30	2.63

- Youth work force programs.
- Those are all really important objectives - very hard to rank because #8 will seem like a low priority, but none of them are.
- Limit the number of vacation rentals.
- Encourage development of activity based businesses including, but not limited to the youth. Something affordable. We also need to encourage a youth homeless shelter.
- Diversify economy - we need a "back up" besides tourism.
- Develop or encourage a manufacturing guild to support existing and new cottage industries.
- Help to facilitate building of affordable homes for first time home buyers who will have it as a primary residence. Not just providing more rentals.
- Big companies create jobs.
- Provide shopping that reduces the need to go to the Valley for goods and services.
- Limit and enforce the laws regarding vacation rentals. They should not monopolize the housing market.
- Enterprise zones for non-tourism based businesses.
- Downtown parking to open up Highway 101 for turn lanes to keep the flow of traffic.
- More housing, less vacation rentals.
- Work to diversify the city's economy by recruiting high-paying businesses not specifically tied to tourism, recreation and the service sector. Improve the technical infrastructure necessary to grow high tech and other high wage sectors. Improve traffic flow so that Lincoln City does not continue to be known as a place to avoid.
- Expand our local community college and its offerings as well as its outreach and involvement with the local community, not just Newport.
- Limit vacation rental housing.to a minimum.
- Limit the vacation rental industry to make more homes available to local families.
- Improved availability of fiber optic internet to the home is key to attracting and retaining a modern, young workforce.
- Protect natural resources for their economic benefit as well as quality of life.

2. Identify Lincoln City's strengths and weaknesses as a place to do business.

	Major Strength	Minor Strength	Minor Weakness	Major Weakness
Location on the Oregon Coast.	53	10	2	3
Proximity to US 101 and other transportation corridors.	33	19	9	6
Quality of life.	25	20	14	8
The local markets and volume of customers.	10	28	22	6
Available land and buildings for employment growth.	5	17	22	22
Public infrastructure (transportation, utilities, high speed internet, etc.)	5	14	28	20
General business climate.	3	25	26	13
Available financing.	3	17	27	14
Available, skilled workforce.	3	10	26	29

Interaction with firms in the same and/or related industries.	1	28	28	7
Permitting processes.	0	17	19	25
Development fees.	0	14	21	24
Other.	1	1	1	8

- Cost of living.
- The fact that we have no comfortable walking shopping district as well as not having an anchor grocery store such as Trader Joe's or WinCo to compete with Safeway.
- Ineffective city planners.
- Food costs are crazy out here.
- Lack of available housing for skilled/professional employees.
- Current interest from tech industry relocating business here.
- Lack of workforce housing.
- Oregon Coast Community College is a major strength.

3. City leaders want to encourage the development of affordable and workforce housing in Lincoln City. Rank the following to accomplish this from 1 (most important) to 7 (least important).

Objective	Responses	Score
Make city-owned property available for development of affordable housing.	53	5.04
Periodically review the city's development code and zoning map to encourage a variety of housing types, such as accessory dwelling units, tiny houses, apartment houses and housing for seniors.	62	4.90
Design attractive neighborhoods that offer housing within walking distance to schools, jobs, shopping and services.	52	4.33
Involve employers in efforts to provide and support workforce housing.	59	4.31
Ensure sufficient, appropriately zoned land is available within Lincoln City and outside the tsunami inundation zone.	50	4.22
Reduce fees for improving utilities, transportation and parks collected from new construction of affordable and workforce housing.	53	3.89
Other.	17	3.12

- Encourage development of inexpensive housing.
- Loans for housing rehab – less expensive than new construction.
- Monitor landlords' compliance with tenant laws. I'm not a renter, but I hear stories at least weekly of abuses and dismissal of both the letter and intent of the law.
- Providing low income down payment assistance.
- Reduce or eliminate vacation rental properties.
- Allow tiny homes and RV living in general residential zones.
- Limit vacation rentals to create more housing for residents.
- Provide more long term rental properties at an affordable cost.
- Encourage internet service providers to provide modern high speed internet access (100Mbps+ up/down) to Lincoln City.
- Encourage and foster the building of affordable housing.
- Identify vacant/underutilized housing units; develop incentives to convert to long-term housing.
- Reduce blight and enforce codes in neighborhoods to encourage private investment.

4. Which housing types does Lincoln City need most?

Housing Types	Responses
Cottage housing (small detached units clustered around a common green).	38
Single-family detached.	36
Attached single family, duplex/triplex, townhouse.	35
Accessory dwelling units (a small dwelling on the same lot as a single family house).	24
Courtyard apartments (in one-story and two-story building).	24
Subsidized units.	23
Senior housing.	20
Apartments, condominiums (in multi-story buildings).	19
Other.	12

- Houses with land.
- Not vacation homes.
- We need a variety of housing types, properly placed throughout town that fit in with surrounding neighborhoods.
- Alternative/natural homes.
- We need anything that will get our employed low income workers a place to live.
- No more low income apartments. They attract crime and the type of citizen we do not need in our community. We need people who contribute to society.
- Quality housing that rent costs do not exceed \$8,117 annually, or \$676 monthly, based on median income in Lincoln City.
- Quads and shared transient and low wage employee housing.
- Mixed use (retail/commercial below, apartments/condos above).
- Non-subsidized 3 plus bedrooms residences for families that are affordable.
- Everything needs increased.

5. Lincoln city needs units with how many bedrooms?

Number of Bedrooms	Responses
Three	48
Two	42
One	21
Studio (one room with separate bedroom)	16
Four	13
Five or more	4

6. What do you personally consider an affordable purchase price for a home?

Price	Responses
\$150,000 - \$200,000	29
\$100,000 - \$150,000	19
Less than \$100,000	10
\$200,000 - \$250,000	4
\$250,000 - \$300,000	2
More than \$300,000	1

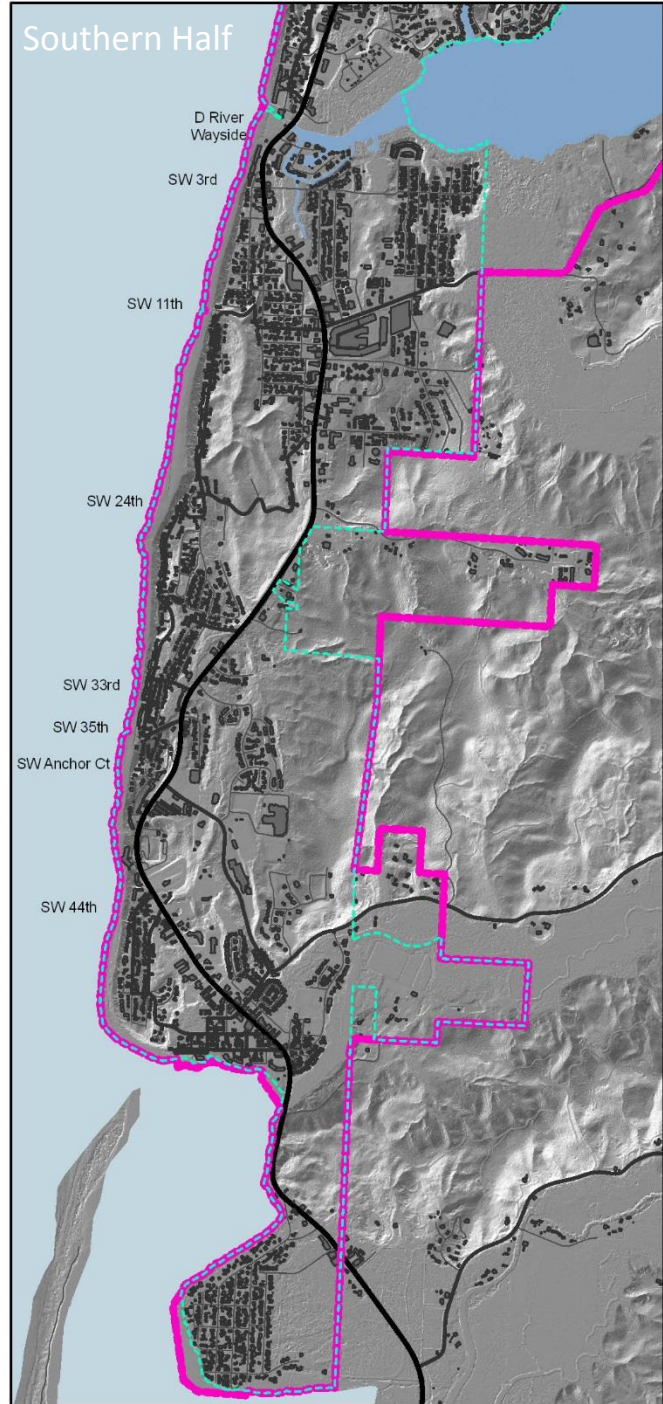
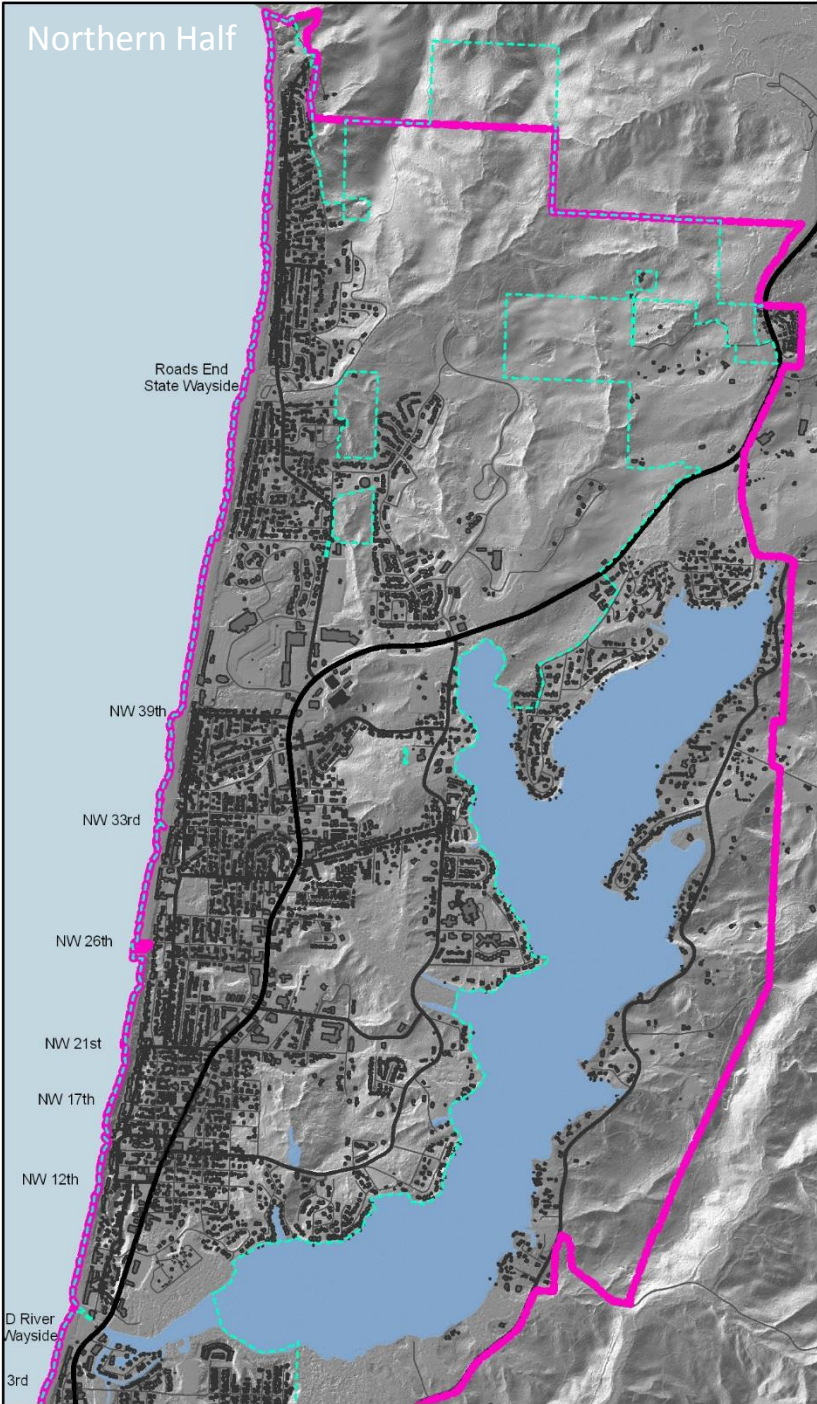
7. Is there anything else we should know about economic development or housing in Lincoln City?

- It would be nice to have some small houses or studio apartments that accept pets. It's hard to find a nice affordable place to rent that accepts animals.
- I'm a long time property manager in Lincoln City. No one has approached me in recent years to discuss: vacancy factors, rent ranges or housing inventories. Seems like that would be a first step before jumping into development mode. We have consistently had inventory available. Finding qualified tenants is another matter. There are some high rents that do not serve the workforce workers at the lower ranges. But typically there are always some economical choices available.
- We need more activities for the youth. We also need more local businesses to help keep our economy up. Franchises do well in Lincoln City, but we can't forget about our local businesses who actually help our economy. If we could get a youth homeless shelter that would be great.
- How can we match housing that sits empty most or all of the time with people who lack stable or sufficient affordable housing?
- Until there's a manufacturing component in our city, we cannot thrive. Basing the economy in our climate (weather) on tourism will never get us beyond survival. "Idle hands are the devil's playground" is very observable in our area. Drug abuse would probably not be so rampant if people were too busy creating/building/manufacturing/working. A coalition or cooperative of "makers" would enable our city to be more than a weekend destination, we could be a force.
- Thank you for asking
- It's about time that the powers that run this town realize that it's the working people that keep this town going. Having housing costs over \$500 or \$600 for many people are way out of our reach. It isn't like the common worker is getting all of the vacation money that comes into this town. We need a stop to this high rent
- Rent is as bad as living in California. Need landlords to follow housing rules; they don't. If you have section 8 they make the rent way to high, so they don't have to accept you.
- Affordable housing especially monthly rentals is almost nonexistent in Lincoln City. You cannot expand work force without somewhere for minimum-low wage employees to live. May have to adopt a policy like Hood River did. There must be some balance.
- There are too many vacant commercial structures. Rezone for housing?
- There may be a future need for subsidized assisted living units near medical facilities; also a need for community meeting spaces in each of the "pearls". Is there a way to create more state/county jobs in Lincoln City with improved use of fiber optics? Better paying jobs can afford the more expensive homes.
- We have to diversify away from tourism for consistent, year-round wages.
- Why can't we find a place for tiny homes to help place some of our less fortunate with little to no income?
- Economic development certainly is linked to housing, but efforts must include developing high-wage jobs so workers can afford quality housing for themselves and their families, and not just low income housing for the low wage jobs that currently exist.
- There is an opportunity to create a legitimate walking shopping district with an anchor business such as a wave park (think ski resort for surfing) in the city owned property on the north end of town. If developed and designed right (using the Kelly's Slater Wave Pool technology) you could use the wave park as an anchor attraction and surround it with retail, restaurants, hotels and grocery stores that would all thrive around the wave park, making a legitimate walkable shopping district in Lincoln City. It would also be one of the first of its kind in North America, promptly putting it on the map as an international destination for surfing, especially since we

already have good waves here, on top of an artificial wave. Take a close look at the town Coolangata in Australia. While Australia is surely a different market than here, when the city made the decision to invest in pumping sand to create a world class wave, the town blew up practically overnight. Now it is a major international destination for surfers worldwide. A recent study done by Oxford University that measured the impact of surfing on local economies, in particular where good waves are breaking, concluded that good waves contribute \$51.2 Billion dollars each year to economic activity in their surrounding 50km. Developing a wave park with surrounding infrastructure modeled of what ski towns and resorts do would drastically change and boost Lincoln City's economy for the good.

- Define the word affordable based on the average working wage. Most I know, myself included, work 2 or more jobs and still cannot afford housing here.
- Please focus on housing that is affordable for the average income in Lincoln City. At the time of this writing best estimate was \$33,823 per year before taxes. According to HUD definitions, further refined by OR SB 1553 (March 2016 enacted), rents that are more than 30% of 80% of the local median income. 80% of the median income is \$27,058. 30% of that is \$8,117. That would mean annual rent costs above \$8,117 annually, or \$676 per month, are disproportionately burdensome to someone earning the median income in Lincoln City.
- Stop letting out of town money people from dictating how and where we can live.
- I believe Lincoln City should investigate multiple attractive small homes on residential lots. We also have a need for places for folks that live full time in their RVs to park.
- You have got to put in some control on tenant abuse.
- We need variety in good housing. No more cheap moldy apartments and no more vacation rentals in residential areas. And that does not mean rezone the areas so there can be vacation rentals everywhere.
- We need more options for true high speed internet to the home (i.e., fiber optic).
- We need to work toward encouraging vacation rental properties to become full time rentals. Maybe an incentive system or property tax break for transferring or owning a 30 day rental in Lincoln City. It's so much more profitable for these vacation rental owners to do nightly rentals that they are not incentivized to rent full time.
- I can't stress the urgency we need to have on the affordable housing/lack of housing in Lincoln City. We need to move fast on this issue. The best way to move fast is to use land already owned by the City to build clusters of tiny homes (300-1000 sq ft, studio to 3 bedroom) that are anchored by a green space. With quick action by the City to approve this type of construction we could have the project begun by the end of the year, and have the first (of many) of these tiny homes communities done in 2017. The key to keeping the purchase costs low would be to restrict the ability for homeowners to rent the units as vacation rentals; this type of community should have homes that range in price from about \$80-150k.
- Need to bring in the jobs that people can work that will provide a wage that can afford to rent/ buy. And have properties that are reasonable in price to live in. Or we will keep losing our workforce.
- There are so many units that are vacant in many neighborhoods. Family properties that are held and not used. Vacant and underutilized properties offer the first opportunity for housing. No construction, just incentives and outreach to homeowners could get these back in play. Also help for full-time owners to build accessory dwelling units would be great, maybe low-interest loans or something. We would build one and rent it out.
- Annexation of Neostu and the East side of the lake needs to be done.

- We need any kind of housing that will help us retain a workforce for our service industry. We need to keep up good service to our tourists or we will lose them to other destinations. That's our only real industry and we need to act like we realize that.
- Stop planning and start building.
- Very few homes are on the market under 200,000. Basic 3 bedroom 2 bath should be available under 200,000.











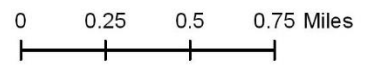
Lincoln City

3,830 acres within City Limits

Additional 1,826 acres within UGB

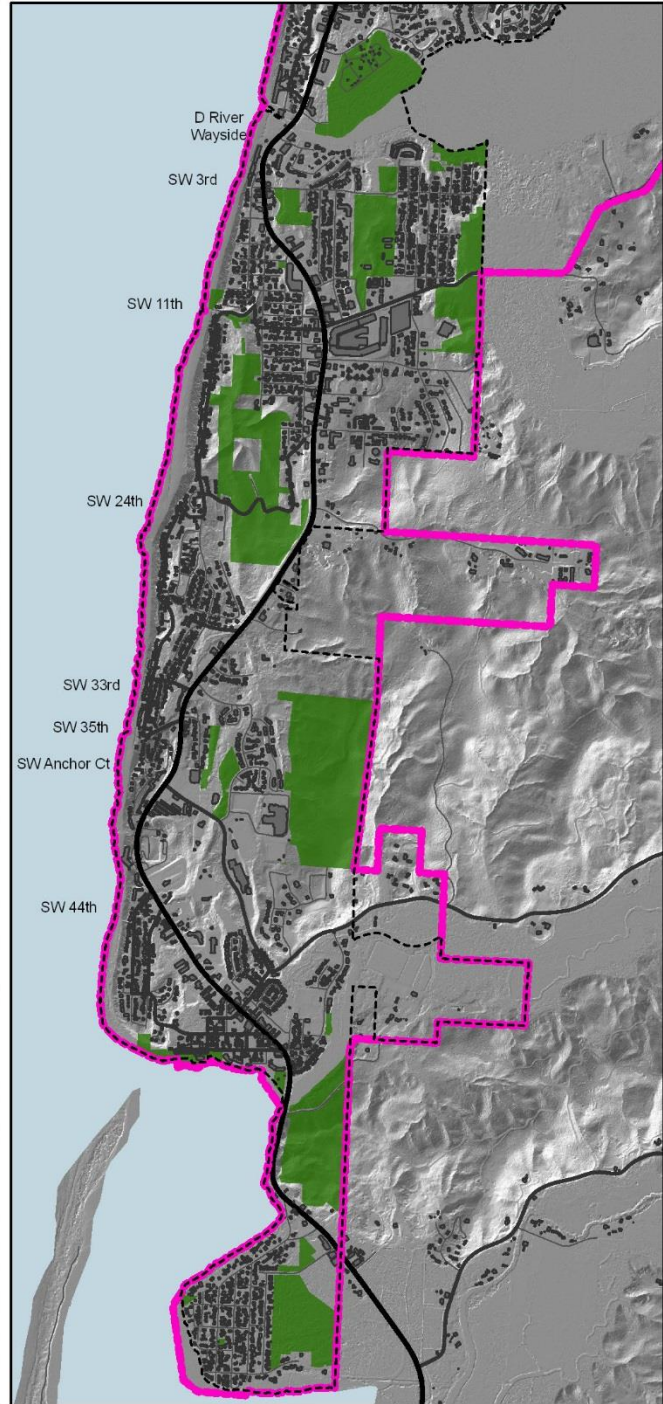
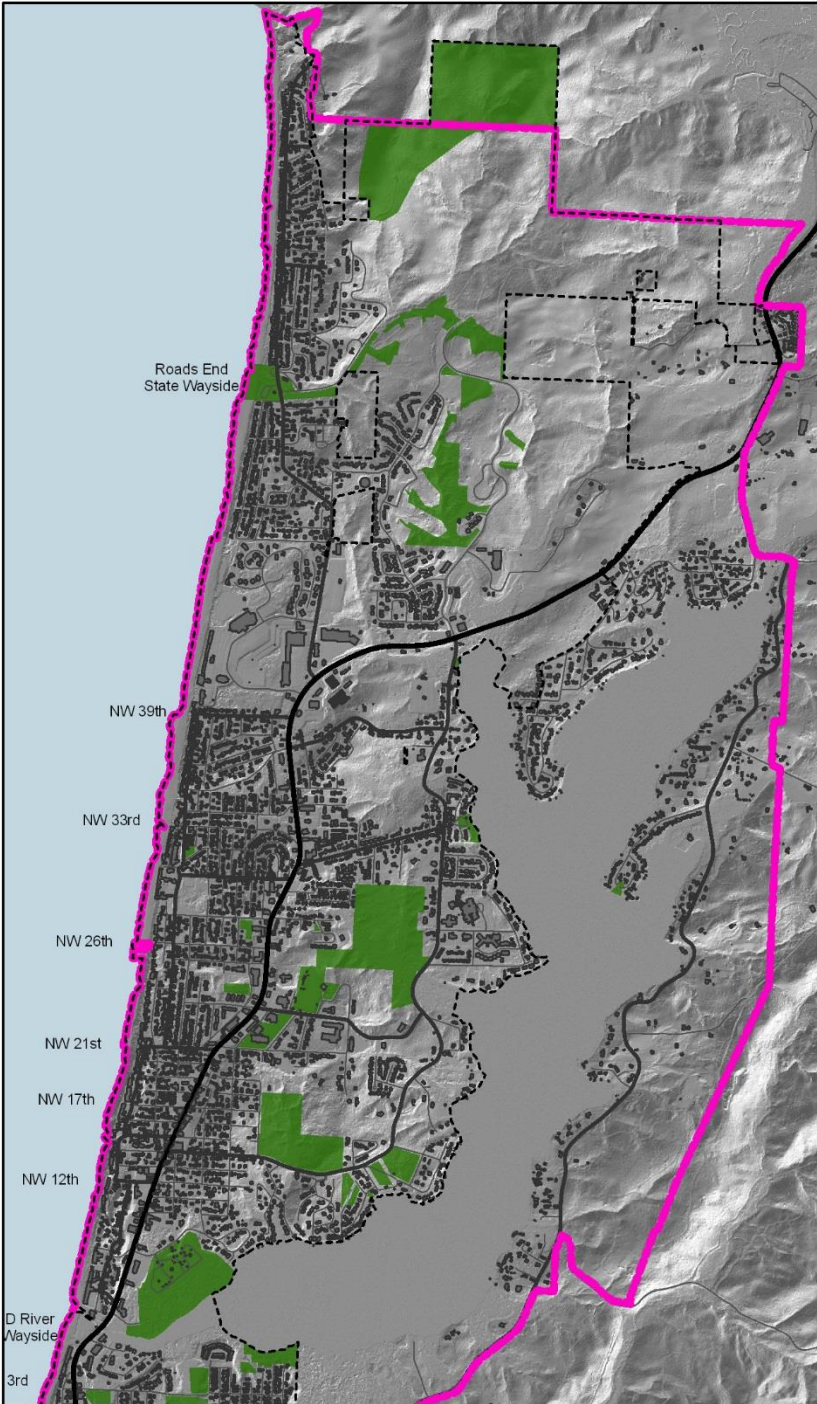
=> 5,656 acres total

-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water



Parks and Open Space

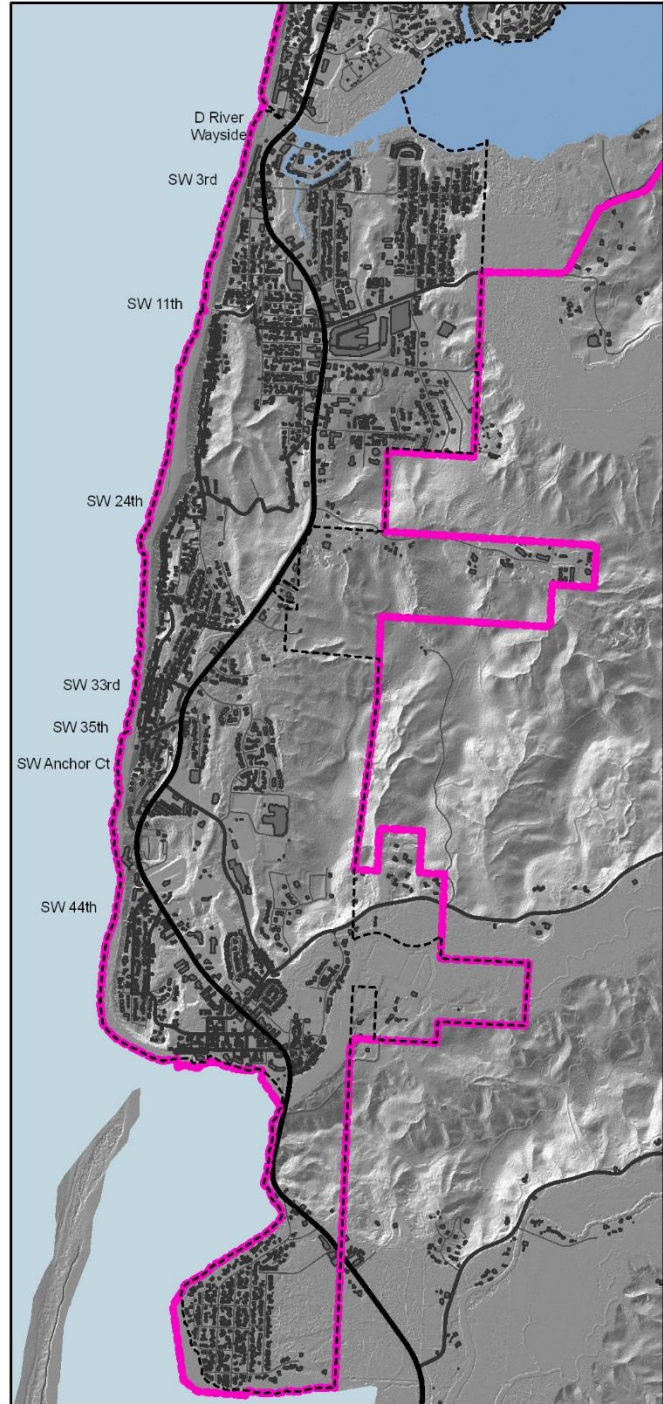
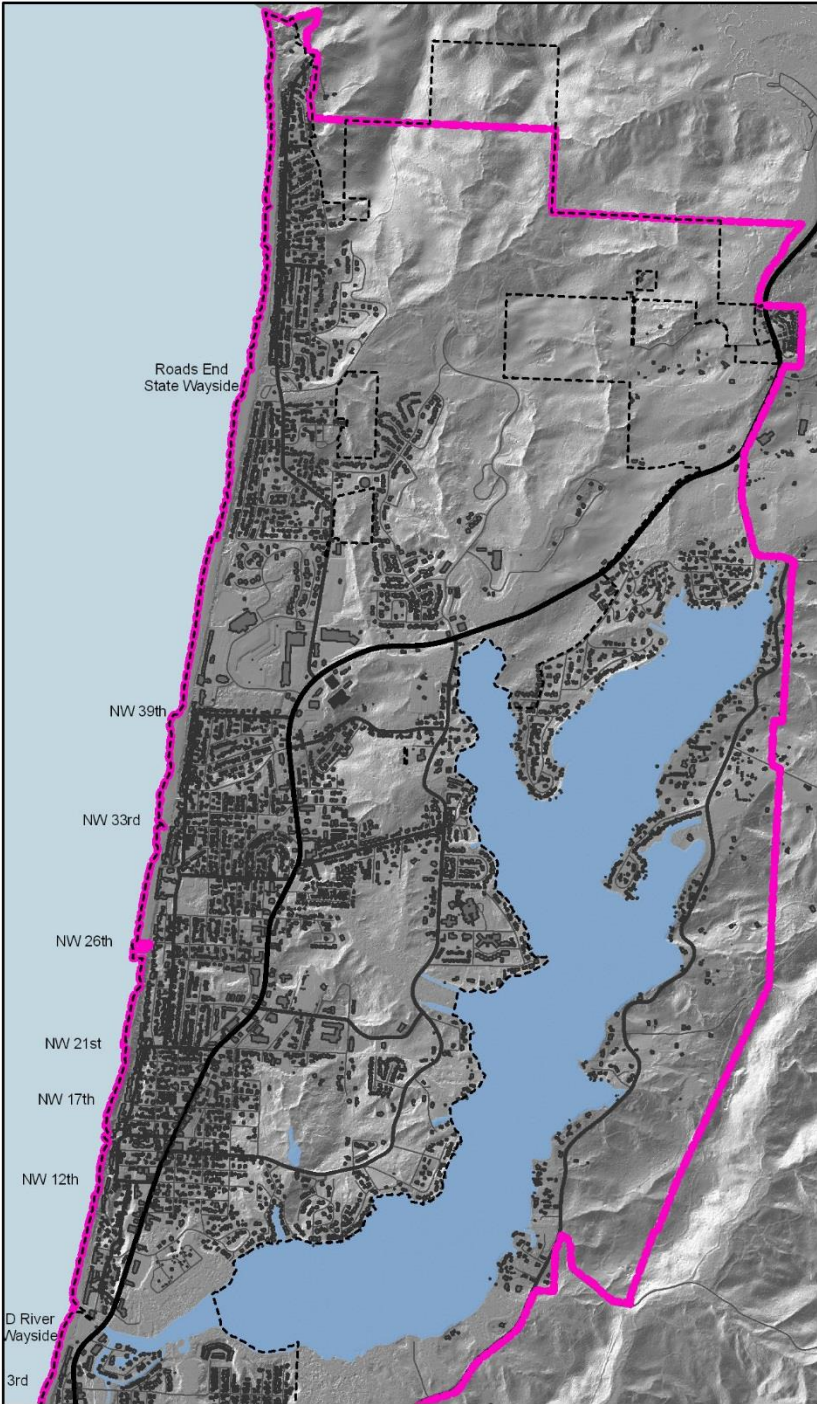
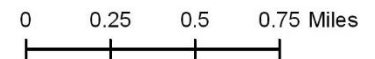
544 acres



Open Water

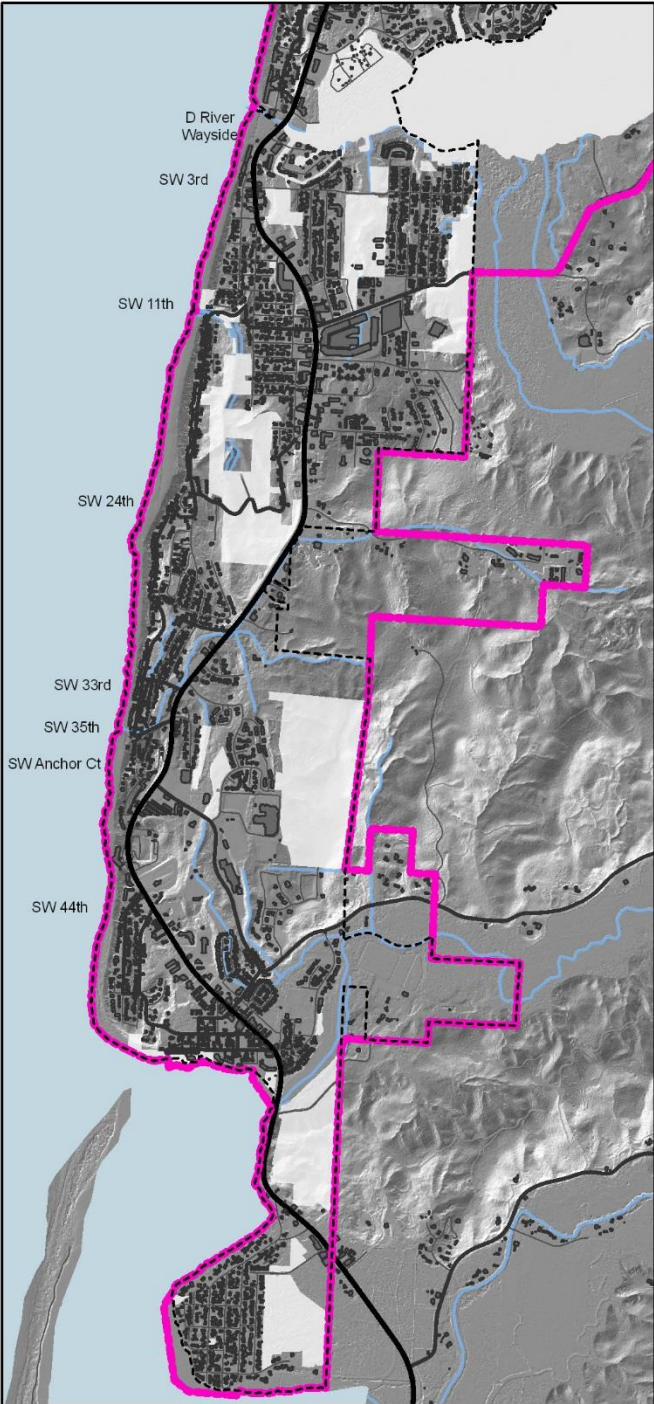
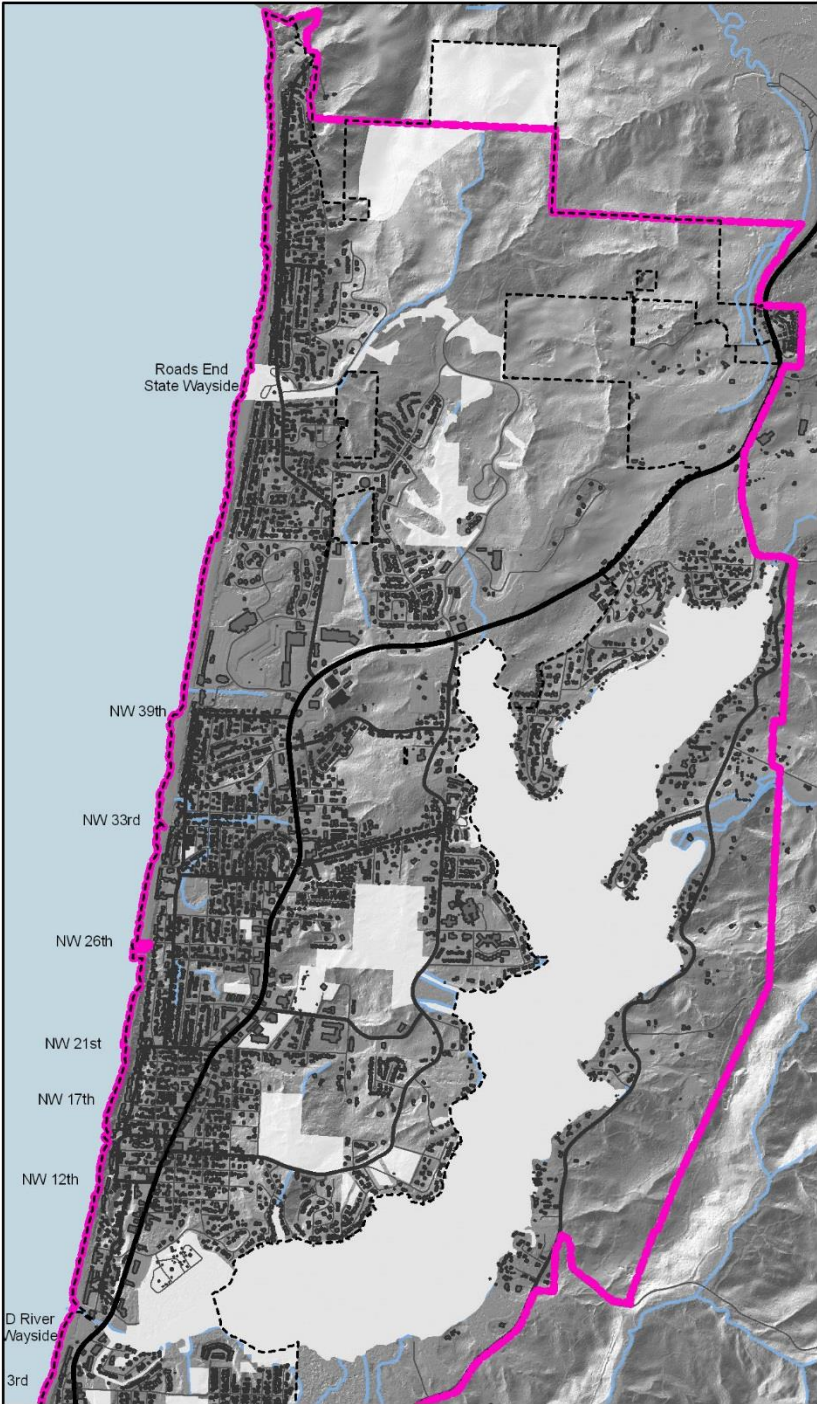
704 acres

-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water



Streams

90 acres



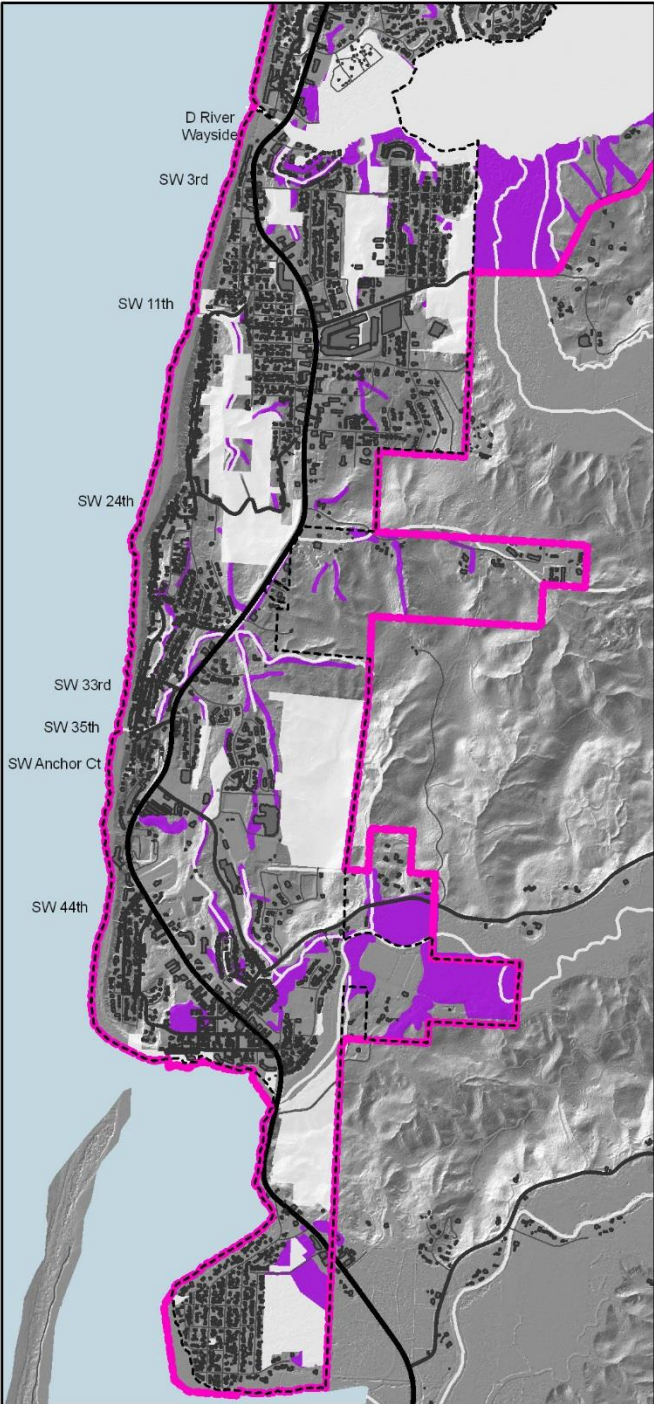
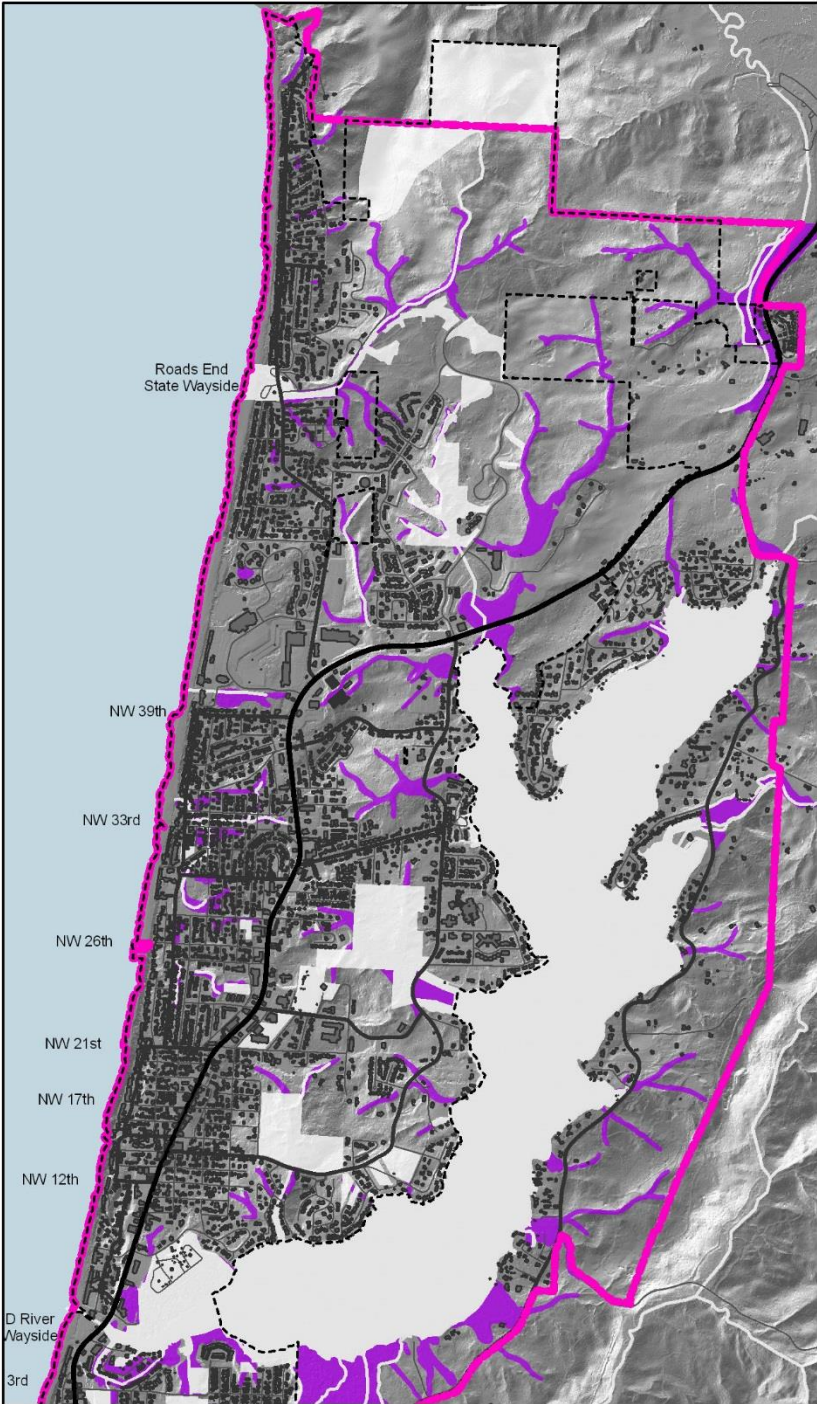
-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Riparian
-  Other Constraints

0 0.25 0.5 0.75 Miles



Wetlands

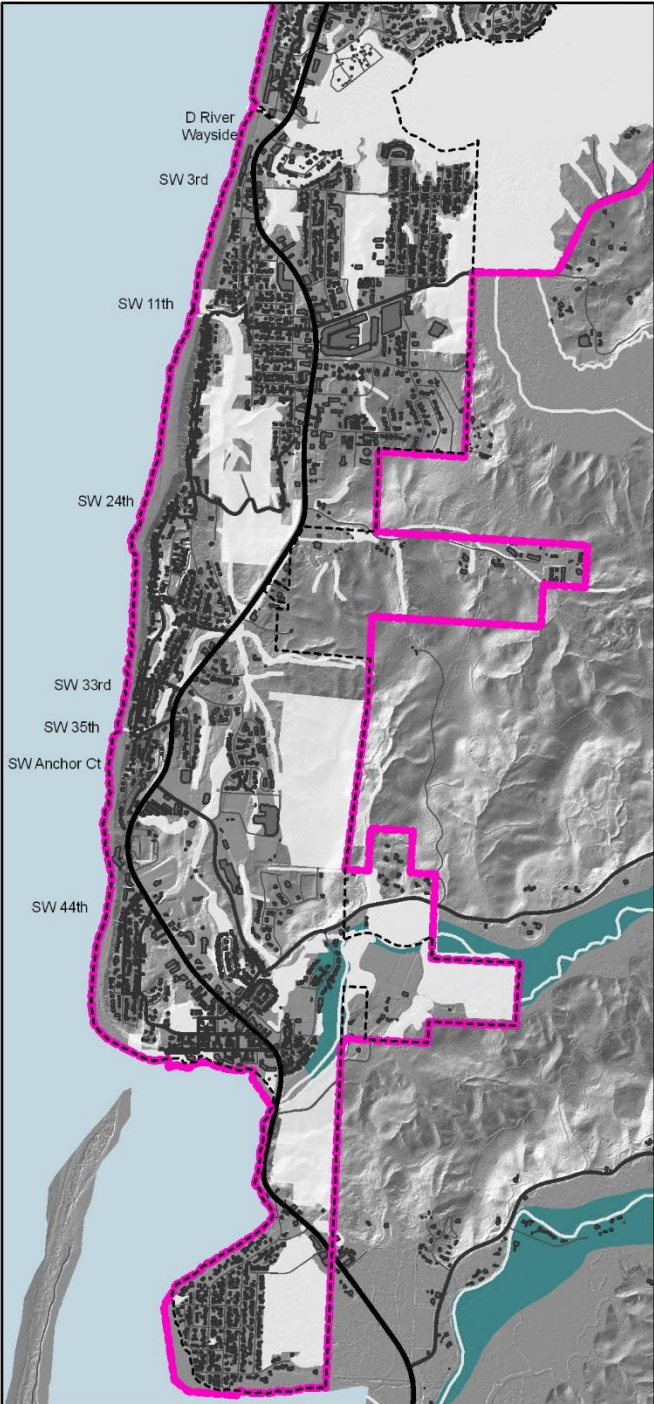
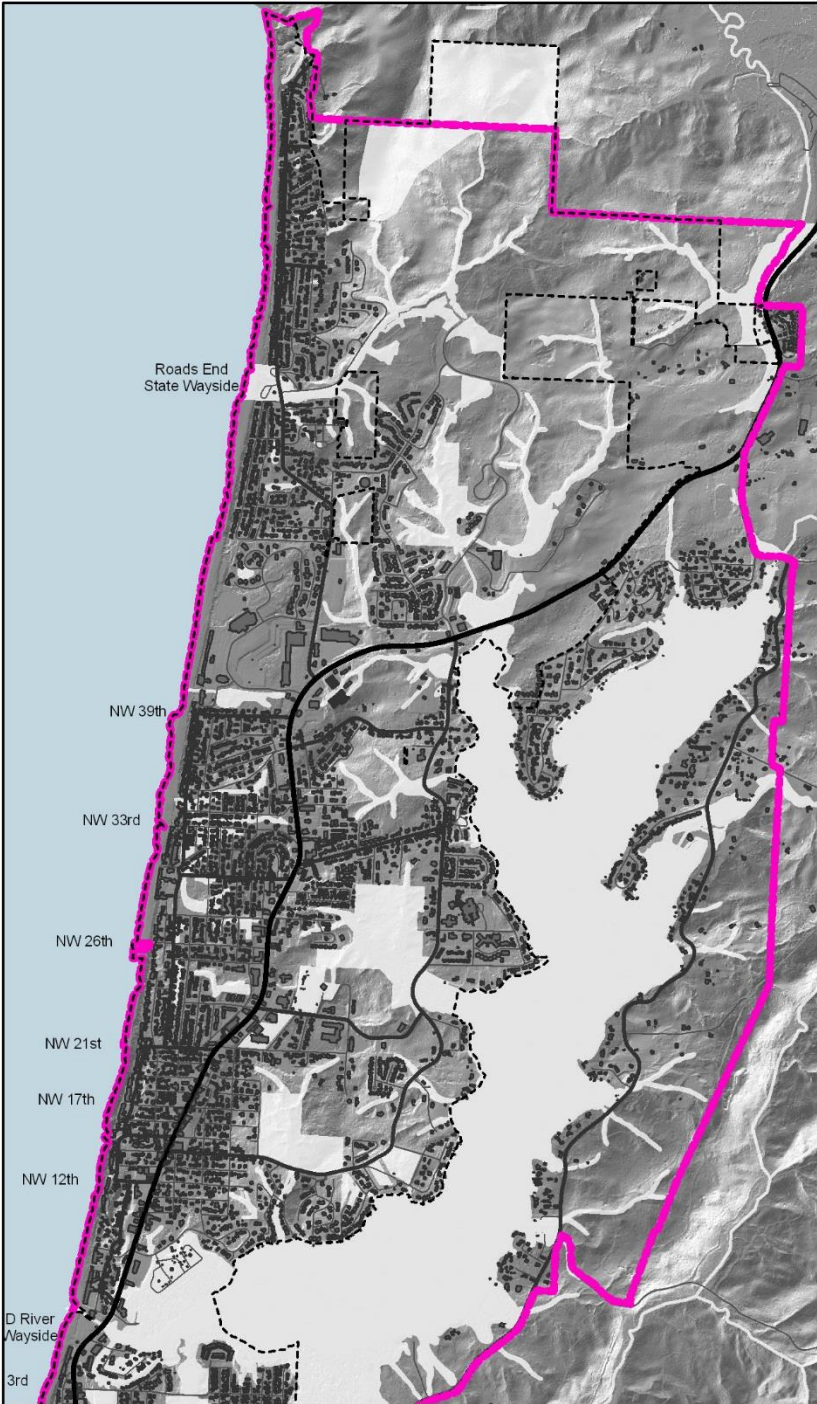
428 acres



-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Wetlands
-  Other Constraints

0 0.25 0.5 0.75 Miles





Floodway

16 acres

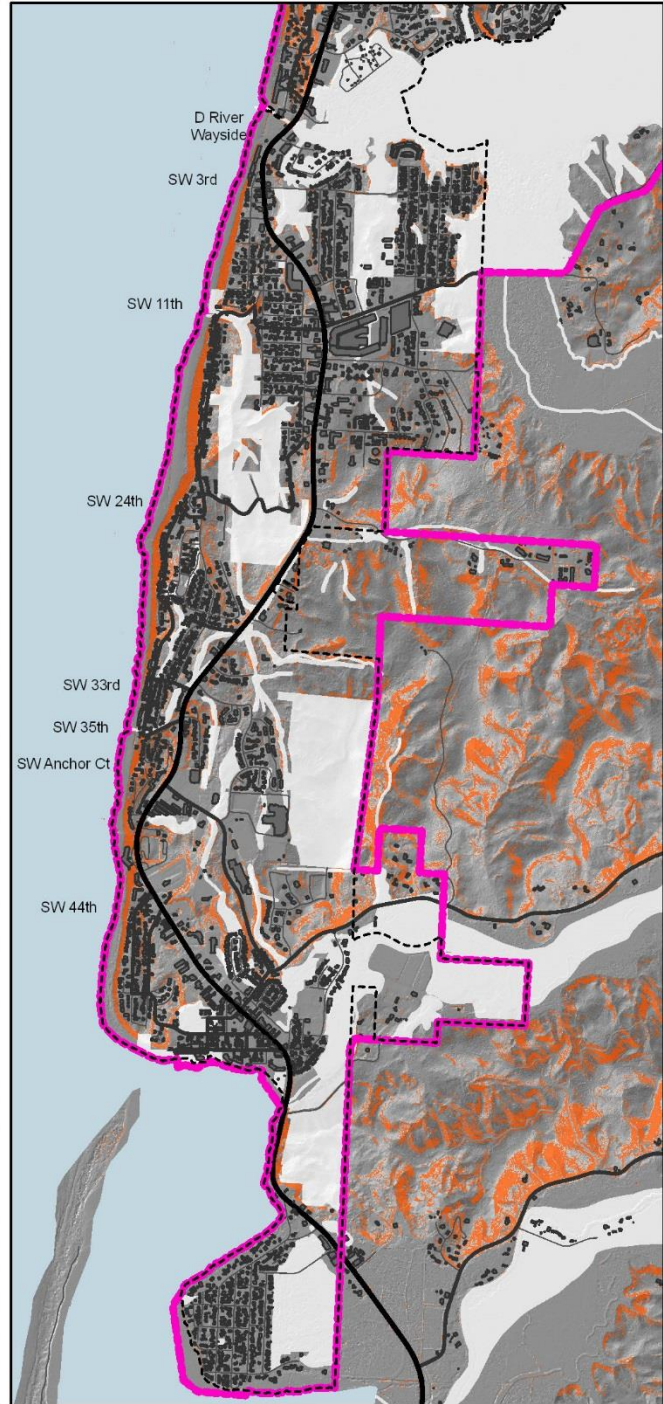
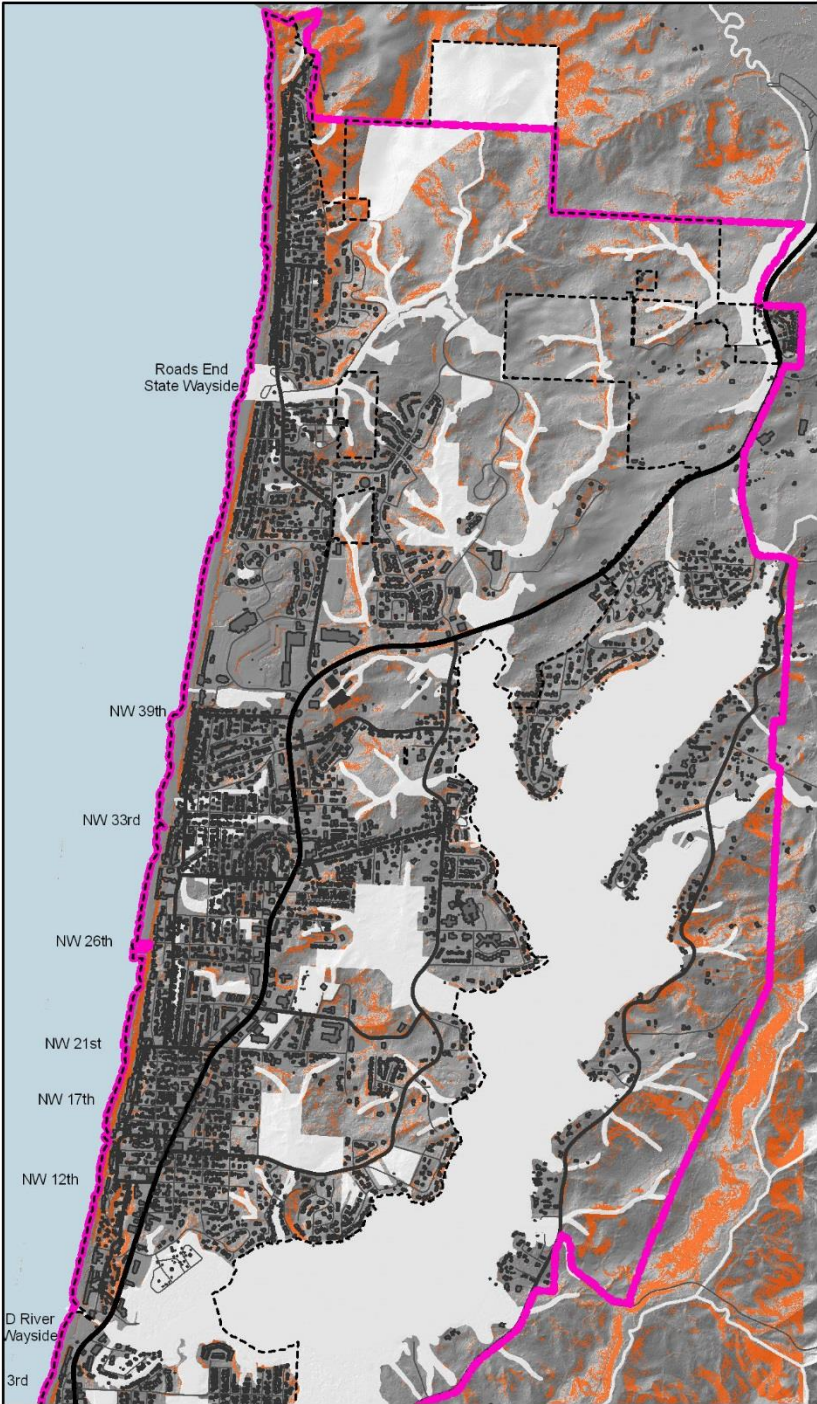
-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Floodway
-  Other Constraints

0 0.25 0.5 0.75 Miles



Slopes over 25%

322 acres



-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Slopes 25%+
-  Other Constraints

0 0.25 0.5 0.75 Miles

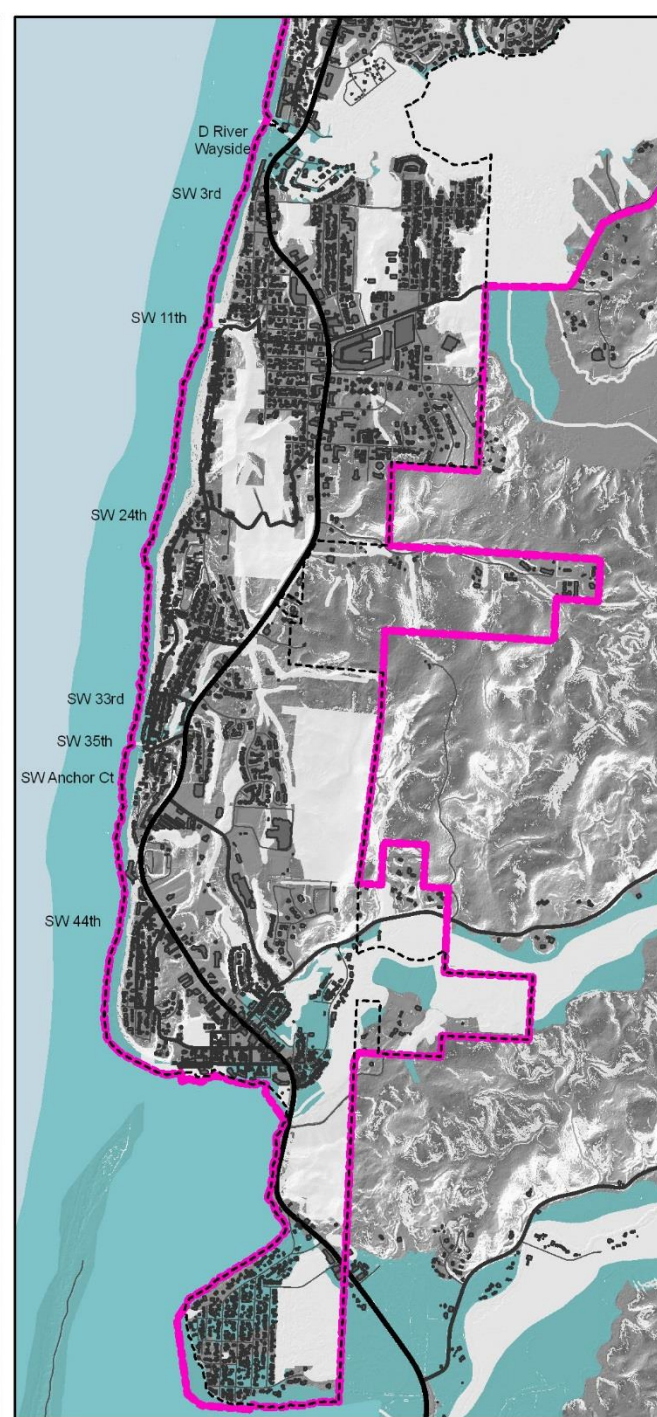
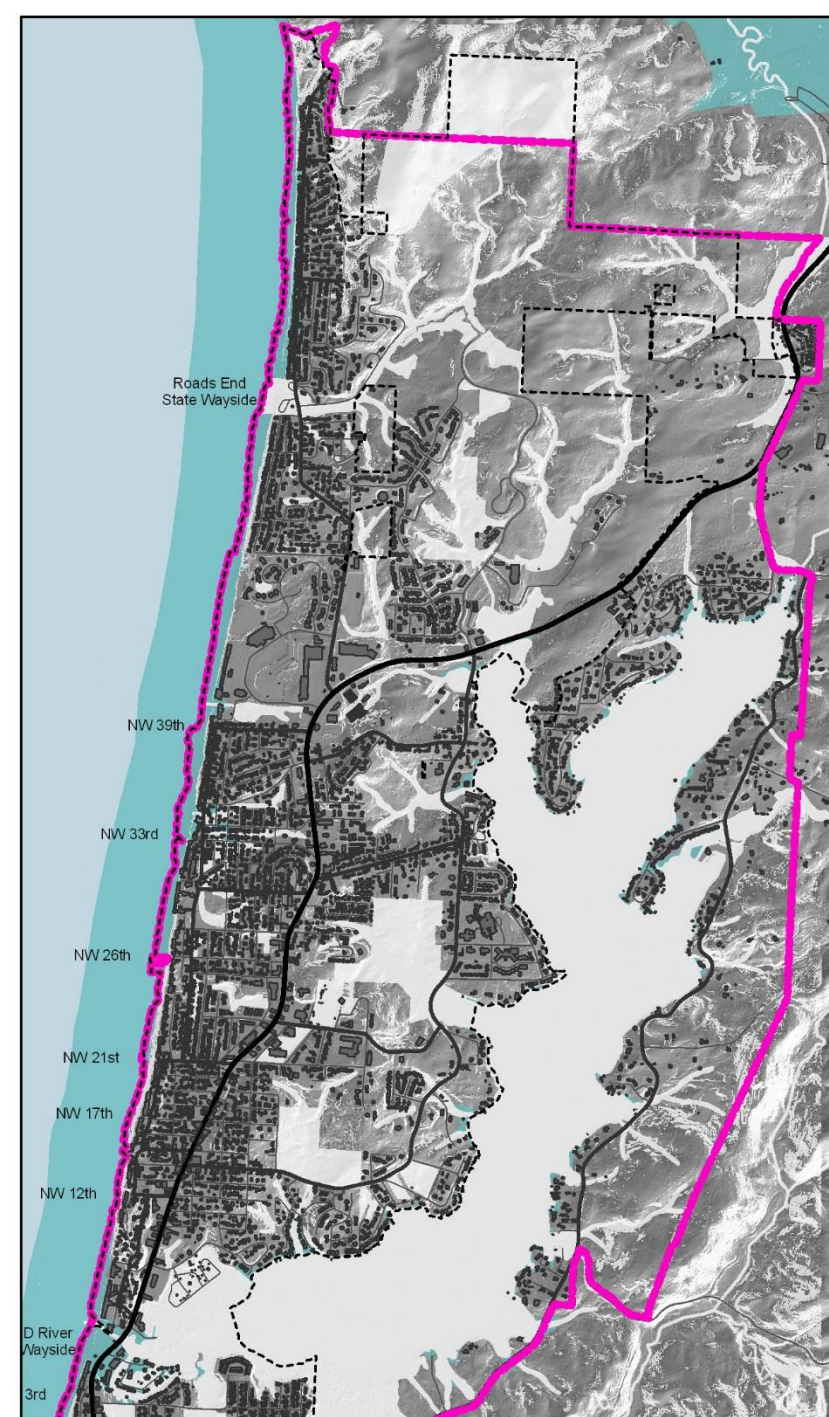


100-Year Floodplain

149 acres
(total of 298 acres)

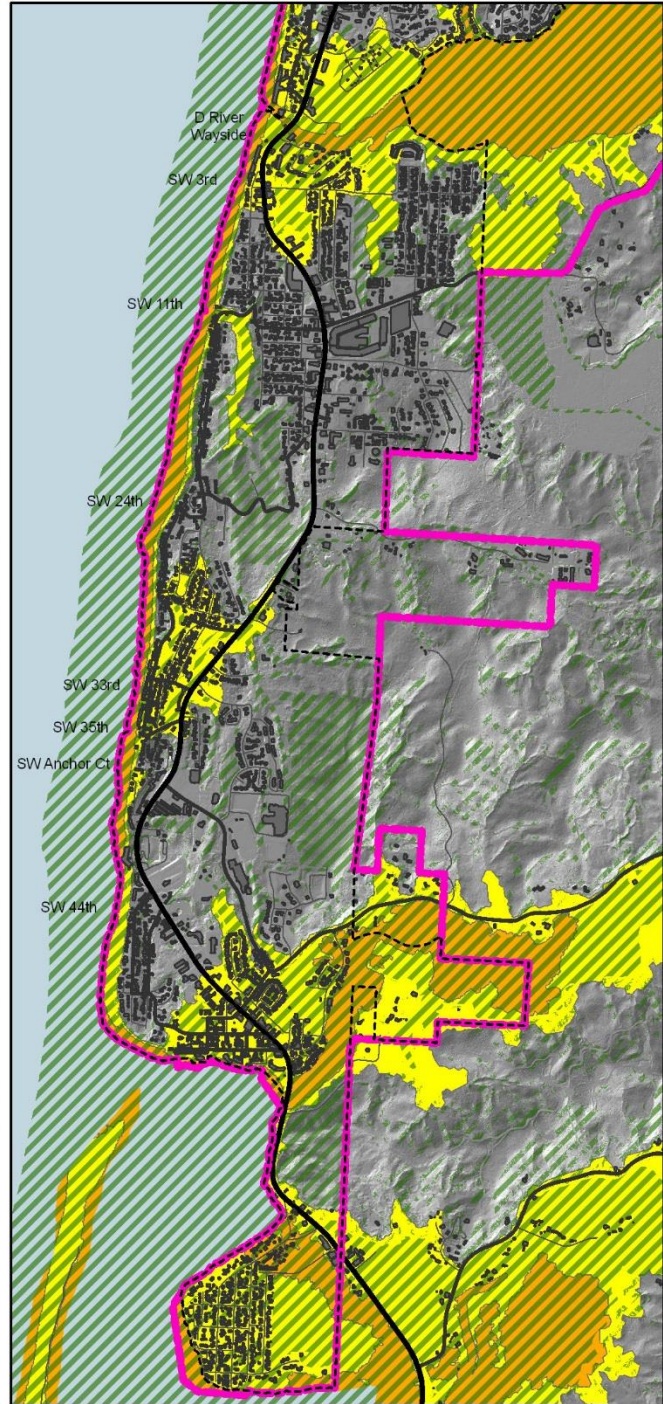
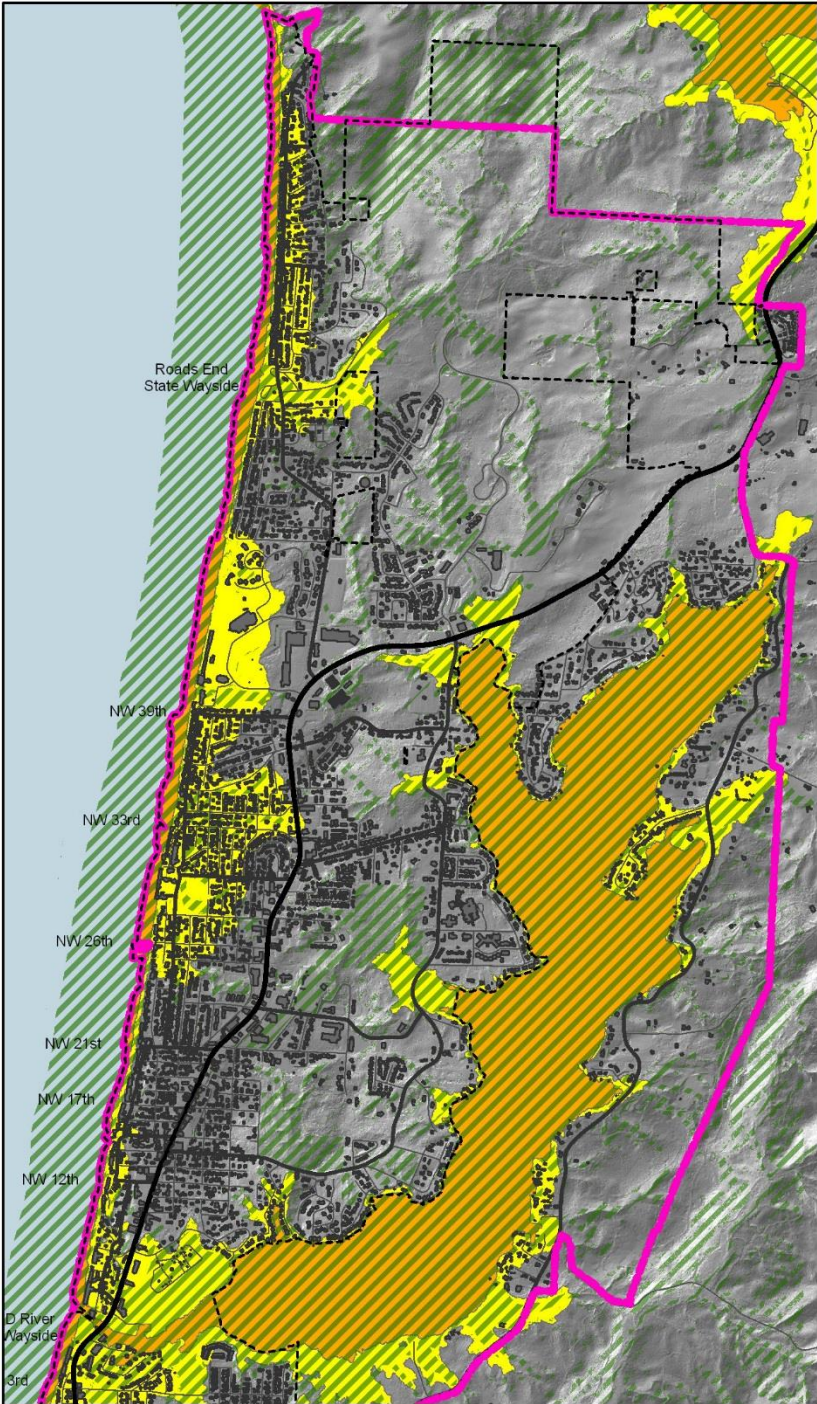
- City Limits
- Urban Growth Boundary
- Building
- Highway 101
- Major Road
- Local Road
- Ocean
- Floodplain
- Other Constraints

0 0.25 0.5 0.75 Miles



Evacuation Zones

Use as a possible guide for scenario development



- City Limits
- Urban Growth Boundary
- Building
- Highway 101
- Major Road
- Local Road
- Ocean
- Constraints

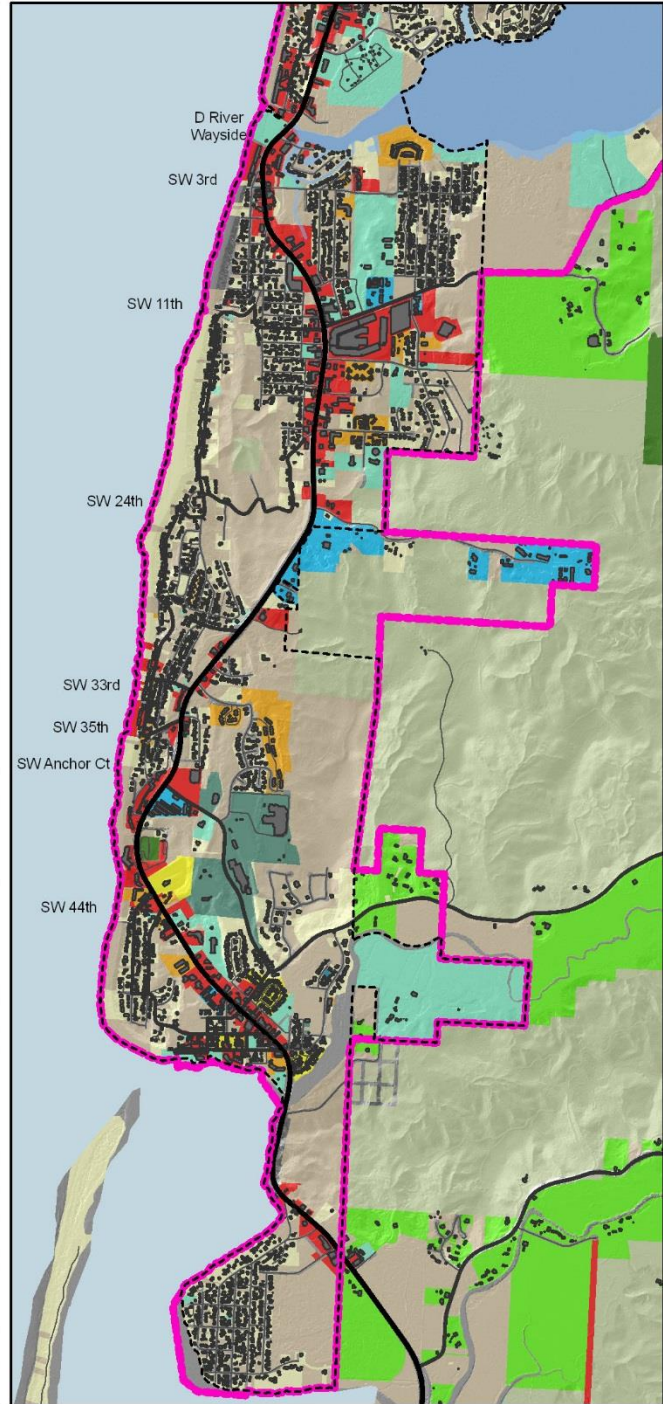
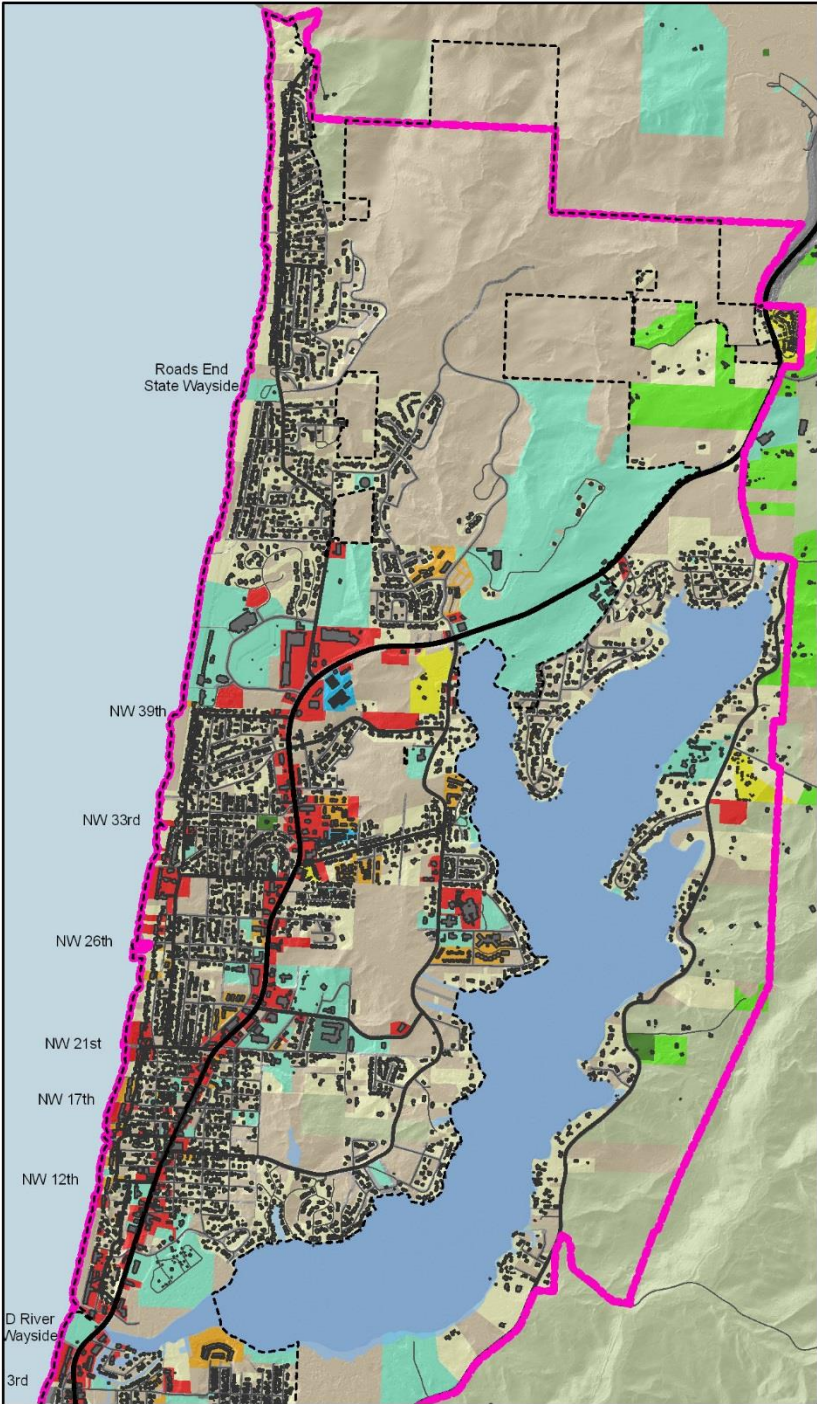
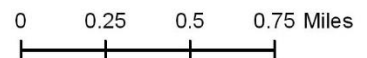
EvacuationZones_CentralCoast

- Local Tsunami Evacuation Zone
- Distant Tsunami Evacuation Zone

0 0.25 0.5 0.75 Miles

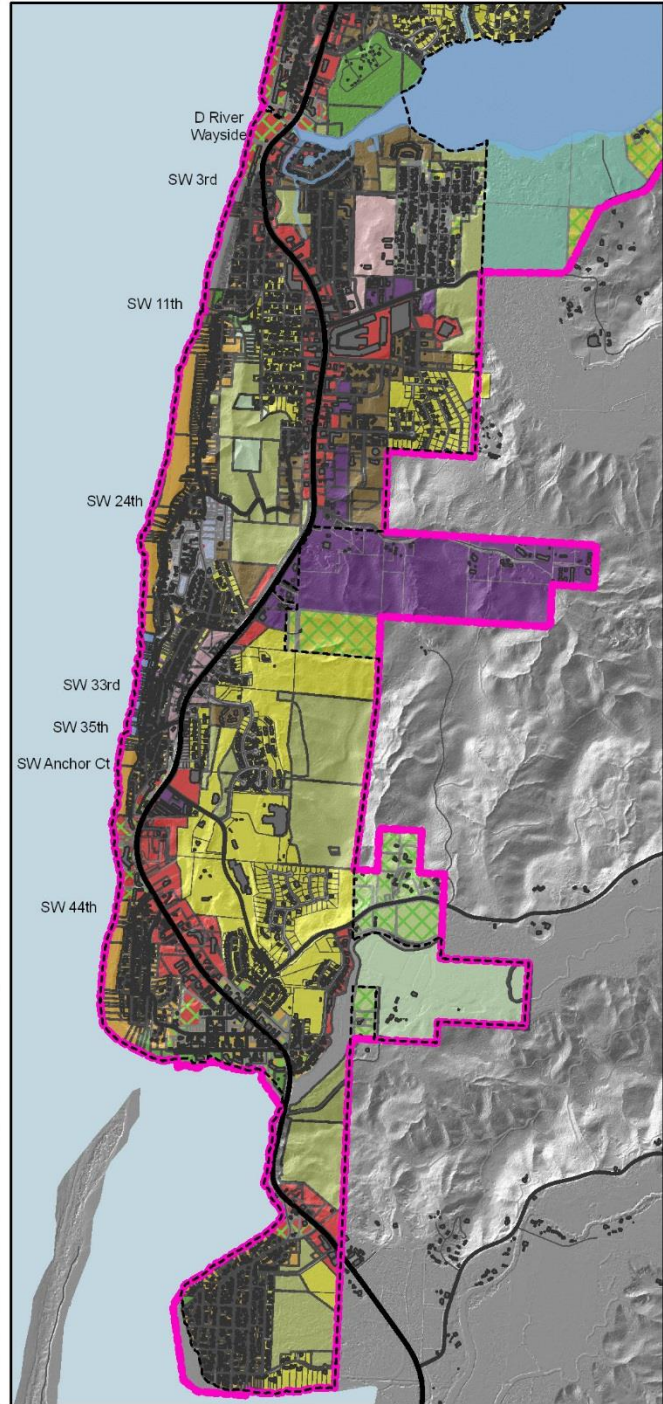
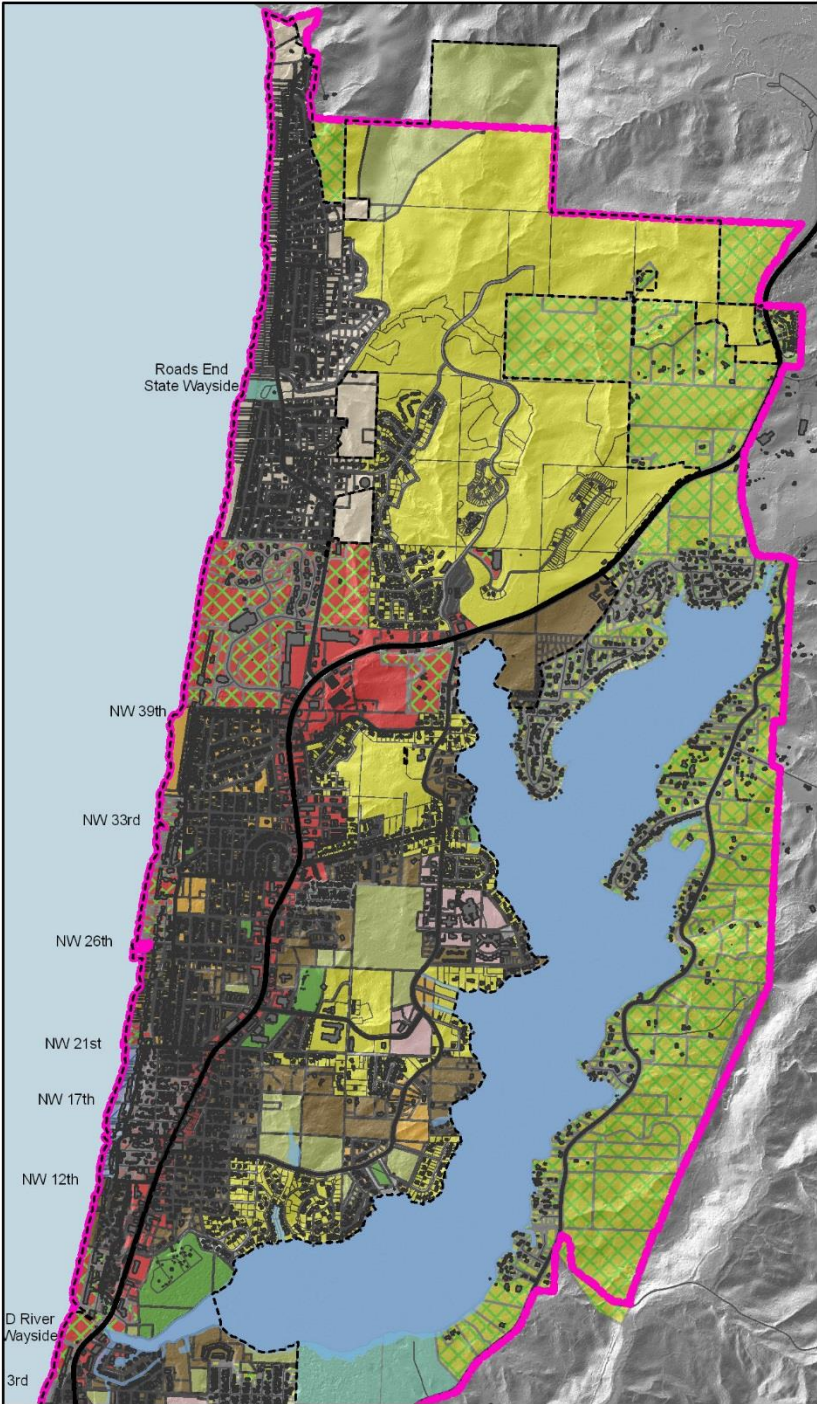
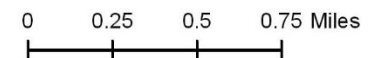
Existing Land Use

-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water
- Existing Land Use**
-  Retail or Office
-  Industrial
-  Multi-Family
-  Mobile Home
-  Residential
-  Education
-  Open Space
-  Public
-  Utilities
-  Agricultural
-  Vacant
-  Unknown

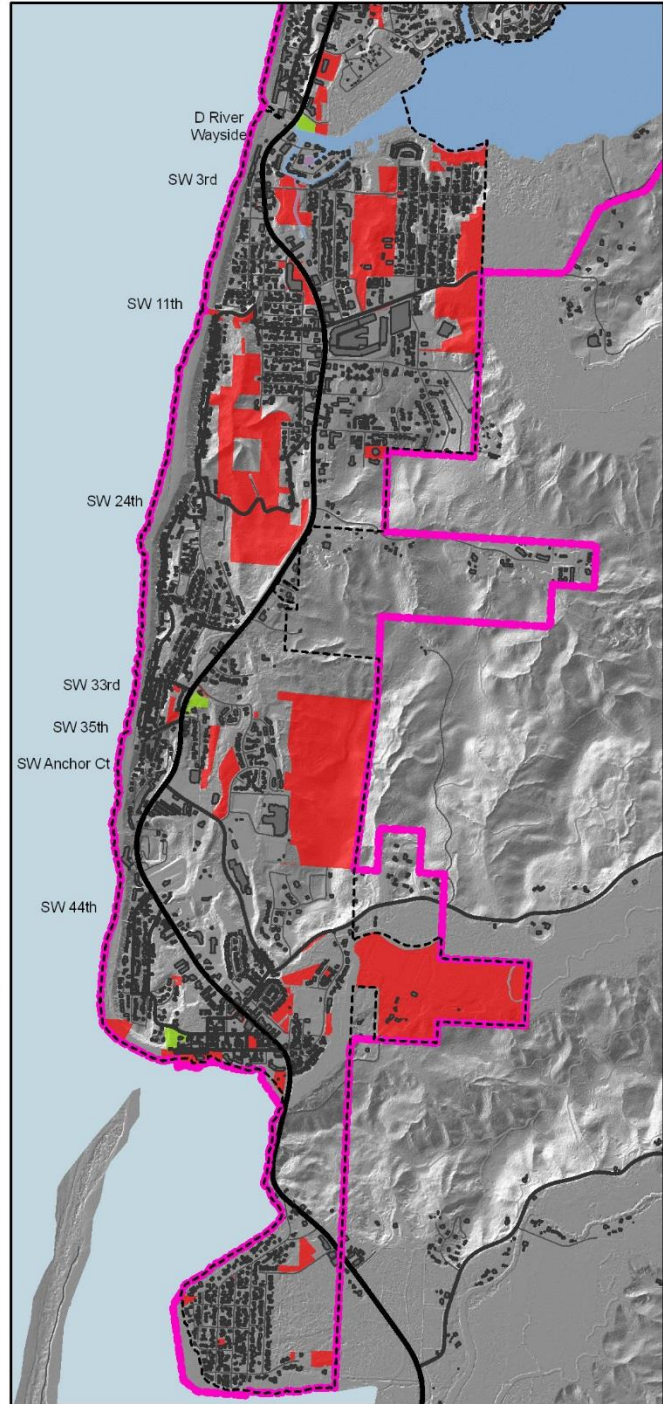
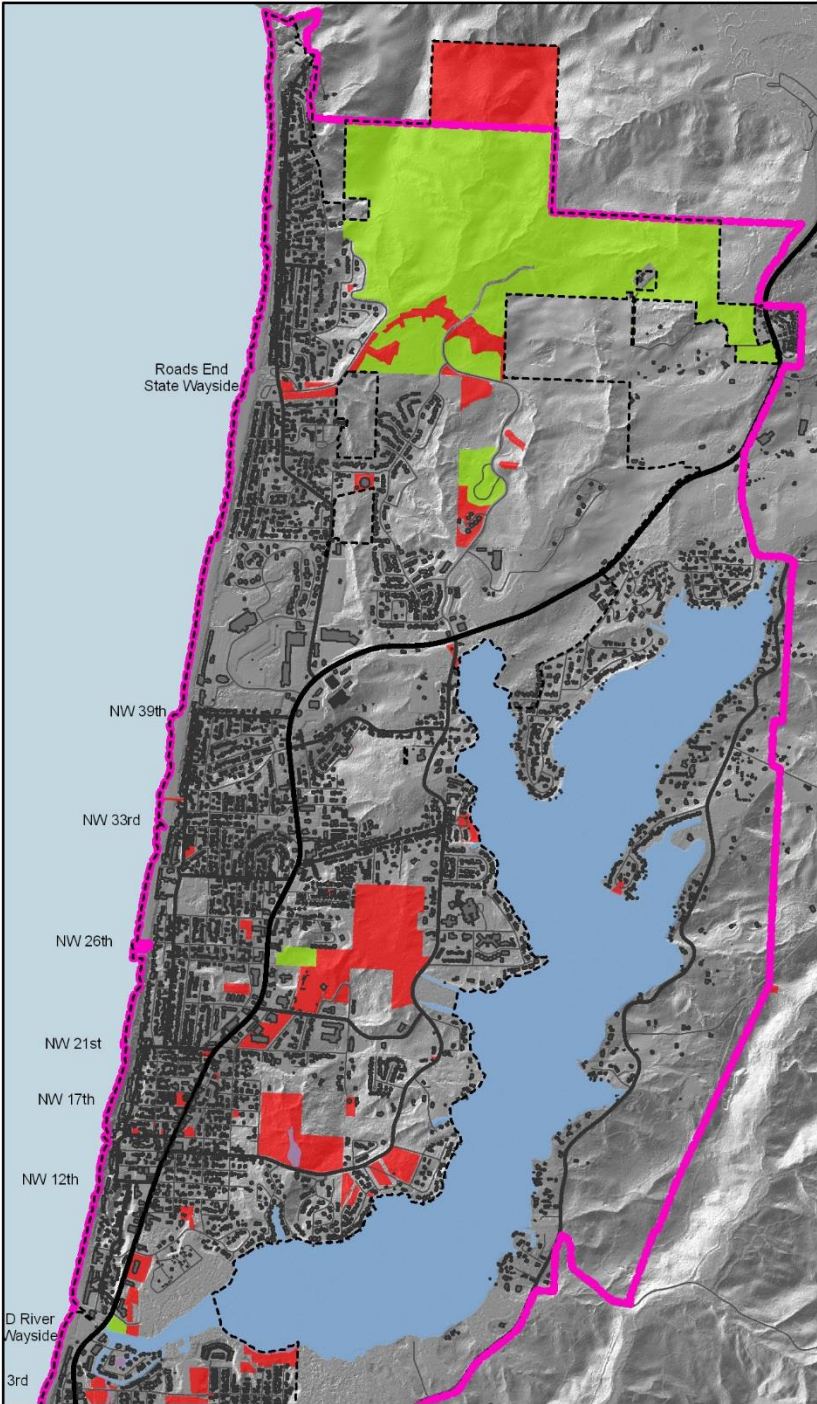


Existing Zoning

- City Limits
 - Urban Growth Boundary
 - Building
 - Highway 101
 - Major Road
 - Local Road
 - Ocean
 - Open Water
- City**
- OP-MSH - Main Street Highway
 - G-C - General Commercial
 - NP-NBD - Business District (Nelscott)
 - TVC - Taft Village Core
 - NP-NBMU - Mixed Use (Nelscott)
 - OP-IM - Interior Mixed Use
 - R-C - Commercial Recreation
 - P-C - Professional Campus
 - Cty P-F - Public Facility (County)
 - P-I - Planned Industrial
 - R-M - Multi Family
 - NP-NCR - Cottage Residential (Nelscott)
 - R-1-5 - SF 5,000SqFt+
 - R-1-7.5 SF 7,500SqFt+
 - R-1-10 - SF 10,000SqFt+
 - VR - Vacation Rental
 - R-R - Residential Recreation
 - R-1-A - Residential (County)
 - P - Park
 - OS - Open Space
 - OP-OF - Ocean Front
 - M-W - Marine Water
- County**
- I-P Planned Industrial
 - P-F - Public Facility
 - R-1 - Residential
 - R-1 Cty - Residential
 - RR-2 - Rural Residential 2 Acres
 - RR-5 - Rural Residential 5 Acres
 - T-C - Timber Conservation
 - CITY - Unknown
 - Water



City Owned



-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water

City Owned

Available for Development?

-  YES
-  NO

0 0.25 0.5 0.75 Miles



Unused Land

2,105 parcels

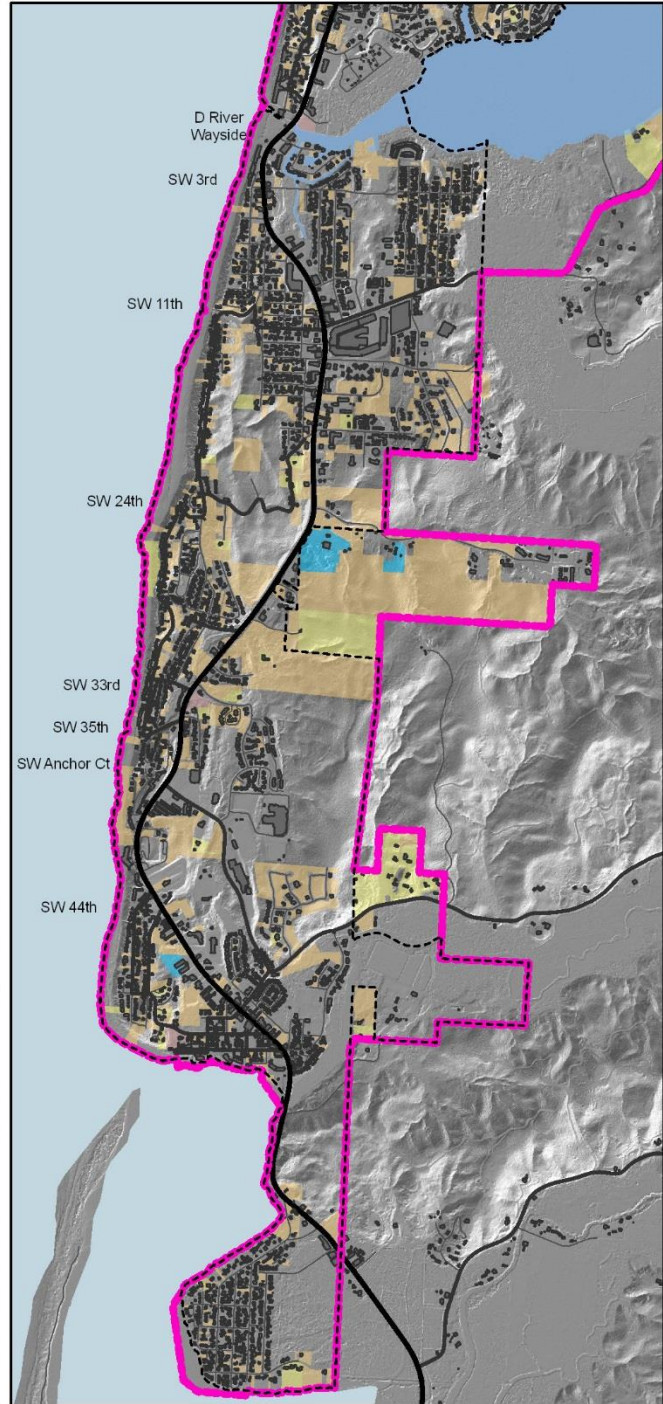
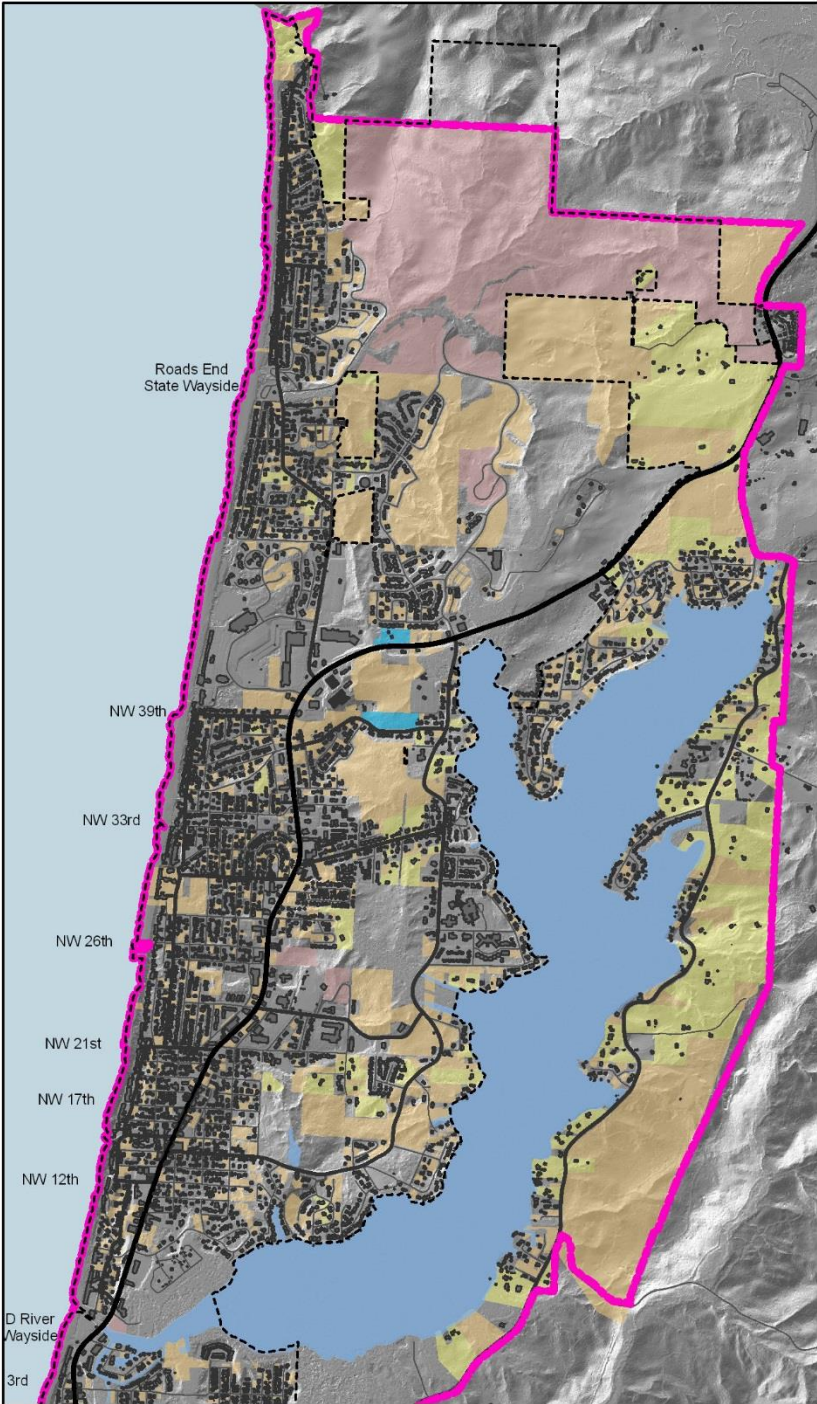
-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water

Buildable Land Inventory

Available for Development

-  Vacant
-  Partially Vacant - Employment
-  Partially Vacant - Residential
-  Public Ownership - Available

0 0.25 0.5 0.75 Miles



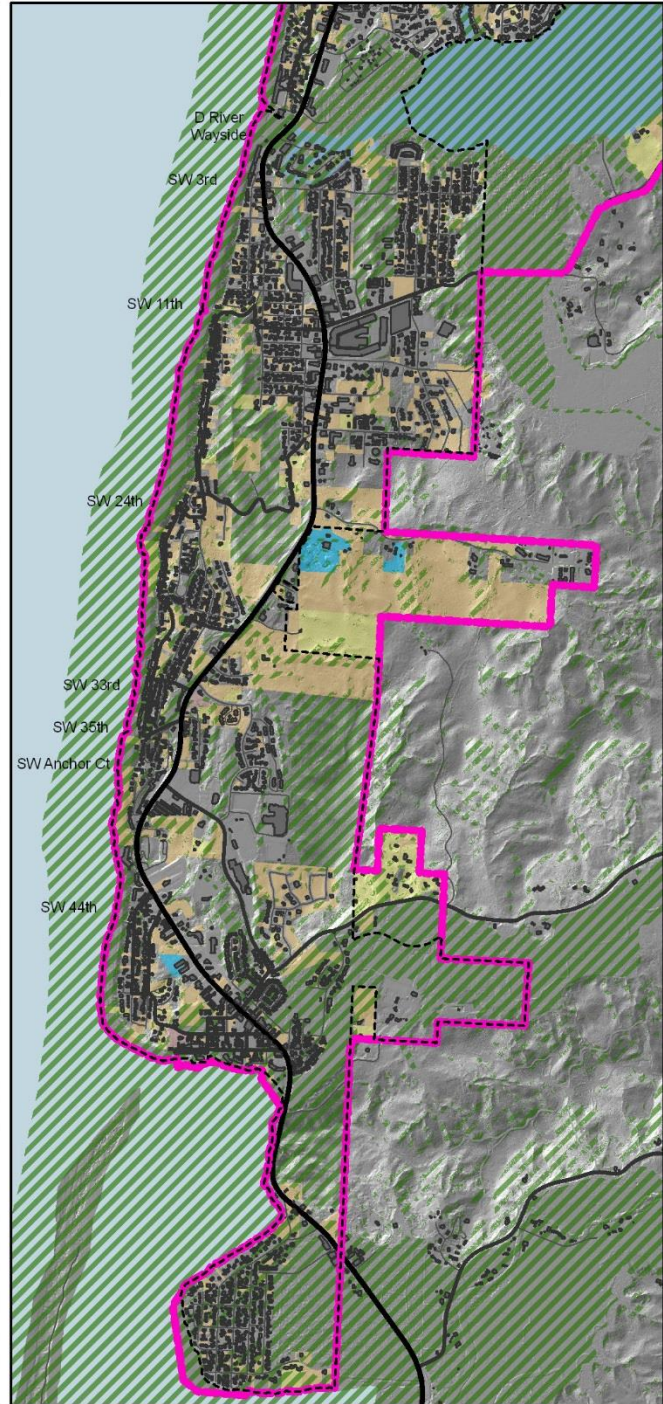
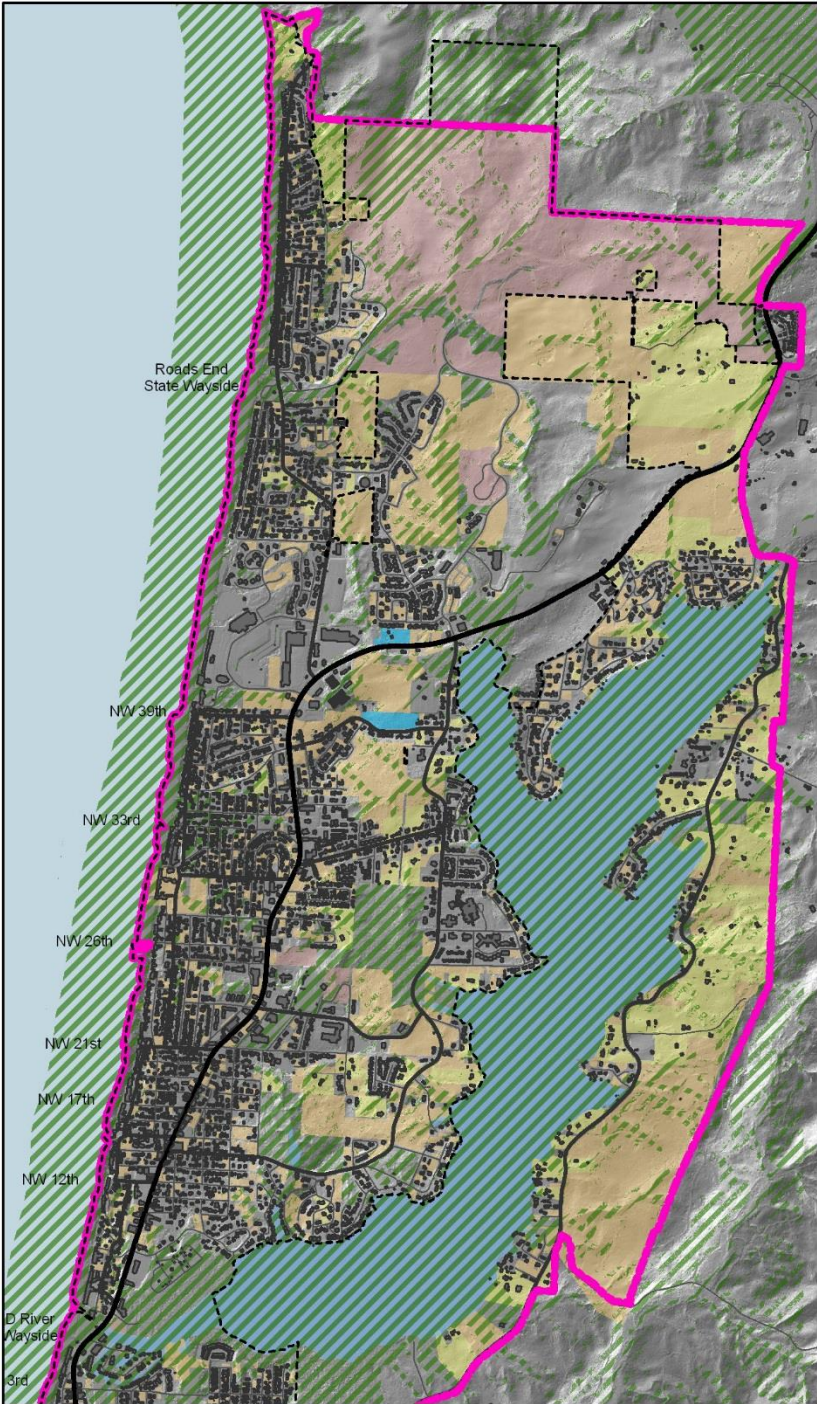
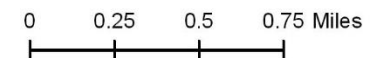
Unused Land

1,328
buildable
unconstrained
acres

- City Limits
- Urban Growth Boundary
- Building
- Highway 101
- Major Road
- Local Road
- Ocean
- Open Water
- Constraints

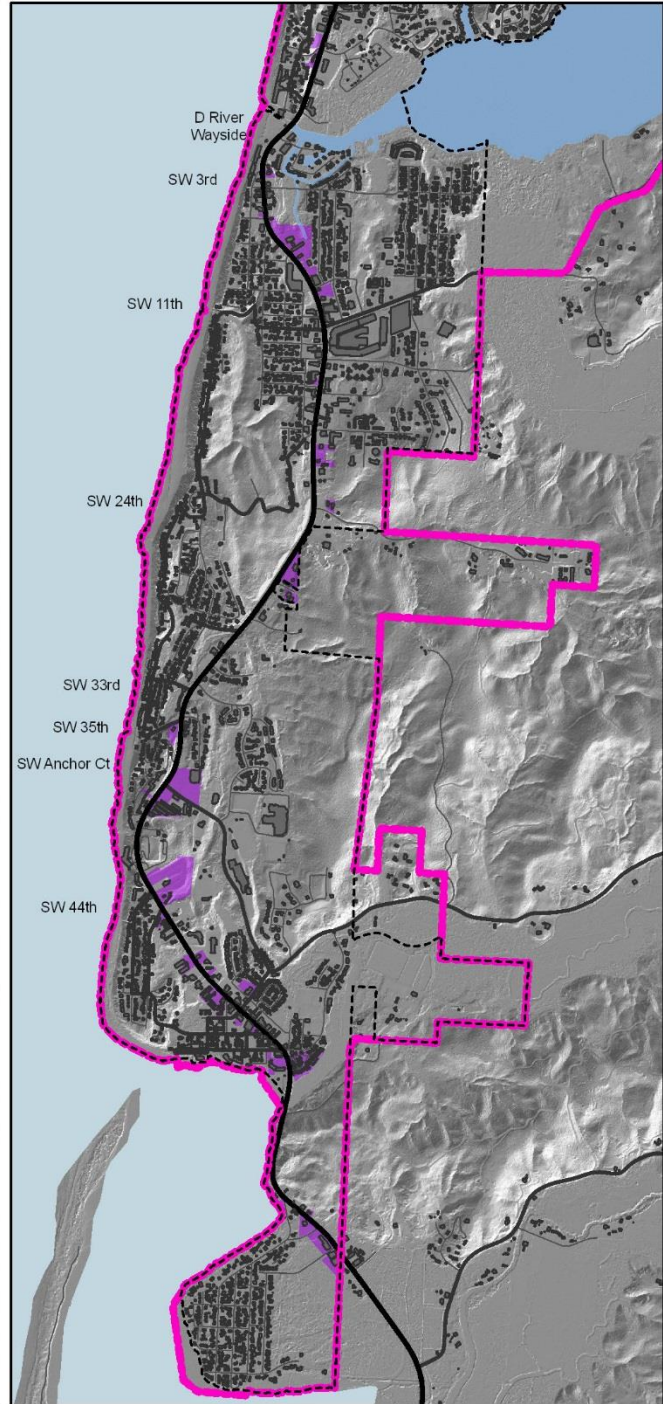
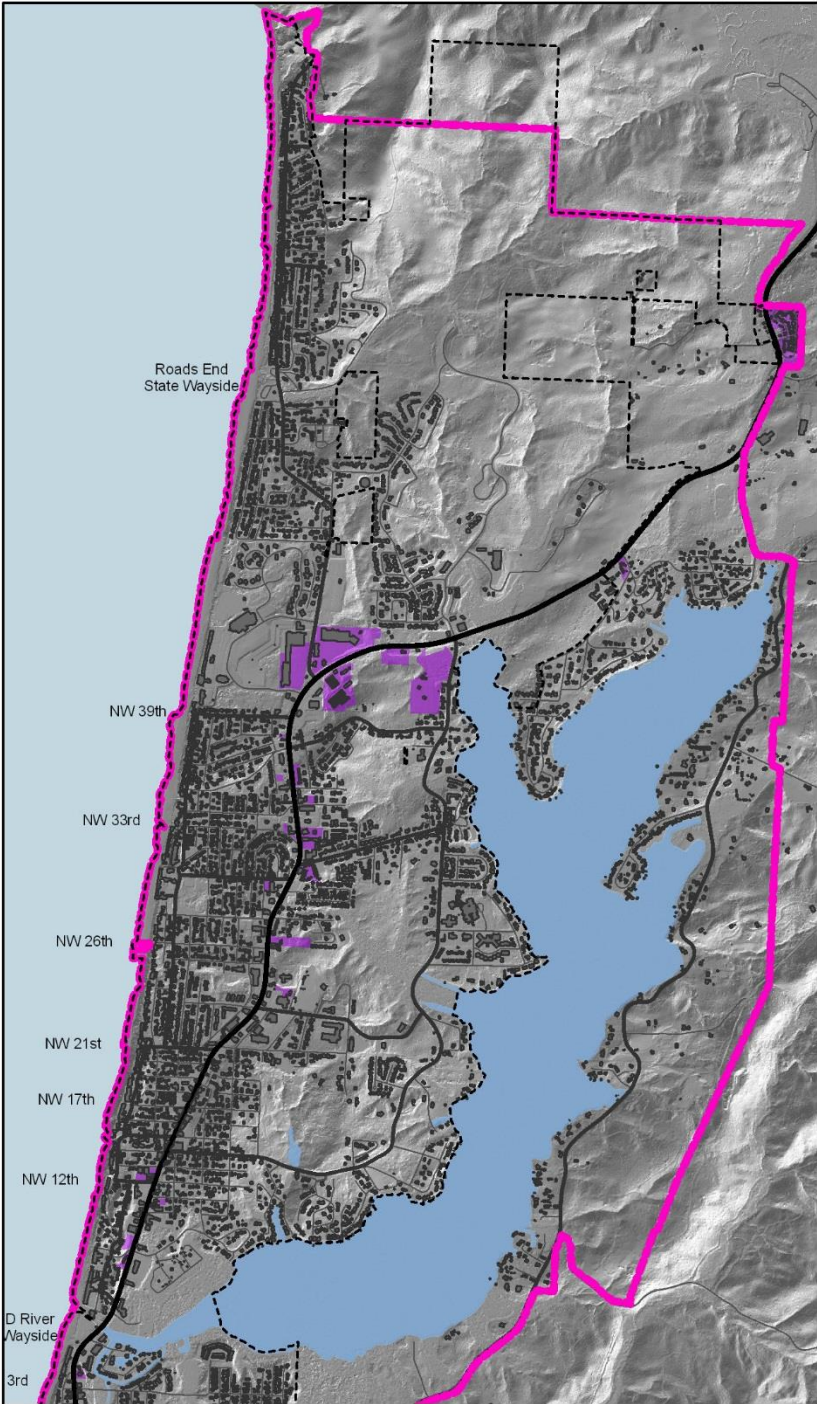
Buildable Land Inventory

- Available for Development
- Vacant
 - Partially Vacant - Employment
 - Partially Vacant - Residential
 - Public Ownership - Available



Redevelopment

345 parcels



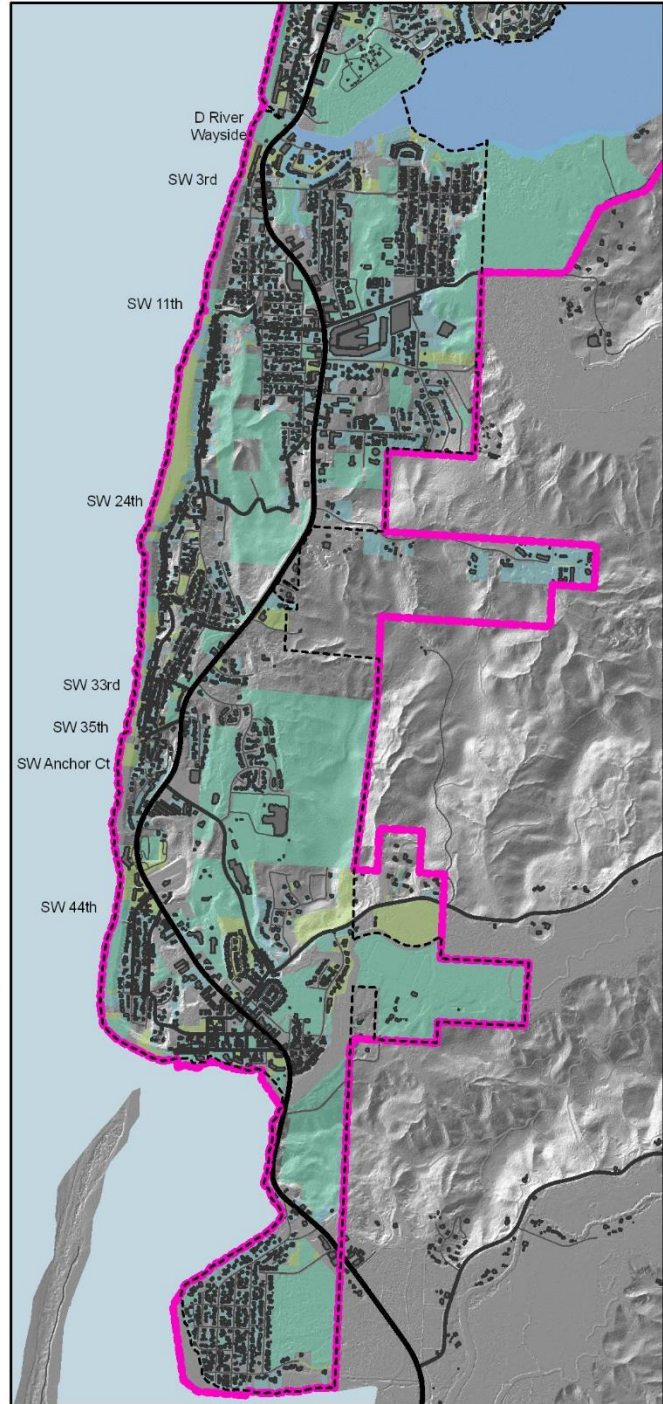
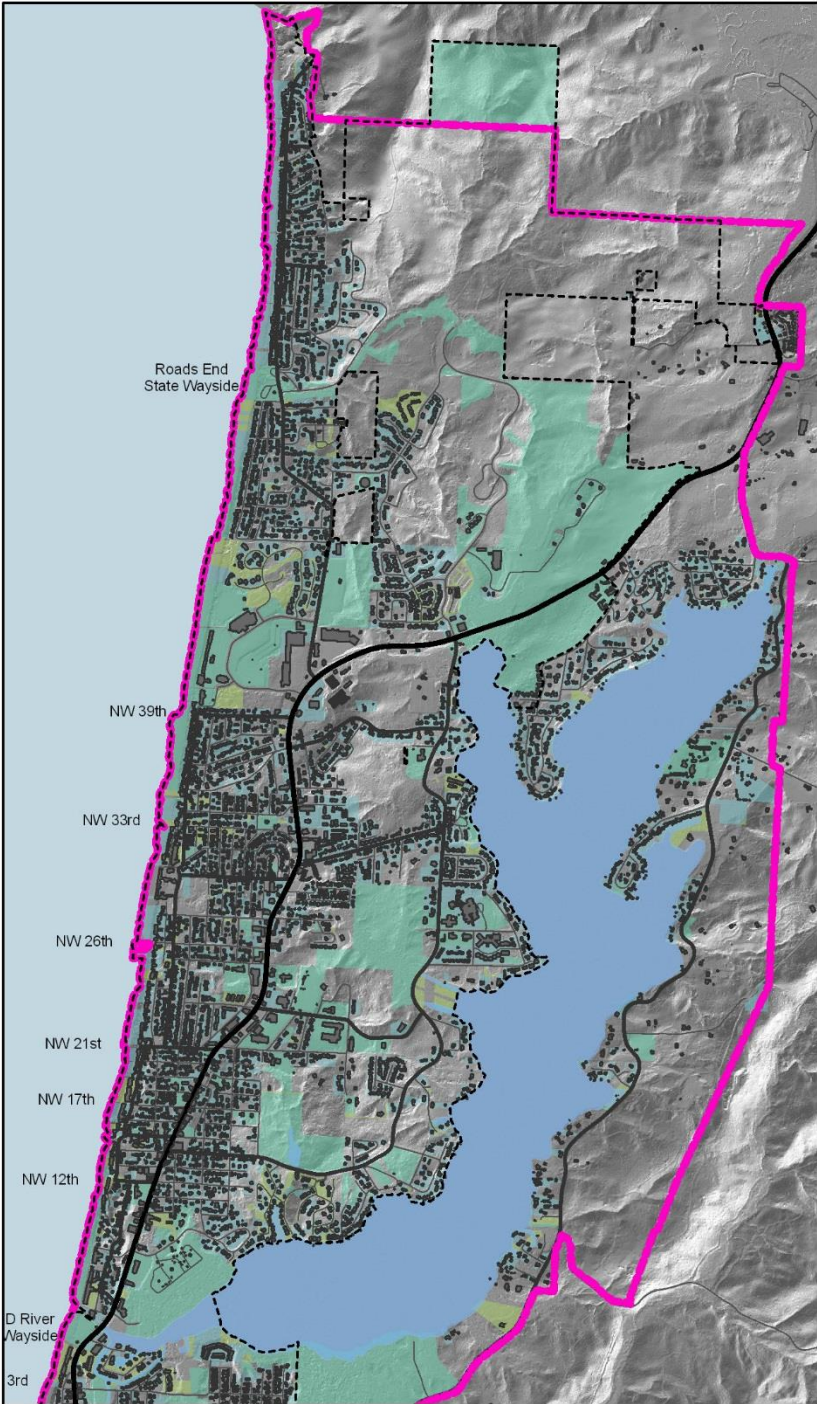
-  City Limits
-  Urban Growth Boundary
-  Building
-  Highway 101
-  Major Road
-  Local Road
-  Ocean
-  Open Water
- Buildable Land Inventory**
- Available for Development
-  Redevelopment Potential

0 0.25 0.5 0.75 Miles



Unavailable for Future Development

7,024 parcels



- City Limits
- Urban Growth Boundary
- Building
- Highway 101
- Major Road
- Local Road
- Ocean
- Open Water

Buildable Land Inventory

- Unavailable for Development
- Developed
- Public Ownership
- Undevelopable

0 0.25 0.5 0.75 Miles

BLI	Parcels*	Net Acres
Vacant	1,834	801
Partial Vacant - RES	165	271
Partial Vacant - EMP	5	11
Public Available	101	246
Redevelopable	345	201
Developed	6,014	0
Public Ownership	589	0
Undevelopable	424	0

*might include parcel more than once, because of zoning split