

### ROLL CALL

The Newport City Council met on the above date in the Council Chambers of the Newport City Hall. On roll call, Allen, Busby, Roumagoux, Sawyer, Swanson, Engler, and Saelens were present.

Staff in attendance were: Spencer Nebel, City Manager; Peggy Hawker, City Recorder/Special Projects Director; Steven Rich, City Attorney; Derrick Tokos, Community Development Director; Tim Gross, Public Works Director; Mike Murzynsky, Finance Director; and Mark Miranda, Police Chief.

### PLEDGE OF ALLEGIANCE

Council, staff, and the audience participated in the Pledge of Allegiance.

### PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

**Proclamation: April 2016 - Distracted Driving Awareness Month - Brad Purdom.** Hawker introduced the agenda item. Roumagoux proclaimed the month of April 2016 as Distracted Driving Awareness Month in the City of Newport. Newport Police Officer Brad Purdom accepted the proclamation and briefly addressed the issue of distracted driving.

### AGENDA CHANGES

Roumagoux requested that the "Communications" section of the agenda be rearranged as follows: 7A will be from ODOT; 7B will be from the Oregon Water Resources Department; 7C will be from the VAC Steering Committee; and 7D will be from Council Engler regarding vacation rental dwellings. Council concurred with the requested changes.

### CONSENT CALENDAR

The consent calendar consisted of the following items:

- A. Approval of the April 4, 2016 City Council minutes;
- B. Appointment of Councilor Laura Swanson to serve as the city's representative on the Lincoln County Solid Waste Advisory Committee;
- C. Confirmation of the Mayor's appointment of James Hanselman to the Planning Commission for a term expiring December 31, 2018.

Saelens requested that item B. be removed from the consent calendar as he is the Lincoln County staff person responsible for the Solid Waste Advisory Committee.

MOTION was made by Saelens, seconded by Engler, to approve the consent calendar with the exception of Item B. The motion carried unanimously in a voice vote.

MOTION was made by Allen, seconded by Engler, to appoint Councilor Laura Swanson to serve as the city's representative on the Lincoln County Solid Waste Advisory Committee. The motion carried in a voice vote with Saelens abstaining.

## PUBLIC HEARINGS

**Public Hearing - Ordinance No. 2093 - Local Improvement District Comprehensive Plan Policies.** Hawker introduced the agenda item. Nebel reported that the Planning Commission appointed a technical advisory committee of internal and external stakeholders to work with the consulting firm of FCS Group to develop model policies and codes for utilizing Local Improvement Districts to fund public infrastructure projects in the city. He stated that this effort was funded by a Transportation Growth Management grant that the city received in 2014. He noted that the Planning Commission has reviewed the public facilities element of the Comprehensive Plan relating to Local Improvement Districts and recommends adoption by the City Council. He added that this would be the first step to guide future uses of this financing tool. He stated that if this language is adopted, the City Council will be asked, at a future meeting, to consider an amendment to the Municipal Code to implement language consistent with the policy and guidance that has been provided through this process. He noted that LIDs are a way in which a portion of the new infrastructure costs can be assessed to properties benefitting by those improvements. He added that the policy provides that LIDs may be initiated by petition or resolution of Council. He stated that the policy statement suggests maximum amounts that could be assessed on any benefitting properties.

Nebel reported that LIDs can be an important part of the city's effort to renew infrastructure over the years. He stated that LIDs must be administered in a fair and consistent fashion for them to be supported in the community. He added that Council reviewed policy aspects of using LIDs at the work session held earlier today.

Roumagoux opened the public hearing, on Ordinance No. 2093, at 6:18 P.M. She called for public comment. There was none. She closed the public hearing at 6:19 PM for Council deliberation.

Allen reiterated his comments from the work session noting that after adoption of the Comprehensive Plan amendment, Council would consider an ordinance to amend the Municipal Code relative to LIDs. He asked about the process and scheduling for moving this issue forward. Nebel reported that a draft ordinance amending the Municipal Code could be brought to the next meeting, or a public hearing could be scheduled on the ordinance at the next meeting, with no action being taken. It was noted that if any controversy is associated with LIDs, it will come at the time of application. Nebel asked Tokos whether the city is under any timeline for adoption. Tokos suggested that Council could consider a discussion at an upcoming work session, or he could notice a public hearing for the next regular Council meeting.

MOTION was made by Allen, seconded by Engler, to read Ordinance No. 2093, an ordinance amending the Public Facilities element of the Newport Comprehensive Plan, relating to Local Improvement Districts, by title only, and place for final adoption. The motion carried unanimously in a voice vote. Hawker read the title of Ordinance No.

2093. Voting aye on the adoption of Ordinance No. 2093 were Allen, Sawyer, Engler, Saelens, Busby, Swanson, and Roumagoux.

**Public Hearing - Consideration and Possible Adoption of Resolution No. 3746, a Resolution Providing for a Supplemental Budget and Making Appropriation/Total Requirement Changes for the 2015/2016 Fiscal Year.** Hawker introduced the agenda item. Nebel reported that there are a number of budget adjustments that need to be made at this point in the fiscal year as outlined in the report, contained in the packet, from Murzynsky. He stated that the SW Abalone/Brant Street Project is a project that is eligible to use System Development Charges in the amount of \$187,643. He added that this budget amendment will appropriate those funds from the SDC to the project fund. He noted that the supplemental budget then transfers what is anticipated to remain unused in original appropriations for the Ferry Slip Road and Abalone/Brant Street improvement projects over to the SE 35<sup>th</sup> Street and Highway 101 signalization improvement project fund. He added that at this point, it is estimated that \$497,057 of unused Ferry Slip Road Street improvement funding will be available for this transfer, as well as \$592,367 for the SW Abalone/Brant Street improvement projects (which includes the SDC expenses).

Nebel reported that \$275,000 of the \$300,000 gift from the Doerfler Trust has been transferred to the Aquatic Center budget. He stated that the Aquatic Center parking improvements budget is being consolidated with the Aquatic Center budget since this work is being done with one contract, versus the two contracts that were originally contemplated.

Nebel reported that the budget amendment also recognizes the additional funding received from FEMA for the Safe Haven Hill project. He stated that the Schooner Creek Lift Station Force Main replacement project is being combined with the gravity sanitary sewer upgrade for NW 48<sup>th</sup> and Big Creek into a single project called the Agate Beach Wastewater Improvement Project. He noted that this is being done since it is likely that these two projects will be handled as a single project at the time bids are issued for the work. He added that overall, the operational budget is falling within parameters, and that these are the adjustments that are recommended for consideration by the Council at this point in the fiscal year.

Roumagoux opened the public hearing on Resolution No. 3746 at 6:26 P.M. She called for public comment. There was none. She closed the public hearing for Council deliberation at 6:27 P.M.

MOTION was made by Swanson, seconded by Saelens, to adopt Resolution No. 3746 with Attachment A, a resolution adopting a supplemental budget for the 2015/2016 Fiscal Year, and making appropriation increase changes for the current fiscal year. The motion carried unanimously in a voice vote.

## **COMMUNICATIONS**

**From ODOT Project Leader, Jerry Wolcott, Regarding US 20 Construction Schedule.** Hawker introduced the agenda item. Nebel reported that ODOT Project Leader, Jerry Wolcott, is present to make a presentation to Council regarding the final phase of the construction of US 20 between Pioneer Mountain and Eddyville. He stated that this final phase of construction will require that US 20 be closed for periods of time on a daily

basis. He added that in earlier announcements, ODOT suggested times during which the highway would be closed. He noted that he has participated, along with the Chamber, Port, and County, in discussions regarding the hours that ODOT proposed for closing the road. He added that collectively, the group would like to suggest that these hours be modified in accordance with the letter that is included in the packet. He suggested that Council authorize a letter be sent to ODOT forwarding the City Council's suggestion on closure times for the road.

Nebel reported that from a tourism standpoint, it is important that this be as predictable as possible through the course of the summer. He stated that this would include having the two hour closures from June 1 through July 15 be done at the same time each day, or planned out in advance with good publicity, regarding the times that these two-hour closures are predicted to occur. He added that from July 16 through October 31, ODOT is planning to have ten-hour closures beginning at 6 P.M. He noted that the group is suggesting that the closure time be delayed until 9 P.M. or 10 P.M., and to push back the morning time to 5 A.M. or 6 A.M. He stated that this later timeframe would allow people coming for a day visit to enjoy their day in Newport, have dinner, and head back before the road closure.

Nebel reported that there will be one day a week when there will be no closures on US 20. He stated that ODOT was suggesting that Saturday be the day with no closures. He noted that in discussion with various tourism stakeholders in the community, there is a preference that Friday be the day on which there should be no closures on US 20, as this is an important travel day for tourists spending the weekend in Newport.

Nebel reported that ODOT has provided this presentation to a number of groups in Newport, and will continue to do so to solicit information. He stated that the Destination Newport Committee has pledged to work very closely with ODOT to include the times when US 20 will be open or closed in its marketing efforts through the course of the summer. He added that the DNC is also working with ODOT on better signage from I-5 regarding access to Newport during this construction season. He noted that some of the signage may be permanent signage. He stated that the DNC has offered to work with the public relations firm that ODOT is hiring to work with the various stakeholders through the course of the 2016 construction.

Nebel suggested that Council formally authorize a letter if it concurs with the recommended revised times that have been reviewed by the Chamber, the Port and the County. He added that the DNC is also looking at ways to formally celebrate the opening of US 20 which could draw visitors to Newport. He stated that it is also very important to focus on the benefit that Newport will have in the long run by having reduced travel times between Newport.

Wolcott made a PowerPoint presentation that included: history of the project; completion of three phases of work; design elements; timeline; the west end curve; the west end curve dirt/rock removal; blasting; phase three photographs; west end curve haul bridge; west end curve dirt/rock removal - Cougar Creek buttress (landslide mitigation) and log stockpile area; west end curve road relocation; US 20 travel and closure times; feedback from the coast; average traffic on a summer day; detour routes and times; detour route signage; travel planning tips; and ODOT contacts and contact information.

Sawyer reported that he had attended the recent DNC meeting at which the Committee discussed signage and other issues. He stated that ODOT has public relations people who plan to put out lots of information. He requested that Nebel put

additional funds in the DNC budget to provide information regarding this project phase. He thanked Wolcott and the other ODOT representatives for attending the DNC meeting.

Nebel reported that on the back of the packet is a draft letter containing specific suggestions. He noted that Council may want to consider sending this letter to ODOT. He added that it appears that the Friday night closure has been addressed. He noted that another suggestion is that the closures occur around the same time daily for planning purposes. He suggested that the closures between June 17 and July 15 should also occur at the same time daily or planned as far in advance as possible to provide sufficient notice. He expressed concern for day trippers in making sure that they have sufficient time to enjoy the day in Newport. Busby asked whether the dates are flexible based on the contractor start dates. Wolcott reported that the dates align with the environmental permits. Busby asked about the opening date of the project. Wolcott reported that the focus date is mid to late October, but has built in some leeway in the event of weather-related issues. He stated that he expects the new alignment to be done by mid-October.

MOTION was made by Sawyer, seconded by Saelens, to authorize the Mayor and City Manager to direct a letter to ODOT conveying the preferred times for US Highway 20 closures in order to minimize the impacts on the Newport business community. The motion carried unanimously in a voice vote.

**Presentation by Oregon Water Resources Department on Place Based Planning Regional Water Study.** Hawker introduced the agenda item. Nebel reported that Chase Park Grants has been working with staff to obtain funding to participate in a place based integrated water resources planning pilot study. He stated that the city was selected to participate in this program, and will be awarded \$135,000 to begin this process. He noted that the intent of this effort is to provide a framework for communities to collaboratively identify their instream and out of stream water resources needs, and then identify solutions and projects that will help them meet those current and future needs. He added that the city will convene this process together with Oregon Water Resources Department, in the hope that this project will foster cooperative working relationships between different water interests, integrate and coordinate related plans and efforts, identify solutions, and develop more competitive proposals for local, state, and federal funding opportunities. He stated that Harmony Burreight, Place Based Planning Coordinator with OWRD, is in attendance to make a presentation to Council describing this pilot initiative, and to answer any questions Council may have regarding this effort. He noted that no action is required on this initiative at this meeting.

Gross reported that in the fall of 2015, staff, with the assistance of Chase Park Grants, submitted a letter of interest to the Oregon Water Resources Department for funding to participate in a Place-based integrated water resources planning pilot study. He stated that the city was awarded \$130,000 to begin participation in this program. He added that the city, together with OWRD, will act as co-conveners during the planning process and will coordinate multiple stakeholders to examine water issues on the central coast. He reported that Place-based planning provides a framework for communities to collaboratively identify their instream and out-of-stream water resources need, and identify solutions and projects that will help meet those needs now and into the future.

He added that this is a voluntary, non-regulatory, locally-initiated and led planning effort that brings together a broad representation of interests to work in partnership with OWRD.

Burright made a PowerPoint presentation that included: an update on the project and goals; the need for integrated planning; the need for an integrated water resources strategy; how the Place-based planning program works; water resources development program; 2015 draft guidelines; the five planning steps, including building a collaborative and inclusive process, gathering information to understand current water resources and identify gaps in knowledge, examining current and future water needs for people, the economy, and the environment, developing and prioritizing strategic and integrated solutions to meet water needs, and creating a local integrated water resources plan. She also discussed the grant review and evaluation process, including the place-based planning interest; grant review and evaluation; inter-agency review; evaluation criteria, factors; commission-approved pilots which are the mid-coast, Malheur Lake, Lower John Day, and the Upper Grand Ronde; and pilot phase objectives.

Allen asked about the boundaries of the mid-coast project. Gross reported that the boundary may depend on stakeholder interest. Allen asked whether this would bring up a discussion of Rock Creek, and Gross noted that it could. Burright added that this planning will focus more on the process and that there will be no predetermined outcomes. She noted that this will be a forum for diverse groups to talk about needs. Saelens asked whether there a place where stakeholders are listed. Gross stated that the list will include different water providers, users, and environmental agencies. He added that there are probably 30 entities, and that he has made contact with 10 or 20 of those entities. He noted that the Water Resources Department will be meeting in Newport in May, and that he is preparing a tour for various users and operators at that time. Allen asked about the issue regarding partial versus full funding, and whether funding was in place for completion of this project. Burright reported that there is \$93,000 in reserve funds to assist with the pilot projects. Gross explained the funding needs for the project and how it could be funded.

**From the VAC Steering Committee - Annual Report.** Hawker introduced the agenda item. Nebel reported that at the March 16, 2015 Council meeting, the City Council accepted a report which included a governance model, a financial management plan, and goals to expand the usage of the Visual Arts Center. He stated that one of the requirements of the plan that was adopted was that the Visual Arts Center Steering Committee provide an annual report to Council on achievements during the past year.

Nebel reported that he is very pleased to see the Steering Committee playing a leading role in representing the various stakeholder interests in this facility. He stated that this has given staff a much clearer direction as to priorities from the stakeholder's standpoint relating to future building improvements. He added that the VAC was successful in generating significant grant funds to help make capital improvements to this facility during the course of the past year. He noted that during one of the winter storm events, the new flooring in the Runyon was damaged by storm water that entered the building. He stated that staff is working with the insurance company to address this issue. He added that staff is also looking at steps to address the gutter issues which contributed to the December flooding of the VAC. He stated that he is very pleased to see how this process continues to mature and become a working group to govern the various activities that occur at the VAC.

Mike Kloeck, Chair of VAC Steering Committee, introduced Committee members in attendance, and thanked Council for reviewing the annual report.

Catherine Rickbone, Executive Director of the OCCA, reviewed the VAC's recent accomplishments. She added that a building survey and long-range planning document are in the works.

Tom Webb, VAC Director, reviewed recommendations, outlined the increase to rental rates, provided an update to the five-year financial action plan, and noted that the VAC has met its annual goal for increasing revenue.

MOTION was made by Saelens, seconded by Busby, to formally accept the annual report from the VAC Steering Committee, and place it on file. The motion carried unanimously in a voice vote.

**From Councilor Engler - Discussion about Code Provisions Relating to the Conversion of Residential Properties to Vacation Rentals.** Hawker introduced the agenda item. Nebel reported that Engler has requested that a discussion about the code provisions relating to the conversion of residential properties to vacation rentals be added to this agenda. He stated that the packet contains a copy of the city's ordinance relating to vacation rentals and bed and breakfast facilities. He recommended referring this matter back to staff for a report if Council is interested in moving forward or discussing alternatives.

Engler stated that the city has been under pressure to address the housing shortage at many income levels. She noted that she is concerned when workforce renters are displaced as long-term rentals are converted into short-term rentals. She added that every time a vacation rental dwelling goes on line, another potential long-term rental goes off line. She displayed a slide of vacation rental dwellings in Bend, and the activity over the last few years. She stated that conversion is a critical variable, and if it is ignored, it will be at the city's own peril. She added that vacation rental dwellings are just one part, noting that there is a lot of activity on Air BnB and other on-line vacation rental sites. Engler reported that housing availability and economic development are closely tied, noting that Caroline Bauman has said that if you want to grow jobs; you have got to make sure that housing is not a barrier. She stated that tourism is a significant part of the city's economy, and that the short-term rental business is booming and hopefully contributing a lot to the economy. She added that short-term rentals place burdens on neighborhoods. She reported that several letters have been submitted by members of the public related to vacation rental dwellings. Engler stated that the current ordinance leaves the door open to convert long-term rentals to short-term rentals, and that the number of short-term rentals is increasing rapidly. She added that many cities have modified short-term rental policies, and that the City of Hood River is taking testimony on how to balance housing needs with short-term rentals. She suggested that Newport do the same, adding that looking at the ordinance now would lay the groundwork for the parking study and visioning effort. Engler proposed placing a temporary moratorium on short-term rental licenses, and sending the ordinance to the Planning Commission to find a solution to balance the long-term and short-term rentals. She recommended reviewing what other communities have done in this area, including, Bend, Hood River, Seaside, Cannon Beach, and Napa, to evaluate the current number of short-term rentals; how many are registered; enforcement; safety issues; and recommended

changes. She added that this needs to be done soon as it is an urgent need. She stated that she hopes this can be discussed and moved forward.

Gus Willemin spoke in support of Engler's suggestion for a moratorium on short-term rentals. He stated that he lives on a small street on which only 50 percent are long-term residents. He added that he understands the economic impact of visitors. He stated that, with proper planning, a mutually agreeable solution can be found. He recommended that areas not be saturated with vacation rental dwellings; the size of the dwellings be regulated; and that safety and community be stressed. He reiterated his support for a moratorium noting that there is value in looking at this issue now.

Jeff Bertuleit spoke in support of Engler's suggestion for a moratorium on short-term rentals. He noted that this item was discussed when he served on the City Council years ago, and that he was against allowing vacation rental dwellings. He added that every time a vacation rental dwelling happens, it is not a family house any longer. He suggested discussing ratio and encouraging small hotels in R-1 zoning districts.

Terry Obtshka spoke in support of Engler's suggestion for a moratorium on short-term rentals. He noted that it is better, cheaper, and easier to prevent a problem than to create one. He added that the R-1 and R-2 zoning districts should be off limits for vacation rental dwellings. He stated that Newport is a special place, and he wants to keep it that way. He recommended developing a reasonable and enforceable ordinance that prevents this issue from getting out of control. He added that he hopes Council examines the issue thoroughly and comes up with a workable solution.

Eileen Obtshka spoke in support of Engler's suggestion for a moratorium on short-term rentals. She stated that she was led to believe that Nye Beach was a mix of commercial and residential uses. She noted that a lot of vacation rental dwellings evolved with the crash of the economy. She added that the city has the power and time to do what Engler is proposing in a positive way.

Marletta Noe spoke in support of Engler's suggestion for a moratorium on short-term rentals. She stated that vacation rental dwellings should be in commercially-zoned areas where they do not bother residents. She recommended several areas of discussion including parking and mandatory garbage service.

CM Hall, a new resident of the city, asked whether the moratorium would be effective this evening. It was noted that Engler has proposed a temporary moratorium until the Planning Commission reviews the issue.

Nebel recommended a staff report at the next Council meeting that would outline options on how to proceed with this issue. He expressed concern regarding the potential lack of public process if a moratorium was imposed this evening.

Busby suggested treading lightly with this issue before moving too far. He reported that he came from a community where 75% of the dwellings were short-term rentals, and the only industry in town was tourism. He stated that housing prices were three to four times what they are in Newport. He added that there were no regulations or permits required. He noted that there were problems with parking and noise, but these issues were regulated with the existing ordinances. He stated that vacation rental dwellings hurt workforce housing, but increase property values. He noted that it is difficult to compromise, and that vacation rental dwellings are the wave of the future.

Allen stated that he would like to move slowly on these kinds of issues. He added that to do anything quickly would not be a good idea for purposes of transparency. He noted that this issue is not an emergency and that taking additional time should not be

an issue. He inquired as to the issue to be solved, adding that there may be two substantive issues: one is the potential decrease in affordable workforce housing created by converting long-term rentals to VRDs; and the other issue is enforcement. He noted that these are different objectives with different goals. He added that if the city is interested in a policy to make affordable housing through long-term rentals, it needs to enforce what it has. He stated that he would like a report to acknowledge the procedural and substantive issues.

Engler suggested that the Planning Commission could review this issue without a moratorium. She stated that housing and enforcement are very different issues which is why she suggested looking at other cities to determine whether they have found a balance.

Sawyer agreed with Allen, noting that the city has laws that cover most livability issues. He stated that Lincoln City has mandated trash removal. He added that he has a problem with using Bend as an example, as most VRDs are on the Deschutes River and that there is plenty of land near Highway 97 for workforce housing construction. He requested information on the numbers of conversions of long-term housing units to VRDs, and the number of housing units that are owner-occupied. He added that some subdivisions will never have VRDs. Allen asked how many housing units are nightly rentals. Sawyer noted that he has utilized Air BnB several times, and all were owner-occupied. Tokos reported that the city has conducted one VRD audit and is set to conduct another one to determine what units are being advertised, and contact those unit representatives which do not have appropriate licensing.

Roumagoux reported that her neighbor purchased his house ten years ago as a second home, and cannot afford to keep it without renting it long-term or as a VRD. She added that he will do one or the other to keep the house. She noted that he would not be happy to find a moratorium limiting his ability to rent his house.

Saelens agreed that this matter cannot be addressed quickly. He asked about the value of neighborhoods, and what short-term rentals do to a neighborhood.

Engler noted that some communities allow the current VRD owners to keep the VRD designation, but when the property sells, the VRD designation ends.

Allen noted that it would be helpful to know which areas of the city are most affected by the VRD change. He asked whether it is just Nye Beach or other areas of town. He asked whether Lincoln City waited until the issue hit its tipping point and whether the city is reacting rather than being proactive. He stated that he believes the city should be proactive but that does not mean overextending itself. He added that government cannot solve every problem, and that sometimes a limited government is better than too much government.

Busby noted that this is not a win/win situation, and a third alternative is to let the economy take its own way.

Saelens noted that there has to be a housing balance, but that he is not ready to tie the entire economy to tourism.

Sawyer suggested using care in comparing the city to Lincoln City. He added that a lot of tourists go to Lincoln City from Portland, and that Lincoln City has more oceanview properties due to the geography, and that Newport has more large subdivisions on the east side of the city. He suggested obtaining data to show the owner-occupied units and the rental units. Tokos reported that he could provide a map and statistics, but that there are limitations.

Engler stated that she has noticed a lot of VRDs in Nye Beach. She added that there has not been a revised plan for Nye Beach in some time, and the city is relying on zoning. She noted that when the Glick Plan was prepared, and Don Davis envisioned Nye Beach, it was to be a mix of residential and commercial properties similar to Sausalito. She stated that without a plan, development has been chaotic. She suggested returning to the neighborhood plan through the visioning efforts.

Nebel noted that Council has provided a fair amount of input, and added that at Council direction, staff will provide a report for consideration at the next meeting. He added that the attempt will be to address these issues feasibly. He stated that Newport is different from Lincoln City in many ways, primarily in that Newport is not just a tourist community. He noted that Newport has a diverse economy that includes fishing, tourism, research, and other areas that create jobs in the community. He stated that he believes this issue needs to be approached openly, transparently, and thoughtfully.

It was the consensus of Council that staff prepare a report on this issue for the next meeting, and that it include the legal ramifications of each alternative.

### CITY MANAGER'S REPORT

**Discussion on Next Steps for Affordable/Workforce Housing.** Hawker introduced the agenda item. Nebel reported that on March 7, Council had a discussion on various types of initiatives that could be pursued to facilitate workforce housing in the city. He stated that at that time, Council was hesitant to act on any specific actions relating to the next steps regarding workforce housing. He added that on April 5, he participated in a two-hour presentation on workforce housing issues that was coordinated by the Lincoln County Economic Development group along with Roumagoux, Busby, Engler, and Tokos and heard presentations from a number of organizations that are involved in various housing issues on a regional basis. He noted that it was clear that the focus of those in attendance at this meeting, was on workforce housing more than other forms of affordable housing.

Nebel reported that last month, he and Allen had a discussion with a Councilor Dick Anderson of Lincoln City regarding the possibility of bringing together the elected officials from the various Lincoln County cities along with the county commissioners and key staff to discuss approaches to affordable housing/workforce housing on a county-wide scale. He stated that both Allen and Councilor Anderson thought this could be a useful discussion to share perspectives from the local government's standpoint on how to work together on certain issues.

Nebel reported that it appears that local governments throughout Lincoln County are trying to sort through this issue. He stated that it makes sense to invite the various city and county officials to discuss common approaches that could be utilized collectively to move forward with some aspects of affordable housing policies, that could be consistent, in certain cases, across the county. He added that he believes it is appropriate to discuss this option and if there is consensus to go forward with this type of a meeting, then he would be happy to work with his colleagues to schedule and develop an agenda for this meeting.

Allen reported that he was going to try to touch bases with Dick Anderson as he has been proactive on affordable housing. He added that Anderson thought it would be good idea to set up an initial meeting.

Nebel reported that the issue was discussed at the Lincoln County manager's meeting, and there was general support to discuss a meeting of this type with the various jurisdictions. He added that when a meeting is established, it will comply with the Oregon Public Meetings Law in the event a quorum of Council wishes to attend. Council concurred with Nebel's recommendation.

**Report on Placing a 3% Tax on the Sale of Recreational Marijuana on the November Ballot.** Hawker introduced the agenda item. Nebel reported that under House Bill 3400, local governments may adopt an ordinance, which must be referred to the voters, imposing a tax or fee up to 3% on the sale of recreational marijuana items by a retail licensee. He stated that this ordinance must be referred to voters in a general election.

Nebel reported that if Council wishes to have this question placed on the ballot, an ordinance and resolution calling for an election on this issue would need to be adopted by the Council in June. He stated that Hawker and Rich have developed drafts of an ordinance and a resolution that could be used for this purpose. He noted that it may also be appropriate for Council to schedule a public hearing on this matter to obtain feedback prior to considering approval of the ordinance or resolution.

Nebel reported that he understands that during the recent legislative session, the Department of Revenue was authorized to collect the local tax. He stated that this would be accomplished similarly to how the local gas taxes are collected and remitted by the state to local governments. He noted that this would facilitate this process.

Nebel reported that it would also be appropriate for Council to consider whether this tax would be imposed only on recreational marijuana. He noted that there is currently no apparent prohibition on the city levying a local tax on medical marijuana, but that during previous discussions with Council, the focus of local taxation appeared to be strictly geared toward recreational marijuana products.

Nebel reported that there have been suggestions from staff regarding earmarking this funding for a specific purpose (parks, law enforcement or other efforts in the community). He added that the designation of funds may make the ballot issue more attractive knowing that the revenues are being earmarked for a specific purpose. He noted that this could be done by ordinance if the Council chooses to do that.

Sawyer stated that if this issue is placed on the ballot, it should contain a specific use for the funds.

Busby asked whether, if the measure passes, it becomes mandatory, or simply allows the city to impose the tax if it chooses to do so.

Allen noted that this ballot measure, if it passes, will create an ordinance. He added that a tax is different and cannot be imposed by resolution. He stated that if the measure passes, it will be mandatory to collect the tax because it is an ordinance.

Rich stated that a tax can be imposed with a deferred collection date.

Nebel noted that there would likely need to be an agreement with the state Department of Revenue to collect the tax for the city, and that this agreement may include a fee.

Nebel asked how Council would like to proceed on this issue, noting that it could have a hearing without an ordinance, or a hearing on the draft ordinance. Sawyer stated that he would prefer a public hearing without an ordinance for retailer input.

MOTION was made by Sawyer, seconded by Engler, that a public hearing be scheduled to obtain comment on imposing a 3% tax on the sale of marijuana items by a

marijuana retailer in the City of Newport for the May 2, 2016 Council meeting. The motion carried unanimously in a voice vote.

**Approval of a Flag for the City of Newport.** Hawker introduced the agenda item. Nebel reported that during discussions in preparation for the 50<sup>th</sup> Anniversary Celebration of Newport's Sister City relationship with Mombetsu, the issue of city flags came up. He noted that it is quite common for cities to have an official flag that would be on display in the Council Chambers. He stated that the city has a very distinctive logo that is recognizable throughout the state. He added that Swanson spent some time reviewing this matter and has a very clean and basic design for a possible, official city flag. He noted that he believes it is appropriate for Council to formally authorize the creation of a city flag.

Sawyer reported that the Police Department has a flag. Miranda displayed the departmental flag. Sawyer stated that he prefers the previous logo for its historical value.

Allen asked how common city flags are in Oregon.

Busby noted that the city he came from had a flag. He added that most flags are two colors, and that the flag could provide a great opportunity for public input from various constituencies.

Sawyer noted that the Police Department flag is a simple design. He concurred with Busby's idea of public input on the flag design.

Swanson reported that the logo on the flag was used because it is on the city letterhead. She added that the flag production company has a lead time, and there is not time for public input before the upcoming Mombetsu visit. She noted that she would like to see community input at a later date.

MOTION was made by Allen, seconded by Engler to approve the creation of an official city flag for the City of Newport. The motion carried unanimously in a voice vote.

**Consideration and Possible Adoption of Resolution No. 3747 Relating to Minor Amendment Twelve to the South Beach Urban Renewal Plan and Report.** Hawker introduced the agenda item. Nebel reported that as provided in ORS 457.085, the South Beach Urban Renewal Plan and Report must specifically identify projects and provide a financial analysis with sufficient information to determine the plan's feasibility before Urban Renewal funds can be expended. He stated that the plan provides that minor amendments must be approved by the Agency and Council by resolution. He added that minor amendments are shifts of existing Urban Renewal construction funds between various projects as identified in the plan. He noted that this minor amendment reallocates \$405,000 in excess funds from the soon-to-be-completed SW Abalone/SW Brandt Street Projects, with \$25,000 of those funds going to the retrofit of Safe Haven Hill, and \$380,000 to the 35<sup>th</sup> Street and US 101/Ferry Slip Road Project. He stated that this will allow the city to match the additional FEMA funds that were provided to meet the ODOT requirements for a wider sidewalk and retaining wall along US 101.

Nebel reported that staff wants to ensure that there are adequate resources to provide the match for the ODOT signalization and intersection construction at 35<sup>th</sup> Street and U.S. 101, which is scheduled to occur in 2018. He stated that by pushing these previously-allocated funds forward for this project, the city will be better assured to have sufficient match funds to accomplish this project when it occurs.

MOTION was made by Sawyer, seconded by Saelens to adopt Resolution No. 3747, a resolution adopting a Minor Amendment No. 12 to the South Beach Urban Renewal Plan and Report. The motion carried unanimously in a voice vote.

### REPORT FROM MAYOR AND COUNCIL

Roumagoux reported that she attended the Housing Forum, at the Library, on April 5. She noted that there was a good crowd, and that the information will be helpful.

Roumagoux reported that she attended the Women's Foundation of Oregon Roundtable on April 6. She reviewed the organization's mission, and noted that she would leave an informational brochure in the Council office.

Roumagoux reported that she attended the April 7 meeting of the Vision 2040 Steering Committee as an alternate. She noted that the Committee reviewed and ranked the RFPs received for a visioning consultant.

Roumagoux reported that she attended a meeting, on April 7, at US Bank to award the Joann Hamilton Scholarships. She noted that Judge Branford has replaced Judge Littlehales on the award committee.

Roumagoux reported that she met with Chuck Forinash on April 8. She reported that he has several ideas and concerns. She added that it was great to see the infrastructure changes near Forinash' business.

Roumagoux reported that she attended the Greater Newport Chamber of Commerce Banquet on April 9. She noted that also in attendance were Derrick Tokos and his wife Jessica, Rob Murphy and his wife Judy, Spencer Nebel and his wife Angela, Swanson, and Jim Protiva and his wife Karen.

Roumagoux reported that she attended the FEMA Crisis Leadership training on April 12 in Gleneden Beach. She displayed the workbook from the class noting that Hurricane Katrina was the case study.

Roumagoux reported that she attended the Bayfront Parking Study meeting, on April 14, at the Pacific Maritime Heritage Center. She noted that the discussion was really helpful, and that the consultant will be developing workable and innovative plans for Bayfront parking.

Roumagoux reported that she attended the Fire Department awards dinner, on April 16, at the Best Western Agate Beach. She noted that it was an enjoyable evening.

Sawyer reported that he attended the recent Oregon Emergency Management Conference at Kah-Nee-Ta.

Sawyer reported that Rick Bartow had passed away. Roumagoux noted that Council honored Bartow with a moment of silence at the previous meeting.

Sawyer reported on a recent meeting of the Destination Newport Committee at which ODOT attended and discussed the proposed closures of Highway 20.

Saelens reported that he will attend the Volunteer Awards Banquet.

Swanson reported on a recent meeting of the Solid Waste Advisory Committee at which there was a presentation on the possibility of a solar program in Lincoln County.

Swanson reported that she attended the Greater Newport Chamber of Commerce banquet and the Fire Department banquet.

Swanson reported that she attended the FEMA Crisis Leadership training where it was reiterated that officials need to be trained.

Swanson reported that she attended the Vision 2040 Steering Committee meeting at which the proposals for a visioning consultant were reviewed and ranked.

Swanson reported that she met with Mark McConnell regarding Mombetsu, and conducted a lot of research at the Newport News-Times.

Busby thanked staff for the monthly capital status report, and noted that he hopes to see this information on the city website.

Busby reported that he attended a recent meeting of the Airport Committee. He noted that the Air National Guard will be holding a training exercise in Newport during the second week of August. He added that this event will bring 70 visitors to the city.

Busby reported that he attended the Fire Department banquet.

Busby reported that he attended the recent Housing Forum. He noted that the discussion gravitated to workforce housing, and added that there are other housing problems besides workforce housing. He stated that there has to be action in the future.

Engler reported that she attended the recent meeting of the Vision 2040 Steering Committee at which the proposals for a visioning consultant were reviewed and ranked.

Engler reported that she attended the recent Housing Forum at the Library.

Engler reported that she participated in the Nye Beach parking meeting and walk about with the parking study consultant.

Engler reported that she attended the recent meeting of the Nye Beach Merchants Association. She noted that there was discussion regarding a bench that appeared at the Turnaround, the proposed OCCA Color Run, and the Public Arts Committee.

Engler reported that she attended the recent Bicycle/Pedestrian Advisory Committee. She noted that the Committee would like to meet with the Public Works Department.

Allen reported that he attended the Fire Department banquet.

Allen reported that he attended the OPAC meeting held in Newport on April 5. He noted that discussions included ocean acidification, hypoxia, marine debris, and other marine related issues.

Allen reported that Representative Schrader was in Newport on April 7 and met with NOAA officials at the Aquarium for a Fishermen's Roundtable. He noted that there were approximately 40 attendees, and regional and national issues were discussed. He stated that it was an interesting meeting.

Allen reported that a recent meeting, on the Oregon Marine Debris Action Plan, was held in Newport. He noted that County Commissioner Thompson and others were in attendance. He added that the plan is to coordinate with local solid waste action plans, and asked whether there is a marine debris component to the Lincoln County debris management plan, and whether there is an opportunity to for cooperation at the county level.

Allen reported that he will be attending the Citizen's Police Academy this session. He noted that it looks like an excellent program.

Roumagoux reminded Council that the Loyalty Days Parade will be held on Saturday, April 30. She invited Council to join her at noon on the reviewing stand at Olive Street and US 101.

Saelens reported that Lincoln County is beginning to investigate the Solarized Oregon Program. He noted that if Councilors have questions regarding the program to let him know.

Saelens addressed the issue of marine debris noting that the County has \$36,000 in this year's budget to hire a contractor to write a new integrated solid waste management plan with a marine debris component.

**ADJOURNMENT**

Having no further business, the meeting adjourned at 9:30 P.M.

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Margaret M. Hawker, City Recorder

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Sandra N. Roumagoux, Mayor