

May 5, 2008  
6:00 P.M.  
Newport, Oregon

The City Council of the City of Newport met on the above date in the Council Chambers of the Newport City Hall. On roll call, Bain, Henning, Obteshka, Henson, Patrick, Bertuleit, and Sabanskas were present.

Staff attending was as follows: City Manager O'Neal, City Recorder Hawker, City Attorney Firestone, Community Development Director Bassingthwaite, Public Works Director Ritzman, Finance Director Riessbeck, and Police Chief Miranda.

### **PROCLAMATIONS, RECOGNITIONS, SPECIAL PRESENTATIONS**

**Proclamation – Police Week.** Bain proclaimed the week of May 11 – 17, 2008, as Police Week in the City of Newport.

**Proclamation – Older American's Month.** Bain proclaimed the month of May as Older American's Month in the City of Newport. May 28 is National Health and Fitness Day. Vicki Steen, from Oceanview Assisted Living Center, accepted the proclamation.

**PowerPoint presentation by Oregon Coast Aquarium Youth Volunteers – Nye A.R.M.S. Project.** Charlie Plybon introduced the Nye A.R.M.S. youth volunteers, and gave a history of the evolution of the group. The Nye A.R.M.S. youth volunteers showed a PowerPoint presentation on their water quality testing project through the Aquarium.

### **CONSENT CALENDAR**

The consent calendar consisted of the following items:

- A. Approval of minutes from the work session and regular meeting of April 21, 2008 (Local Contract Review Board minutes included in the minutes of the regular City Council meeting);
- B. OLCC application Bangkok Thai Restaurant, 855 Bay Boulevard, new outlet.

MOTION was made by Sabanskas, seconded by Patrick, to approve the consent calendar as presented. The motion carried unanimously in a voice vote.

### **COUNCILOR REPORTS AND COMMENTS**

Bain reported that he had participated in the Loyalty Days parade. He noted that it was a great parade, despite the weather, and that all went well.

## OFFICER'S REPORTS

**Report of the Mayor.** Bain appointed Roger Snelling to the Budget Committee. MOTION was made by Sabanskas, seconded by Patrick, to ratify the Mayor's appointment. The motion carried unanimously in a voice vote.

**Report of the City Manager.** O'Neal distributed copies of the newly printed City Center brochure. He reported that no city funds were used in the design, printing, or distribution of this brochure.

O'Neal reported that Grady Britton, the city's advertising agency, had submitted a proposal, containing three options, for public relations work on the salmon closure issue. Patrick inquired as to what this work would accomplish for the city, noting that this is a state and national issue. She suggested that OCVA and Travel Oregon should be doing this. She suggested that this work is what Grady Britton was hired to do. O'Neal reported that there were comments after the salmon closure announcement that the city should do something, and this is a response to that. It was noted that the Mayor held a meeting with a variety of people, and the outcome of that meeting was that something should be done for Newport. The recommendation was to get the attention of the media to let them know that Newport is open for business, and that salmon fishing is just a part of what Newport has to offer. Lorna Davis, executive director of the Greater Newport Chamber of Commerce, noted that we need help getting the attention of the media. Once we have the media attention, we can do the rest. Obteshka inquired as to where the Port stands on this matter. A discussion ensued regarding information that is missing from the Travel Oregon brochure. Patrick inquired as to the measure of success. She suggested that the city address the fact that the city is open and ready for visitors in regard to storms and beach closures. Bain noted that, in this case, the city has proactively gone to bat for the business community. O'Neal noted that for a short period, this work would give the city credibility and the capacity to talk to the media. Patrick noted that it is a one-time thing. She suggested that when airline and cruise ship services come to Newport, that these services should be included in the Grady Britton work plan. Henning noted that the salmon closure has the ability to decrease summer revenues. Dale Schmidt, president of the Oregon Coast Aquarium noted that his staff does not have the reach that their advertising agency has. Bertuleit inquired as to whether the city would be responsible for all media releases after this press release. Dale Schmidt noted that everyone is focused on salmon, and the perception needs to be changed. O'Neal recommended option two from Grady Britton's proposal, and suggested that the funding come from the Destination Newport Committee budget as it is in that realm. MOTION was made by Sabanskas, seconded by Henning, to approve option two, provided that the monies come from the transient room tax. Bertuleit stated that he would like to see the money come from the Destination Newport Committee, but that \$7,500 is a lot of money for a press release. Henning noted that this is what the experts say will help and the city would be making an effort to combat the situation. O'Neal suggested amending the motion to state that Destination Newport Committee contingency money should be used if it is available, otherwise, to use whatever is available in the DNC budget, and take the balance from transient room tax. The motion and second were amended. The motion carried in a voice vote with Bertuleit and Obteshka voting no. Firestone suggested a supplemental motion

stating that if other funding sources are available, they should be used, i.e., Port of Newport. MOTION made by Sabanskas, seconded by Henson, to use other funding sources if available. The motion carried unanimously in a voice vote.

Hawker reported that Zach Poole, from the Pig 'n Pancake Newport, had advised that they will be remitting the SDC's and permit fees, and plan to begin renovation within the next two weeks.

**Report of the City Attorney.** Firestone reported that the final committee meeting for Connect Oregon II grant funding had resulted in a recommended list of projects, with the Coastal Air Service falling within that list. The final review will be held on May 13, and a decision is anticipated shortly thereafter.

Firestone noted that a special meeting would be held on Monday, May 12, at 7:00 P.M., to review the proposed license agreement with Georgia Pacific.

### **PUBLIC COMMENT**

Eileen Obtshka addressed Council regarding the beach closure signs. She noted that they are ineffective, and that during a recent beach closure, there were many people, of all ages, in the water. She stated that she is fearful that someone will die from exposure to this. She asked Council to fix the sewer misconnects, and to expedite the repair. She noted that this has a direct correlation to tourism.

Charlie Plybon noted that all the good public relations are not going to help the bad public relations. He noted that the local chapter of Surfriders would provide \$5,000 for source identification of pollution at Nye Creek.

Ritzman presented a brief update on the sewer cross-connects. He noted that a contractor is lined up to do the work. This work should begin this week. A discussion ensued regarding other testing methods.

Patty Louisiana presented a Loyalty Days parade update. She thanked the city and presented a plaque to the Police Department.

It was noted that an item would be added to the agenda for authorization for the city to provide services to the Farmer's Market.

### **ACTION ITEMS**

**Council consideration of requested sale of a portion of city property located at SW 13<sup>th</sup> Street and SW Harbor Drive requested by abutting property owner, Gordon White Trust.** Bassingthwaite reported that the city has received a request to sell property. Provisions for the sale of city property are contained in the Newport Municipal Code. It was noted that the public hearing on this matter is scheduled for this evening. Bain opened the public hearing at 7:17 P.M. He asked for public comment.

Kurt Carstens and Bob Jacobson, trustee of Gordon White Trust, appeared before Council. Carstens presented the history of this property. He distributed copies of his presentation, and summarized the request. He noted that the city has a code that deals with real property, and that substandard undeveloped property is defined as property that

does not conform to the zoning in an area. He noted that the subject property is owned by city. If approved, the attached garage would be removed. There are no public utilities within the depicted area, but it is recommended that the city reserve an easement for anything that might have been missed. Carstens noted that this sale would make the house conforming, and would be an ideal application of the code. He asked Council to authorize the staff to work with him on this property acquisition.

Carstens and staff responded to Council questions. Ritzman reported that the master plan calls for a sidewalk on one side of the street. Bain disclosed that he appraised this property two years ago on behalf of the estate.

Mark Wallek suggested that if the property is to be sold, that the city receives at least market value for it.

MOTION was made by Sabanskas, seconded by Henning, to direct staff to determine the value of the property, and proceed with the sale. Staff will provide Council with the proposed deal including the documentation. A discussion ensued regarding how to determine the best value for the property. Firestone noted that if Council passes this motion, it is implicitly finding that the property is surplus. The motion carried unanimously in a voice vote.

**Notice of Intent to Award – Tourism Promotion Services Contract.** O’Neal – explained that the staff had prepared an RFP, advertised, held a pre-proposal meeting, and received one bid for \$150,000 from Greater Newport Chamber of Commerce. He noted that the proposal addressed every component of the RFP, and he recommended Council award this contract to the GNCC. Bain called for public comment. Eileen Obtshka stated that this would be a positive investment. Lorna Davis, executive director of the Chamber, thanked Council for the opportunity to submit a proposal. She noted that the Chamber has been performing these services for a number of years and want to continue to provide them. A discussion ensued regarding marketing. Patrick disclosed that she is a Chamber member and has served on the board. Bain disclosed that he is a Chamber member, and an ex officio member of board. Obtshka and Henson disclosed that they are Chamber members. Henning disclosed that he is a Chamber member and that his wife is on the Chamber’s executive board. Firestone noted that no Councilors have a financial interest. MOTION was made by Sabanskas, seconded by Henson, to award the contract for tourism promotion services to the Greater Newport Chamber of Commerce. The motion carried unanimously in a voice vote.

**Initiation of land use actions required to bring city-owned property, previously acquired for a water storage tank site (Assessor’s Map 10-11-20, Tax Lot 1002), into the urban growth boundary and city limits.** Bain asked for public comment. Bassingthwaite reported that this is a straightforward request. He explained that the city obtained the land for a water storage tank site, and plans to use it for that purpose. MOTION was made by Henson, seconded by Sabanskas, to initiate the necessary land use actions to bring city owned property into the urban growth boundary and city limits. The motion carried unanimously in a voice vote.

**Consideration of amending the Greater Newport Chamber of Commerce lease.** Lorna Davis, executive director of the GNCC, requested a second ten-year consideration at the end of the current lease. MOTION was made by Sabanskas, to amend the lease with the Greater Newport Chamber of Commerce for ten years only, with no extension; consistent with the Pig 'n Pancake lease. Firestone noted that no motion is required unless Council wants to grant the extension. Sabanskas withdrew the motion.

**Farmer's Market agreement.** Firestone reported that the Farmer's Market would begin this Saturday. They are going through the special events permit process, but there is insufficient time to process the paperwork before the market begins. Since the market will be using city property and services, an interim agreement is needed until the special events permit is acted upon. MOTION was made by Sabanskas, seconded by Obteshka to approve the agreement, and authorize the city manager to sign it. The motion carried unanimously in a voice vote.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 8:14 P.M.

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Margaret M. Hawker, City Recorder

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William D. Bain, Mayor