

November 20, 2017  
6:04 P.M.  
Newport, Oregon

City Council Meeting

### CALL TO ORDER AND ROLL CALL

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

Staff in attendance was Spencer Nebel, City Manager; Gloria Tucker, Deputy City Recorder; Steve Rich, City Attorney; Derrick Tokos, Community Development Director; Mike Murzynsky, Finance Director; and Jason Malloy, Police Chief.

### PLEDGE OF ALLEGIANCE

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

### PUBLIC COMMENT

Carla Perry stated the trail off Spring Street to the beach needs to be restored for two reasons. She stated the trail is the only public access to the beach between Nye Beach and Agate Beach Wayside, and that trespassing on private property will increase because people are used to the trail. She suggested the owner restore the trail or the city use adjacent property to create a new trail.

### PROCLAMATIONS, PRESENTATIONS, AND SPECIAL RECOGNITIONS

Proclamation Recognizing "Giving Tuesday" - Received by Nancy Mitchell from Food Share. Tucker introduced the agenda item. Roumagoux proclaimed November 28, 2017 as "Giving Tuesday" in the City of Newport. Nancy Mitchell, from Food Share, accepted the proclamation.

Proclamation Recognizing Arbor Day in the City of Newport - Received by Dr. Cheryl Brown from Parks and Recreation Advisory Committee. Roumagoux proclaimed December 20, 2017 as Arbor Day in the City of Newport. Dr. Cheryl Brown accepted the proclamation.

### CONSENT CALENDAR

The consent calendar consisted of the following item:

- A. Approval of minutes of the City Council meeting of November 6, 2017.

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

### PUBLIC HEARING

**Public Hearing to Receive Comments on a Report from the Planning Commission on Regulations for Vacation Rental Dwellings and Bed and Breakfast Establishments and Possible Adoption of Ordinance No. 2123, an Ordinance Imposing a Temporary Moratorium on Vacation Rental Dwelling Applications to the City of Newport.** Tucker introduced the agenda item. Nebel reported on September 18, Council held a public hearing to obtain comments to direct Council as to whether revisions to the current vacation rental dwelling rules should be reviewed, and whether a temporary moratorium should be enacted during the review period. He stated Council directed the Planning Commission to make a recommendation. He noted at the October 2 meeting, Council scheduled a public hearing for November 20, 2017 on the possible adoption of an ordinance imposing a temporary moratorium on new vacation rental dwellings and bed and breakfasts. He added this action would allow Council to proceed with a moratorium following the receipt of the report from the Planning Commission. Nebel reported the Planning Commission believes that with the data on vacation rentals, and the concern expressed by a number of community members about the concentration of vacation rentals in certain areas, it is timely to review whether VRDS should be limited, or possibly prohibited, in certain parts of the city. He stated the Planning Commission believes that targeted amendments to the code relating to off-street parking, occupancy, and safety standards may be warranted to clarify requirements for addressing VRDs in Newport.

Bob Berman, Planning Commissioner, explained the letter from the Planning Commission.

Allen asked if the review would take as long as last time.

Berman reported he anticipates the process would be shorter since the Commission will be working from the current ordinance.

Roumagoux opened the public hearing, on Ordinance No. 2123, at 6:34 P.M. She called for public comment.

Chris Minor stated he had no objection to a moratorium. He reported he represents the owners of the Whaler Motel who are not concerned about zoning, but transferable licenses.

Pam McElroy distributed photographs of a vacation rental with too many parked cars. She stated vacation rentals change where a person lives, and she suggested physical onsite reviews of rentals.

April Lee distributed a handout in support of vacation rentals. She stated she owns a vacation rental where she invested \$75,000 and transformed the street. She added she does not oppose the moratorium and wants to offer her experiences as the city looks at the issue.

Michele Peters, Esq. stated she is a new resident in support of the moratorium.

Frank DeFilippis stated he supports the moratorium, and he would like to see non-transferable licenses.

Marletta Noe stated she thinks the breathing space of the moratorium is necessary. She suggested all rentals have a phone number for reaching someone 24/7. She added she is against vacation rentals in neighborhoods.

Carla Perry stated she is in favor of the moratorium.

Mathew Fisher stated families struggle to find homes in Newport and expressed support of the moratorium.

Patty Littlehales stated she does not agree with the idea of allowing vacation rentals in R-1, R-2, and R-3 zones, and she supports the moratorium.

Lou Limbrunner stated there are high taxes in residential zones and people should not be deprived of the opportunity to earn money to pay taxes. He added he is in favor of vacation rentals.

Shae Novan stated she could understand people wanting to vacation in her neighborhood but she cannot understand huge weddings with more than 50 people. She added she is in support of the moratorium.

Jamie Mitchell stated she would like to offer her experience to a vacation rental advisory committee and the city would benefit from strengthening regulations and enforcement.

Chantelle Charpentier stated she would like to work with a group working on regulations. She stated she supports notifying neighbors within 500 feet rather than 200 feet.

Steve Lane stated enforcement needs improvement.

Margo Eastman stated vacation rentals are ruining Newport.

Sandra Benning stated her problem with vacation rentals is dealing with a new set of strangers every few days. She added she endorses the moratorium.

Norm Ferber stated he is not opposed to the moratorium, or revisiting the existing rules and that many inexperienced people are running vacation rentals.

Roumagoux closed the public hearing at 7:16 P.M. for Council deliberation.

Allen stated the city is not looking at bed and breakfasts.

Tokos stated the Municipal Code applies to both vacation rentals and bed and breakfasts and any changes to the code would apply to both.

Allen stated he would like to see the Planning Commission have more criteria and regulations on the business license end rather than the land use end for flexibility. He added enforcement needs to be looked at, and the issue of inspections. He noted in other cities, annual or two-year inspections are done. He stated that this might increase staff time and may require a fee increase.

Goebel reported he would like notification of neighbors within 500 feet and prefers the notices go out prior to the license being issued. He stated the Planning Commission needs to look at parking requirements. He asked how long the process would take.

Tokos stated the process would take eight to 10 months.

Goebel asked if vacation rentals have to be limited in zone-defined areas, and Tokos stated limits could be imposed in geographic-defined areas.

Saelens reported he does not oppose vacation rentals, but the city is looking at revisions to try to get ahead of a problem. He stated he hopes the city can find the best compromise so that there are enough vacation rentals, and the city still has people who live in the area who are not being replaced by vacation rentals.

Sawyer reported 1.66 percent of the city's housing stock is vacation rentals. He stressed the need for people to make complaints to the Police Department on vacation rental problems. He stated Newport has had poor housing stock for a very long time. He added moratoriums are for dealing with a huge problem; and he does not see a huge problem. He stated he supports a requirement for a local manager.

Engler asked for clarification on transfer of licenses. She also asked if vacation rentals prior to 2012 were required to apply for a conditional use permit.

Tokos stated licenses are not transferable. He noted prior to 2012, the location of the vacation rental determined if a conditional use permit was required and rules were not applied consistently.

Engler stated exterior signs with contact numbers on every vacation rental should be required, as well as a cap on the percentage of vacation rentals in different areas. She added the city needs to strengthen neighborhoods, not empty them.

Swanson reported she would like to see heavier restrictions on the number of cars allowed at vacation rentals, a list of vacation rentals for the city and police, and a program to track complaints.

Goebel suggested a list be placed on the city website.

Nebel asked whether Council preferred to appoint the review committee or have the Planning Commission appoint the committee.

Goebel suggested the Planning Commission should appoint the committee and the Council concurred.

Saelens suggested one or two joint meetings with the Planning Commission, City Council and advisory committee.

Engler stated she wants neighborhood people and business owners equally represented on the advisory committee.

MOTION was made by Allen, seconded by Sawyer, for the City Council to initiate amendments to Chapter 14.25 of the Newport Municipal Code related to vacation rental and bed and breakfast dwellings with the matter being referred to the Planning Commission to conduct public outreach and develop a set of potential revisions for Council Consideration, and as part of the process for the Planning Commission to consider Council comments and develop an advisory work group with a broad and diverse range of community representation. The motion carried unanimously in a voice vote.

Goebel asked whether a moratorium is necessary.

Engler asked whether the moratorium could be restricted to R-1 and R-2 zones.

Tokos stated the moratorium can be restricted to zones but a different ordinance would have to be drafted.

Nebel stated the plus side of a moratorium is a freeze of activity, and the downside is the moratorium impacts current transactions.

Saelens stated there are clearly a couple of zones where it would be good to cut down some of the speculation with a moratorium.

Goebel asked when a moratorium would go into effect, and Nebel reported the moratorium goes into effect immediately upon adoption.

Engler asked where C-3 zones are located.

Tokos reported C-3 zones are in Nye Beach, the hotel row along the highway, and the Bayfront.

Sawyer stated his problem with moratoriums is the more they are discussed, the more there is possibility of a challenge.

Allen asked whether Council could change the ordinance language during the meeting.

Rich reported Council can change the language.

Saelens stated the moratorium is needed in the problem areas.

Roumagoux stated the smaller the reason for the moratorium, the more likelihood of a challenge.

MOTION was made by Swanson, seconded by Goebel, that Ordinance No. 2123, an ordinance establishing a moratorium on vacation rental and bed and breakfast establishments within the Newport city limits, be read by title only, and placed for final passage.

Saelens stated the area could be defined more.

Engler stated she would like to see R-1 and R-2 specified.

Allen stated the ordinance is too broad for him to consider and needs to be refined.

Voting aye on the motion were Roumagoux, Swanson, Engler, Goebel, and Saelens. Voting nay on the motion were Sawyer and Allen. The motion passed.

Tucker read the title of Ordinance No. 2123. Voting aye on the adoption of Ordinance No. 2123 were Roumagoux and Swanson. Voting nay on the adoption of Ordinance No. 2123 were Allen, Engler, Goebel, Sawyer and Saelens. The motion failed.

MOTION was made by Engler, seconded by Saelens, that Ordinance No. 2123, an ordinance establishing a moratorium on vacation rental and bed and breakfast establishments within Nye Beach, Agate Beach, R-1 and R-2 zones and zones with more than 10 percent vacation rentals within city limits, be read by title only and placed for final passage.

Rich stated the 10 percent designation is too vague.

Allen suggested coming back at the next meeting with a refined draft ordinance.

Engler revised the motion to establishments within Nye Beach, Agate Beach, R-1 and R-2 zones within city limits.

Tucker read the title of amended Ordinance No. 2123. Voting aye on the adoption of the amended Ordinance No. 2123 were Engler and Saelens. Voting nay on the adoption of amended Ordinance No. 2123 were Allen, Goebel, Sawyer, Roumagoux, and Swanson. The motion failed.

MOTION was made by Allen, seconded by Saelens, to refer Ordinance No. 2123 back to staff for the December 4 meeting for revision based on Council comments, continue the public hearing, and consider a moratorium.

Sawyer said he wants to see clearly designated areas.

Goebel asked whether more than one ordinance could be prepared.

Saelens stated his concern with multiple ordinances is that there is no clear plan for the moratorium.

Nebel asked whether the majority of the Council is in favor of any moratorium.

Voting aye on the motion were Allen, Engler, and Saelens. Voting nay were Goebel, Roumagoux, Sawyer and Swanson. The motion failed.

**Public Hearing and Possible Adoption of Resolution No. 3780, a Resolution Adopting the Greater Newport Area Vision 2040 Vision and Strategic Plan.** Tucker introduced the

agenda item. Nebel reported the Vision 2040 Advisory Committee has completed the refinement of a vision and strategic plan for the area. He stated the Committee recommends Council review and adopt the proposed vision. He identified a number of key strategies to move the community toward the vision.

Roumagoux opened the public hearing, on Resolution No. 3780, at 8:58 P.M. She called for public comment. There was none, and she closed the public hearing at 8:59 P.M. for Council deliberation.

MOTION was made by Swanson, seconded by Engler, to adopt Resolution No. 3780, a resolution adopting the Greater Newport Area Vision 2040 Vision and Strategic Plan. The motion carried unanimously in a voice vote.

**Public Hearing and Possible Adoption of Ordinance No. 2124, an Ordinance Creating a Vision 2040 Advisory Committee.** Tucker introduced the agenda item. Nebel reported that to provide continuing support for the 2040 Vision, a permanent advisory committee needs to be established, which will inform the annual Council goal setting and budgetary processes. He stated the Committee will be charged with linking planned projects with vision statements and strategies, tracking and implementing key strategies, developing metrics for measuring process, engaging city committees, staff and partner organizations to facilitate the implementation of strategies, and updating the vision and strategic plan to reflect changes in the community, and promoting the vision and strategic plan to increase public awareness of Vision 2040. He added the committee would meet on a quarterly basis. He noted the committee would have 16 members, serving five-year staggered terms. He stated six members would be from stakeholders/partner organizations, five members from existing Newport standing committees, and five citizens appointed at-large.

Roumagoux opened the public hearing, on Ordinance No. 2124, at 9:08 P.M. She called for public comment. There was none, and she closed the public hearing at 9:09 P.M. for Council deliberation.

Allen suggested amending section D.4. to have the committee recommend updates rather than make updates to the vision.

MOTION was made by Allen, seconded by Engler, to read Ordinance No. 2124, an ordinance creating a Vision 2040 Advisory Committee, by title only, and place for final passage. The motion carried unanimously. Tucker read the title of Ordinance No. 2124 with the amendment to D.4. recommending updating, periodically, to the Vision and Strategic Plan to reflect the changes in the community. Voting aye on the adoption of amended Ordinance No. 2124 were Allen, Goebel, Roumagoux, Swanson, Saelens, Engler, and Sawyer.

**Public Hearing and Possible Adoption of Resolution No. 3778, a Resolution Providing for a Supplemental Budget in Making Appropriations/Total Requirement Changes for the 2017-2018 Fiscal Year.** Tucker introduced the agenda item. Nebel reported the supplemental budget adjusts estimates to actual numbers as a result of the closure of the fiscal year. He stated the Finance Department has been working to clean up the capital projects, determine which projects have been completed, and determine which funds are available to be transferred back to their original source. Another supplemental budget

would occur early in 2018 to complete the process of catching up the financing for capital projects in the city.

Roumagoux opened the public hearing, on Resolution No. 3378, at 9:18 P.M. She called for public comment. There was none, and she closed the public hearing at 9:19 P.M. for Council deliberation.

MOTION was made by Engler, seconded by Sawyer, to adopt Resolution No. 3778 with Attachment "A," a resolution adopting a supplemental budget for 2017-2018 Fiscal Year and making appropriations increases and changes. The motion carried unanimously in a voice vote.

### COMMUNICATIONS

From Councilor David Allen: Report on Achieving a Resilient Oregon Ocean and Coast. Tucker introduced the agenda item. Allen reported Oregon State University researched state policies relating to ocean and coastal resilience in Oregon and released the report "Achieving a Resilient Oregon Ocean and Coast."

### PUBLIC COMMENT

Michele Peters, Esq. reported many residents are averse to reporting to the police about vacation rentals because they would be reporting on neighbors who own the property.

### REPORT FROM MAYOR AND COUNCIL

Roumagoux reported she attended Dancing with the Coastal Stars on November 3, League of Oregon Cities Ethics Training on November 9, and the Hatfield Marine Science Center Marine Studies Initiatives Building Open House on November 15.

Allen reported he attended the selection process meeting for the League of Oregon Cities executive director on October 20, the Medal of Honor Highway Ceremony on October 30, an Ocean Policy Advisory Council meeting November 1, and the Hatfield Marine Science Center open house. He stated he also visited with the Port of Newport on November 8 to encourage them to draft a letter of support for inclusion of the commercial fishing industry for emergency supplemental funding to declare ongoing fisheries disasters.

Engler reported she attended Dancing with the Coastal Stars, the Medal of Honor Highway Ceremony, and the Bicycle and Pedestrian Advisory Committee on November 14. She asked whether any mitigation would be done to Big Creek Road to prevent slides.

Nebel stated he did not believe any more work would be done, but he would double-check.

Engler asked whether review of the Nye Beach Design Standards would take into account vacation rental dwellings.

Tokos reported that staff decided to separate the issues and deal with them separately.

Nebel stated staff could take a second look at that decision.

Goebel reported he attended the Medal of Honor Highway Ceremony and several Port of Newport meetings.

Sawyer reported he attended the Medal of Honor Highway Ceremony and Chamber After-Hours. He stated he also has been watching the progress of the Bay-Moore project.

Saelens reported he attended the joint meeting of the 60+ Advisory Committee and Parks and Recreation Advisory Committee.

Swanson reported she attended several of the events mentioned and the Thanksgiving Dinner at the 60+ Center.

Nebel stated the city is close to wrapping up the salary study and a work session will be held in December to discuss the study.

Allen requested time extensions for evaluations for the City Manager and City Attorney be placed on the agenda for December 4.

### **ADJOURNMENT**

Having no further business, the meeting adjourned at 10:04 P.M.

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Gloria Tucker, Deputy City Recorder

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Sandy N. Roumagoux, Mayor