

MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
January 22, 2018

Planning Commissioners Present: Lee Hardy, Bob Berman, Rod Croteau, Jim Patrick, Mike Franklin, and Jim Hanselman.

Planning Commissioners Absent: Bill Branigan (*excused*).

City Staff Present: Community Development Director (CDD), Derrick Tokos, and Executive Assistant, Sherri Marineau.

1. **Call to Order & Roll Call.** Chair Patrick called the meeting to order in the City Hall Council Chambers at 7:05 p.m. On roll call, Commissioners Hardy, Berman, Croteau, Patrick, Hanselman, Franklin, and Hanselman were present.

2. **Approval of Minutes.**

A. Approval of the Planning Commission work and regular session meeting minutes of January 8, 2018.

Croteau noted minor corrections to the minutes.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hanselman to approve the Planning Commission meeting minutes with minor corrections. The motion carried unanimously in a voice vote.

The PC agreed to move the unfinished business agenda item of the meeting before the public hearing.

3. **Citizen/Public Comment.** No public comments.

4. **Action Items.** No Action Items.

5. **Unfinished Business.**

A. **Feedback from the City Council Regarding the Structure of the Vacation Rental Ad-Hoc Committee.** Tokos passed out a copy of an email from Bill Branigan to the PC concerning his thoughts on the feedback. Tokos also noted the vote tally sheet from the January 8, 2018 meeting that was handed out to the PC. Chair Patrick asked for public comments.

Frances O'Halloran, a resident from Nye Beach, addressed the PC. She said she was at the City Council meeting on January 15, 2018 and spoke about a lack of diversity in the Ad-Hoc Committee (AC). She recommended the PC add more people from Nye Beach to the AC. She said she lived near vacation rentals (VRDs) and felt they were taking away from housing in Nye Beach. She questioned if there were any conflicts of interest by the PC and asked them to recuse themselves if they had any interest in VRDs. Patrick stated that none of the PC owned VRDs but Hardy did manage one. He felt the only conflict of interest would be that some of the PC members gave testimony at the CC meetings about VRDs. He said he didn't have a problem with this. Croteau said he held an opinion but didn't have a conflict of interest. O'Halloran thought it might be something the CC should look at. Tokos said conflict of interest standards were fiduciary. He said if someone stood to gain something financially, they had to disclose this in advance of considering an agenda item. O'Halloran asked the PC if she would be able to address them again after the PC had a discussion concerning the agenda item. Patrick agreed she would.

Carla Perry, one of the citizens chosen for the AC, addressed the PC. She said she was one of the only people on the AC that wasn't a lawyer, VRD manager, or VRD owner. She attended the January 15th CC meeting and asked them to have the AC include more members of different neighborhoods. She said that there were two people on the AC that didn't live in Newport. She was concerned there were no residents of Nye Beach on the AC. She thought there should be at least one person from Nye Beach on the AC. She asked after the first announcement date of a possible moratorium

of VRDs by the CC, how many applications for VRDs the City received. Tokos didn't have current numbers and said he could make the information available. Tokos estimated that there were 30 applications but not all of them had been finalized.

Pam McElroy, an applicant for the AC that was not chosen, addressed the PC. She said how the neighborhood she lived in had three VRDs surrounding her. She was not chosen for the AC and asked the PC to add her to the members as she had a lot of information on VRDs to offer the AC.

Gary Layman, a resident of Newport, addressed the PC. He said he didn't have interest in VRDs but was interested in diversity of the community and AC. He suggested the PC take all the applicants and have them sort it out. Layman suggested the PC advertise the criteria better, and indicate the background and residences of the AC members so people knew the diversity of the AC. He also suggested the PC recruit someone from the Hispanic community to be a member of the AC.

Norm Ferber, a member of the AC, addressed the PC. He said he didn't have a problem with expanding the number of the AC but didn't think adding all applicants to the AC was a good idea. He noted the Council Chair, Wendy Engler, had two vacation rentals in the past.

Patrick read Bill Branigan's email into the record. Croteau said in the final voting for the AC there were three applicants that missed the cut. They were Charlotte Boxer, Martha Winsor, and Pam McElroy. He proposed these three be added to the AC. Berman was in favor of this. Franklin said that in the interviews a realtor expressed concerns as a resident of a neighborhood with a VRD. He said thinking these members were just added to the AC because they were a realtor was wrong but did think there should be representation from Nye Beach. Franklin stated he didn't think the PC intended to add greater numbers of lawyers, managers and VRD owners to the AC. Berman said that the PC reviewed all applications thoroughly for the AC and noted that the application didn't have a criteria to add what neighborhood the applicant lived in. He said the PC tried to designate a diverse AC. Berman said a lot of thought was put into the individuals added with equal mix of those who supported VRDs and those who weren't in support. He stated he was in favor of adding the three applicants to the AC. Croteau agreed with Berman's comments and said the PC worked to have a balance on the AC. Hardy said the word "balance" was vague and there were many aspects to look at balance when looking at applications. She thought the PC tried to get a balance on more than one level. She said there were few applications from the Nye Beach area.

Veronica Willemin, business owner in Nye Beach, addressed the PC. She said that she believed that Wendy Engler's properties were not VRDs but long term rentals. She said that no one was talking about how VRDs were affecting housing. She noted how scientists from NOAA couldn't find housing in Newport, so they didn't take jobs. She said there were not many long term residents in Nye Beach and that may have been a reason there wasn't much representation from the area. Willemin thought there were some concerns that were being overlooked. She thought VRDs were okay and thought the problem was with the number of VRDs in certain areas.

Franklin asked if the City contacted the applicants who weren't accepted. Tokos said letters were sent to both the applicants who were accepted and the ones who weren't.

Frances O'Halloran addressed the PC. She asked what the contingency plan would be if Charlotte Boxer could not be a member. Franklin thought it would be good to have an alternate. Croteau suggested that based on the short list that an alternate could be Steve a Lane who lived in Agate Beach. Franklin would not recommend adding Steve a Lane. O'Halloran suggested the PC have a contingency plan if Boxer could not be an AC member and wanted to make sure the additional member was from Nye Beach. Tokos suggested waiting until the three candidates were contacted to see if they wanted to be on the AC. He would reach out to the PC if any of the three would not like to be a member. Berman stated that Agate Beach had the same number of concerns as Nye Beach. He felt Agate Beach residents would express some of the same concerns. O'Halloran said that there was a map distributed at a CC meeting on the number of VRDs in the Nye Beach area that didn't show all the rentals in the area. She encouraged the PC to get an updated map of VRDs in the area. She said if Patrick managed VRDs, he would benefit and it could be a conflict of interest. Patrick explained he did not manage VRDs. He owned Dolphin Construction and his family owned Dolphin Real Estate and no longer managed VRDs. O'Halloran thought Patrick said he managed VRDs. Patrick said that Hardy managed VRDs. O'Halloran asked if Hardy had a conflict of interest. Tokos said that the rules were that they would have to disclose they benefitted but didn't necessarily mean they had to recuse. People could object because it would be a part of the process, but it was up to the individual to choose to recuse. Berman pointed out that every Public Hearing would have an opportunity to challenge PC or CC members who would be considering hearings. Hardy noted

that she managed one VRD and approximately 250 long term rentals. The percentage of VRDs in her business was very small. Her interest in seeing the whole process through was to improve the entire structure of the way VRDs were handled and how rules were enforced. She said this included overcoming a certain perceived timidity by the City to enforce against some of the larger organizations who did a lot of business online and were hard to track. O'Halloran wanted to make sure things were broad and diverse without conflicts of interest.

Berman requested that the PC see the agendas and associated materials in advance of all AC meetings to keep track and be able to give comments as citizens. Tokos would add the PC to email distribution for the meetings.

Willemin said if Boxer didn't want to be an AC member, it left only two new members being added to the AC. She asked if there were other potential people who could be added in the Agate Beach area to fill the request by the CC. Willemin asked for clarification on what Patrick meant when he once said that Nye Beach wouldn't be what it was without VRDs. Croteau suggested anyone who knew Boxer should suggest she join the AC. He said if it didn't happen, there were other applicants that could be added. Patrick said that the flip side of VRDs were second homes. He felt if VRDs weren't allowed, there could be a lot of second homes. Willemin was concerned about the lack of housing. Patrick stated that the City had been working on ways to add affordable housing and other types of housing.

MOTION was made by Commissioner Croteau, seconded by Commissioner Hanselman to appoint Charlotte Boxer, Martha Winsor, and Pam McElroy as additional members of the Planning Commission Vacation Rental Ad-Hoc Committee. The motion carried unanimously in a voice vote.

6. **Public Notices.** At 8:01 p.m. Chair Patrick opened the public hearing portion of the meeting by reading the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. None were heard. Patrick called for objections to any member of the Planning Commission or the Commission as a whole hearing this matter; and none were heard.

A. **File No. 2-CP-17.** Patrick opened the Public Hearing to continue testimony for File No. 2-CP-17. Tokos presented the staff report. He noted there would be an additional hearing for the Airport Zoning Overlay that needed to be amended. Tokos said that Lance Vanderbeck, Airport Manager, was in attendance at the meeting for questions.

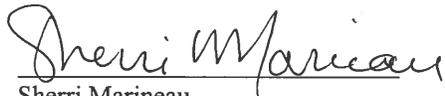
Croteau noted that Goal "8" needed to be bolded like the rest of the goals.

Hearing closed at 8:05 pm

MOTION was made by Commissioner Croteau, seconded by Commissioner Hanselman to recommend File No. 1-CP-17 to the City Council for consideration. The motion carried unanimously in a voice vote.

7. **New Business.** No New Business.
8. **Director Comments.** No Director comments.
9. **Adjournment.** Having no further business, the meeting adjourned at 8:07 p.m.

Respectfully submitted,



Sherri Marineau
Executive Assistant