

MINUTES
City of Newport Planning Commission
Regular Session
Newport City Hall Council Chambers
April 22, 2019

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

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 7:00 p.m. On roll call, Commissioners Hardy, Berman, Croteau, Patrick, Franklin, Hanselman, and Branigan were present.

2. **Approval of Minutes.**

A. Approval of the Joint City Council and Planning Commission work session meeting minutes of April 1, 2019 and the Planning Commission work and regular session meeting minutes of April 8, 2019.

Hardy, Croteau, Hanselman and Berman noted minor corrections to the Joint City Council and Planning Commission minutes. Croteau and Berman noted minor corrections to the Planning Commission work and regular session meeting minutes.

MOTION was made by Commissioner Croteau, seconded by Commissioner Franklin to approve the Joint City Council and Planning Commission work session meeting minutes of April 1, 2019 and the Planning Commission work and regular session meeting minutes of April 8, 2019 with minor corrections. The motion carried unanimously in a voice vote.

3. **Citizen/Public Comment.** None were heard.

4. **Action Items.** None were heard.

5. **Public Hearings.** At 7:02 p.m. Chair Patrick opened the public hearing portion of the meeting.

Chair Patrick read the statement of rights and relevance. He asked the Commissioners for declarations of conflicts of interest, ex parte contacts, bias, or site visits. Hardy, Franklin, Croteau and Hanselman reported drive-bys. Patrick reported walking past the site. 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-CUP-19.**

Tokos gave his staff report. He acknowledged a public comment submitted by Janet Webster that was distributed to the Commission at the meeting. Croteau asked if the parking district rule updates would be apply to vacation rentals, and if granting a conditional use would give a special exemption to vacation rentals under the revised rules. Tokos said in respect to the fees, the business license surcharge would continue until a new program was in place. Short-term rentals would be included in the fee resolution that was part of a new short-term rental ordinance. On July 1, 2019 they would be required to pay the business license surcharge just like any other commercial use in each of the districts. This would be a part of the new fee resolution that applied to the new short-term rental ordinance, and the business surcharge fee for the parking districts would become part of the fee schedule. This might change if they came up with different methods of managing, such as metering in the Bayfront. Tokos thought this wouldn't create a situation

where there would be difficulty handling short-term rentals. Croteau was concerned about long term rentals not having parking requirements. Tokos said this could be part of a conversation about permits in Nye Beach and Bayfront.

Branigan asked if when the Abbey Street lot became metered parking between 10am and 5pm, would the short-term renters be subject to metering. Tokos said this was correct. There was a chance that lodging and charters would want a door hanger style parking permit so they could pay for day use parking for these people if they were made available. Berman asked if there was any information on the occupancy of the Abbey Street parking lot. Tokos reported that all of the lots were over the 85th percentile for most of the year. He didn't recall the specific details for this lot. Patrick thought that long term parking on the Bayfront should be addressed as part of the Parking Plan.

Patrick asked what the return check notation on the Conditional Use application was. Marineau explained that the check was returned because of insufficient funds. Patrick asked how the units had been allowed to be converted into apartments. Tokos said this was a question for Building Official, Joseph Lease to look into it. Hanselman asked if the units had a current short-term rental endorsement license. Tokos reported they didn't and was why they had to apply. Hanselman was concerned that the units had been renting for years as short-term rentals and was concerned that they didn't have a license. He asked how much money the city lost in room taxes because of this and thought it needed to be looked into. Tokos said the Commission could ask the applicant these questions and suggest the city pursue an accounting of room tax collections.

Proponents: Jim Cline, with Rogue Ales, addressed the Commission. He said that he would look up what was paid for the room taxes because he thought they had been paying them. Cline noted that they weren't asking for anything additional than what was there already. Franklin asked if the parking on the southwest side between Gino's was Rogue's. Cline explained that it was city parking. Franklin asked for Cline's thoughts on making the driveway for the exterior patio into parking. Cline explained that according to their calculations there would be only four parking spots if this was done. He noted that the parking couldn't always be for the short-term rentals as this was an entrance for deliveries. Croteau asked if the units had been legal vacation rentals. Tokos reported that they did not have a current vacation rental endorsement license, but it was possible they had been paying room taxes. Croteau was concerned they had not been licensed for the seven years since the current rules were in place. Cline explained this wasn't done intentionally but they wanted to make it right. Berman asked if all appropriate room taxes had been paid. Cline said he couldn't confirm this presently, but could check to see if the taxes had been paid.

Berman suggested continuing the hearing to find out what room taxes had been submitted before the Commission made a determination. Tokos explained that the Commission could continue the hearing to get the accounting, but reiterated that the lack of paying room taxes wasn't a valid reason for denying a conditional use.

MOTION was made by Commissioner Berman, seconded by Commissioner Branigan to continue the public hearing for File No. 2-CUP-19 on the May 13, 2019 regular session meeting. The motion carried unanimously in a voice vote.

Croteau asked if the city had any penalties for people not paying room taxes. Tokos said the process for anybody that was operating without a business license was a citation and a ticket to municipal court. The code enforcement office would seek voluntary compliance before issuing citations. If the person, when confronted, didn't make an effort to remedy the issue, the city would then take them to municipal court.

Hanselman was concerned that the applicant didn't have a license. Patrick reminded that historically the property was apartments. Tokos would speak to the Finance Department to find out what information they had on room tax payments and asked Cline to share any information he had. Chair Patrick suggested the Commission review the enforcement procedures for things such as this. Tokos said part of this was beyond

the functions of the Planning Commission, but they could forward this to the City Council to pursue. Patrick asked Tokos to write up something for their next meeting to forward to the City Council. Berman thought the city should look into whether or not they had received any transient room taxes from short-term rentals that didn't have licenses.

6. **Unfinished Business.** None were heard.

7. **Director Comments.** Tokos gave an update on the OSU student housing project. He reported that he and the City Manager had met with Bob Cowen of OSU. This project was put on the shelf because the cost of construction was higher than they anticipated. They had some ideas on how to move forward and were working through some bureaucratic road blocks. OSU had committed to do student housings and was working through different options, which Tokos could share more details on in the coming months.

Tokos reported that the draft short-term rental ordinances would be posted on the city's website and emails on the details would be sent out the following afternoon. He also reported that there would be a longer docket on the May 13th meeting.

Branigan asked if the Parking Study would be coming to the Commission. Tokos explained that was the plan. He reviewed concerns about the Nye Beach parking plan and the need for more conversations on metering for parking management in this district. Tokos reported there would be additional conversations about metering on the April 30th meeting and there was an effort to at least get the comprehensive plan package to the Commission and City Council to get an answer on if metering was going to be done in some form or not. Berman asked what the business license surcharge was for Nye Beach. Tokos said it was currently around \$300 when not providing off-street parking and \$150 if providing parking. Berman thought the addition of the surcharge for short-term rentals would add to this. Tokos reminded that not all short-term rentals were in the parking districts. Berman asked how much funds would be brought in from short-term rental surcharges. Tokos guessed they would bring in an additional \$1,000-2,000 per year.

Tokos reported that the Park System Master Plan draft would soon be shared with the Commission. Berman asked if there would be any more Advisory Committee meetings. Tokos believed they were done.

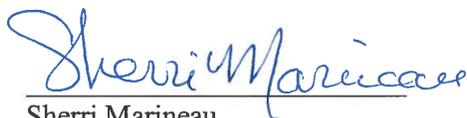
Tokos reported that the short-term rental hearing would be continued on the May 6th City Council meeting, along with the hearing on the Surf View Village apartments.

Hanselman asked for an update on Landwaves' System Development Charge credit transfers. Tokos said they had another 12 months to utilize the credits but Landwaves hadn't indicated what they were doing.

Croteau asked if things were in place for Commonwealth to break ground on Surf View Village in May. Tokos reported the improvements in Highway 101 hadn't been done and was what they were waiting on. Building permits were pretty much done and they were waiting on the final improvements. Franklin asked about the Wyndhaven apartment project. Tokos reported they were regrouping and there was no firm date on when they would move on it. Berman asked if it was because of the Commission's denial of the height adjustment. Tokos noted this was a part of it, but there were other issues they were dealing with.

8. **Adjournment.** Having no further business, the meeting adjourned at 7:58 p.m.

Respectfully submitted,



Sherri Marineau
Executive Assistant