

MINUTES

**City of Newport Planning Commission
Work Session
Newport City Hall Council Chambers
October 10, 2022
6:00 p.m.**

Planning Commissioners Present: Jim Patrick, Bob Berman, Braulio Escobar, Jim Hanselman, Bill Branigan (*by video*), Gary East, and John Updike.

PC Citizens Advisory Committee Members Present: Annie McGreenery, and Greg Sutton (*by video*).

PC Citizens Advisory Committee Members Absent: Dustin Capri (*excused*).

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

1. **Call to Order.** Chair Patrick called the Planning Commission work session to order at 6:00 p.m.

2. **Unfinished Business.**

A. **Identify Candidates for City Center Revitalization Project Stakeholder/Advisory Committees.**

Tokos reported the State would be putting out a mini RFP through ODOT as part of the TGM program. The process would be released around the end of the month. Consultant teams would then have three weeks to get their proposals in. They expected there to be around two to three proposals come in. Tokos expected that once they chose the consultants they would look to start the project at the beginning of the next year.

Tokos explained that he was looking to the Commission to give their input on who they wanted to include in the advisory committee. He noted that the City Council would do the interview process to fill the spots on the committee. Tokos reviewed the list of groups that the committee could include and the areas they would represent. He thought they may want to include a few general public seats on the committee while being conscience of not making the size of the group too large.

Tokos asked if there were any stakeholders missing on the list. Berman thought the Lincoln County representative should be from Transit. Patrick thought the Chamber of Commerce should be involved. Hanselman asked if this was a visioning committee. Tokos confirmed it wasn't. Hanselman didn't think there were residents in this area in the stakeholder list and thought they needed to be included to get their voices heard. He also thought they should include a Farmers Market representative. Hanselman explained that he didn't want to hear from landlords because they were often absent. He thought the list included the usual stakeholders giving comments, and he didn't think they always got the best answers from the usual people. Hanselman felt this meant they missed out on what the community needs were. Berman reminded that Tokos stated the Council would want local residents included.

Escobar thought that a large committee would be unwieldy. He thought they should have a more focused group to make it easier to come up with good ideas with the consultants. Hanselman pointed out that there were residents in this area that wanted a neighborhood group and showed that they had interest in what happened in their neighborhood.

Branigan thought they should consider adding a representative from Samaritan because they were the largest employer in the area. Berman thought that one of the key properties in the study area was the armory and thought they should be included.

Berman asked if this was an ODOT project. Tokos reported this was a city project that the City applied for the funds to do. The funding came from the State of Oregon through the Transportation Growth Management Grant process. When done through this process, the City had a lot of influence on the scope of the work and how the process was structured. The State typically administered the consulting contracts. If not, the city would be given the money and told to hire the consultants. The consultants were pre-selected consulting teams that had already been vetted by the State and the DLCDC. These teams had the qualifications to do this kind of work, understood what the State's policy priorities were, and knew what local governments might want. Berman thought that ODOT should be involved directly because this was work on US 101.

Branigan thought the committee shouldn't get meshed into deciding whether or not to do a couplet or not. Tokos explained that one of the things that they were going to have to resolve with this was which of the two transportation solutions made the most sense, based on what they were trying to accomplish. There would need to be a product that came out of this that would make a decision on this front.

Tokos noted that the way the scope of work was structured was to have up to six stakeholder groups have interactions between the consultants, staff, and in public. This would happen over a two to three day period where the consulting team came out to have good dialogue with people. Tokos thought they might want to do some illustrative charrettes which would be more conducive to a smaller group environment. He asked for thoughts on what topic areas the Commissioners thought they should emphasize if they were breaking up the discussion with this number of stakeholder groups.

Berman liked the idea of the hospital but thought it should be termed as medical. He also thought it would be productive to invite all the business owners along US 20 for a group, and then another group for the business owners along US 101. Escobar thought there should be smaller groups of around seven. He thought they should get ahead of the curve and reach out to the citizens who would be affected to come up with a plan that would have more community based acceptance. Berman suggested the noticing be more liberal than just the standard 200 feet, so they could get a good representative sample of people in a particular area. Branigan thought they needed a focus group with the Hispanic community to get better feedback. Tokos thought this was a good thought to be strategic in terms of bringing in bilingual resources for outreach. He thought they would need to really reach out to get people to actually attend and participate. Updike thought it was important early in the process to determine and weigh what issues were more important in order to gauge what was at the top of people's minds. This would allow the focus team to not get lost in something that ended up being a very minor item from a community concern standpoint. Tokos asked if what Updike was talking about was weighing critical success factors in terms of the end product to get the highest priority issues. Updike agreed and thought they needed to get a sense of what the measures of success were as well.

Berman asked if they would choose a Commissioner to participate on the committee. Tokos confirmed they would and noted they would do this at a later date. Patrick thought the stakeholder meetings would run better now that they were past the restrictions of COVID. Tokos agreed but reminded that they didn't know where the pandemic related issues would go. They needed to be prepared to adjust if they had to. Patrick liked the format they used to do the outreach for the Urban Renewal in South

Beach and thought they should do that if possible. Tokos would take the information and come up with bullet points for the Council to consider when they were vetting this.

B. Short-Term Rental Ordinance Implementation Work Group Recommendations. Tokos reported that the Short-Term Rental Work Group had its last meeting in September and signed off on a letter, along with the draft ordinance, that would be given to the City Council on their October 17th meeting. The Council would initiate the legislative process and send the ordinance to the Commission for consideration at a public hearing.

Tokos asked if the Commissioners wanted a work session meeting before the hearing. Escobar thought they should do a public hearing and then a work session. Berman didn't think the changes were worth a work session. Hanselman thought they should see what the people thought first. Tokos reiterated that what he heard was that the Commission wanted to go straight to a hearing with what was drafted, and see what the public said. Then, based on that testimony, decide whether or not to schedule a second hearing or go to a work session to do some tweaks based on the testimony. The Commission was in general agreement on this.

Escobar asked Branigan why the Work Group wanted to establish a grace period for a new owner to operate. Branigan reported that a lot of the STRs booked months in advance, and which were already booked when the new owner had to apply for a license. This was done so they didn't have to cancel reservations and so the new owner could continue renting while they got all the paperwork done. Escobar asked if the new owner could apply while the property was in escrow. Tokos explained that currently the person had to have possession of the property before they could get a license. Tokos reminded that the grace period only applied to the licensed STRs in commercial and water zones where the new owner could take over the slot for the license. These types of situations usually meant the owner had bookings into the summer.

Escobar asked how people on the waitlist went up the list if a person could sell their license to a new buyer. Tokos explained the licenses who were in the commercial and water zones were only a fraction of the overall licenses. A lot of the licenses in the permissible area were such that if the owner chose to no longer operate a STR or they sold their property, the person who bought the property would have to go on the waitlist. The principal when they did the changes in 2019 was that if a vacation rental was in a residential area that it wouldn't always be a vacation rental. Whereas, there was always an expectation that vacation rentals were part and parcel with what they would see in a tourist commercial area, and was one area where it was reasonable to sell the property as a vacation rental to a new buyer. Hanselman asked how many overall businesses were allowed to operate when they didn't have a license. He thought this was a mistake. Tokos explained that a typical business licensing was where somebody had a business established and then they came in and got their business license. Escobar noted OLCC required people to have a liquor license before they operated. Berman didn't think it was fair to force people to cancel rental reservations. Hanselman thought it was odd in this case to provide the opportunity to run a business without a license. Patrick thought it was a reasonable accommodation for an odd circumstance. He reminded that this only applied to the commercial STRs, not the residential ones. Hanselman thought this was inappropriate. Escobar thought it would be better to have the new owner be able to do a preapplication before the property closed. Tokos noted that what he heard was to take this to a hearing to get testimony to determine if the Commission wanted to do a work session or go to another hearing. Branigan thought they should invite members of the work group to participate. Tokos liked this but didn't think they should have the City Council members on the Work Group to participate since they would be involved in their own hearing.

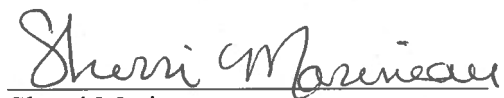
Updike thought the wording on the grace period created an opportunity for a loop hole for the new

owners to add new rentals. He thought they should limit this to existing rentals booked and not allow new bookings. Tokos liked this idea but thought it would be hard to prove. Patrick liked the suggestion as well. Tokos noted that when the Hallmark took over the Whaler STRs, the transaction took over renting before the licenses were issued. He thought sometimes it was an educational piece to notify the owners they were doing work without a business license. Branigan noted that on draft Ordinance 2022 it listed the grace period as 30 days and was a little narrower than what they were talking about. Tokos would reflect the changes the Commission had discussed and include them in the staff report for the hearing.

Updike asked how the cap on the number of STR licenses ended up at 176. Tokos explained they took a look at the percentage of our housing that was tied up in seasonal housing, and how many units we were typically being added in a year. Then they looked at limiting STRs to a certain percent of the housing stock, which was the number they wanted to land at. The cap was set up so the City Council could set the number by resolution and choose to bring the number up to 200 if they saw fit. The Work Group wanted to do away with the 200 number and keep it at 176. This would mean that to adjust the number up or down from 176 there would need to be an amendment to the ordinance and public hearings. A resolution change could be done at any Council meeting.

- C. **Planning Commission Work Program Update.** Tokos pointed out there would be a joint session with the City Council on November 14th. The regular session would start at 6 p.m. ECONorthwest would be here to go over the housing capacity analysis. There would be two hearings on November 14th for an exterior remodel of the historic Ernest Bloch house and a conditional use approval for a real estate office in Nye Beach.
- 3. **New Business.** None were heard.
- 4. **Adjourn.** The meeting adjourned at 7:08 p.m.

Respectfully submitted,



Sherri Marineau,
Executive Assistant