



SHORT-TERM RENTAL ORDINANCE IMPLEMENTATION WORK GROUP AGENDA
Thursday, July 14, 2022 - 3:00 PM
City Hall, Council Chambers, 169 SW Coast Hwy, Newport, OR 97365

All public meetings of the City of Newport will be held in the City Council Chambers of the Newport City Hall, 169 SW Coast Highway, Newport. The meeting location is accessible to persons with disabilities. A request for an interpreter, or for other accommodations, should be made at least 48 hours in advance of the meeting to Peggy Hawker, City Recorder at 541.574.0613, or p.hawker@newportoregon.gov.

All meetings are live-streamed at <https://newportoregon.gov>, and broadcast on Charter Channel 190. Anyone wishing to provide written public comment should send the comment to publiccomment@newportoregon.gov. Public comment must be received four hours prior to a scheduled meeting. For example, if a meeting is to be held at 3:00 P.M., the deadline to submit written comment is 11:00 A.M. If a meeting is scheduled to occur before noon, the written comment must be submitted by 5:00 P.M. the previous day. To provide virtual public comment during a city meeting, a request must be made to the meeting staff at least 24 hours prior to the start of the meeting. This provision applies only to public comment and presenters outside the area and/or unable to physically attend an in person meeting.

The agenda may be amended during the meeting to add or delete items, change the order of agenda items, or discuss any other business deemed necessary at the time of the meeting.

1. INTRODUCTIONS

2. PUBLIC COMMENT

This is an opportunity for members of the audience to bring to the Work Group's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

3. APPROVAL OF MINUTES

- 3.A April 27, 2022 STR Implementation Work Group Meeting.**
[04-27-2022 STR Work Group Draft Minutes](#)

4. DISCUSSION ITEMS

- 4.A Update on Licensed Short-Term Rentals, Cap, and Waitlist.**
[Memorandum](#)
[Summary Table of Short-Term Rentals](#)
[List of Short-Term Rentals](#)
[Status of Licenses Offered to Properties on Waitlist](#)
- 4.B Short-Term Rental Enforcement Update.**
[Memorandum](#)
[Memo from CSO Folmar, Dated 7/8/2022](#)
- 4.C Scope of STR Ordinance Implementation Work Group's Final Report.**
[Memorandum](#)
[Draft Amendments to NMC 4.25, dated 7.8.22](#)
[Draft Amendments to NMC 14.25, dated 7.8.22](#)
[Resolution No. 3931](#)
- 4.D Renewal of GovOS, Inc. (Formerly MUNIRevs) Contract.**
[Memorandum](#)
[Draft GovOS, Inc. personal services agreement 7.11.22](#)
[MUNIRevs, Inc. - GovOS, Inc. Certificate of Ownership and Merger Document](#)

5. PUBLIC COMMENT

This is an opportunity for members of the audience to bring to the Work Group's attention any item not listed on the agenda. Comments will be limited to three (3) minutes per person with a maximum of 15 minutes for all items. Speakers may not yield their time to others.

6. ADJORN

Draft MINUTES
City of Newport
Short-Term Rental Implementation Work Group Meeting
City Hall, Council Chambers
Wednesday, April 27, 2022

Work Group Members Present: Spencer Nebel, Bill Branigan, Dietmar Goebel, Cynthia Jacobi, Sandra Roumagoux, and John Rogers.

Work Group Members Absent: Jamie Michel (*excused*).

City Staff Present: Community Development Director (CDD), Derrick Tokos; Police Chief, Jason Malloy; Community Service Officer, Jim Folmar; Interim Finance Director, Steve Baugher; and Executive Assistant, Sherri Marineau.

Public Members Present: Steve Lovas, and Sonja Lovas.

1. **Call to Order.** The meeting was called to order at 1:01 p.m.
2. **Public Comment.** None were heard.
3. **Approval of Minutes.** Motion was made by Bill Branigan, seconded by Cynthia Jacobi, to approve the January 18, 2022 Short-Term Rental Implementation Work Group meeting minutes with minor corrections. The motion carried unanimously in a voice vote.
4. **Discussion Items.**
 - A. **Update on Licensed Short-Term Rentals, Cap and Waitlist.** Tokos reviewed the Short-Term Rental (STR) lists with the Work Group. Branigan pointed out that the list title should be changed from “overlazy” to overlay.

Jacobi asked when the STR licenses would be transferable. Tokos explained a property would have to be in or adjacent to a commercial or water related zone to be considered transferable. When a transferable property was sold, the new owner would have 12 months to get their own license. Branigan asked if the city could charge for a being on the waitlist. Tokos explained the waitlist didn't take a lot of staff time and it wasn't something they were considering.

- B. **Short-Term Rental Enforcement Update.** Folmar reviewed the enforcement report and the list of complaints that had been submitted since the last Work Group meeting. Steve Lovas asked how many complaints came in on weekends. Folmar reported it was an average of one per weekend.

Rogers noted that when they started they talked about the complaint process. He thought it seemed like the process was working and there was a good process for people to go through. Rogers thought the education was working with management and owners to let guests know what the rules were, which was a positive thing. Folmar agreed and noted the complaints in the past were more about the owners and management not knowing the rules. He felt that if they kept stressing the rules and reinforcing them, it would be good thing. Malloy thought they would find out more about this in the upcoming summer. Newport would be busier then, allowing them to see what would happen. Folmar agreed and thought it will be good to see how it worked in a normal summer outside of the pandemic.

Nebel asked how everything was working with the LodgingRevs system. Folmar explained that LodgingRevs made comments on who they contacted and he saw the notes so he could follow up with the complainant and the owner. There had been an issue with LodgingRevs not having the updated contact in the past, but they had updated this and worked out the issues. Nebel asked if the complainant was getting a response right of way. Folmar confirmed they were. Branigan reported he had lodged a complaint with LodgingRevs and it was a good response.

Jacobi noted the traffic on Oceanview Drive and 15th Street was an issue and reported that people were going the wrong way on a one way street in this area. She was concerned about the intersection. Malloy noted there were environmental issues on the street that caused the signs not to be easily seen.

Steve Lovas asked what percentage of STRs were managed by managers instead of individuals. Folmar reported about 75 percent were managed by management companies. The complaints were across the board. There was typically a faster response from a management company than there were from individuals.

- C. **Outline of Potential Revisions to STR Ordinance to Improve Implementation.** Tokos reviewed the memorandum on the potential revisions to the STR ordinance to improve implementation. He started with the transition period between new owners of licensed STRs. Branigan asked what an appropriate wait period was for a new owner to establish a new license. Tokos thought 30 days was appropriate. Roumagoux agreed with this number. Rogers asked how much time it took to move the new application submissions through the process. Tokos thought around two weeks because of the inspection that needed to be done. Rogers thought it made sense to allow the new owners of a legal rental to be able to rent, and thought it was reasonable to have a grace period. Jacobi agreed.

Tokos reviewed how to codify the waitlist procedures. He reviewed the current process the city was undertaking to process the waitlist. Goebel didn't think it seemed right that when someone decided not to take the offer for a license they had to go to the bottom of the waitlist. He asked if someone wasn't ready for a license would they give the license to the next person on the waitlist. Tokos confirmed they did this and would offer licenses down the waitlist until they exhausted the number of openings for licenses. A discussion ensued regarding what the owners thoughts were when they were offered spaces from the waitlist, and why they chose to accept or decline the offer for a license.

Tokos reviewed the scope of permissible changes to licensed vacation rentals. Roumagoux asked if the Work Group needed to do a motion on this at that meeting. Tokos noted he was just looking for the Work Group's general consensus that these were items that the Work Group would like to see in a draft code update. He noted they would have a chance to see language in the future. Roumagoux voiced that she thought this was a great idea. The Work Group was in general agreement that this was reasonable.

Tokos reviewed the non-license related code violations. There have been circumstances where unpermitted work has occurred on property with a licensed unit, or there has been unpermitted use of a second dwelling on a property containing a vacation rental. These violations are subject to a civil infraction because they are not directly related to operation of the licensed short-term rental. Tokos explained to strengthen the incentive for compliance, the work group might consider adjusting the ordinance to indicate that STR properties must comply with all city ordinances (which would make any violation on the property an STR violation). Malloy reported reports of violations on STR properties that weren't STR violations came up a lot. He thought this would take all of the guess work out of it for the Police Department what was or wasn't a strike for a STR. Rogers asked if the ordinance was enforced to all properties in Newport. Tokos reported that they did, but the discussion at this meeting

was on how they applied to violations for STR licenses. Roumagoux was in favor of both a citation for a violation and a strike for the STR. The Work Group was in general agreement with this as well. A discussion ensued regarding if it would be a strike if someone was utilizing the designated parking spaces for STRs for something other than parking, and if it should become a strike against the STR. Tokos noted it would be considered a strike if the owners were utilizing their parking for a different use other than what they relied on to meet the off-street parking requirements that they agreed to as part of their STR license.

Tokos reviewed the streamlining of the STR license renewal process. He noted they wanted to go to an online process but there was no timeline for when that would happen because it was dependent on work with the Finance Department. Roger thought it was a good idea to streamline the process. The Work Group was in general agreement with this as well. Nebel asked if they would have a different form for renewals than the initial license applications. Tokos confirmed they would and reported he would work with Finance on consolidating the forms.

Tokos reviewed the spacing standards exemption for multiple buildings on a lot/parcel. He noted that the work group might consider allowing more than one building on the same lot to be used as a vacation rental subject to the license cap limitation. Tokos gave an example of a condominium project where there were multiple homes on one lot that had one licensed STR and another building that wanted to become a STR. The homes had a common area under a condominium association. The question was why they couldn't be viewed as one space rather than separate. Goebel asked if the homes were under separate ownership. Tokos confirmed they owned the structures separately but the land was under the common ownership of the ground for a condo association. The current rules limited licenses to a single building on a lot, or group of lots, that abut a street segment. Malloy asked if these changes are made, what would keep people from building an accessory dwelling unit on their property and applying for a STR license for it. Tokos explained the change would make it an option if there was a single family dwelling and an accessory dwelling unit on a property. He reminded that this would be subject to the license cap, so if there were no available licenses they couldn't be licensed. Nebel reminded that spacing was a big issue in the initial STR discussion and thought this might open up a potential can of worms. A discussion ensued regarding how condos were currently licensed as STRs in a single building with multiple condos, and for units that were in separate buildings on a lot. Goebel didn't think it was any different from multi-family. He thought it should just be one unit license available in a condo and one unit license available in a separate dwelling. Goebel could see there being an argument if it was under one ownership, but separate ownership could be sticky. Nebel reminded that they already allowed multiple licenses if they were all in one building. Jacobi asked if they added this would it still be subject to the cap. Tokos confirmed it would. A discussion ensued regarding what the potential impact would be to add more units on one lot with separate buildings, and what the increase of traffic would be. Goebel thought the whole idea was to spread STRs out instead of condensing more STRs in a given location. The Committee was in general agreement to not allow more than one building on the same lot to be used as a vacation rental.

Tokos reviewed the establishment of a process for considering adjustments to the license cap numbers, and suggested an annual report be done to consider this. Jacobi would prefer to avoid a huge discussion on this once a year. Goebel felt the same. Malloy asked if the 176 license cap was based on a percentage. Tokos reported it was a negotiated number at the time the ordinance was done. The question was when should the adjustment be considered. Rogers thought they should get rid of the 200 and make it 176, then say that the City Council could review and set a timeline on when it should be reviewed. Tokos reminded this was an ordinance and changing it this way required a full legislative process. Goebel thought having the Council considering this once a year was very stressful. Tokos reminded that anyone could request that the Council revisit the numbers. Nebel was concerned that when they started getting

into this they might have a county referendum in Newport as well. He thought that they had a tolerable balance of numbers as it was currently. Roumagoux thought having a number set just at 176 was right and if people were upset they could write to the Council. Tokos reiterated that what he was hearing was to pick this up in the package of ordinance changes but just eliminate the reference to the 200 number in the resolution aspect. The Work Group was in agreement with this.

Tokos acknowledged the email received from Cheryl Connell in 2020 that asked about the automated email confirmations from the hotline services, which had been taken care of. They also made a recommendation to have a time certain phase out of STRs outside of the overlay zone, and asked that the code enforcement on weekends was addressed. Tokos asked if the Work Group wanted to entertain any of these changes that were suggested. Nebel asked if there would be one more Work Group meeting before this was presented to the Council. Tokos confirmed there would be. Nebel thought that the basis for strikes needed to be clarified in the ordinance on what constituted a strike or not. He also wanted a clarification on what happened when someone wanted to appeal a strike. Branigan questioned the suggestion for a phase out for STRs outside the overlay zone. He thought there was some confusion on if there was a phase out in place or not, and thought they needed clarification on this. Tokos thought the Work Group needed to determine if they were comfortable with the language as it was currently, or if they thought there should be a fixed period of phase out. If so, they needed to address it squarely. Tokos reported that during the time the ordinance was done in 2019 there were around 47 to 48 STRs outside of the overlay zone. Currently this was down to about 38. He asked if the Work Group was comfortable with the language as it was or if it needed to be changed. Branigan thought they should put out the language as it currently was and make sure this was clear for anyone reviewing the city ordinance. Rogers thought the current rate that the STRs licenses outside of the zone were going away in the first four year period was about 20 percent which was on par with what should happen in terms of phases. Sonja Lovas noted that many of the STRs that dropped out outside of the overlay happened earlier on in the process and this wasn't happening as much currently. Nebel thought it would be good to share with the City Council year by year what the renewals for STRs outside of the overlay were so people could see what was happening. Roumagoux agreed with Nebel.

Tokos asked for thoughts on a CSO working on the weekend. Jacobi noted at the budget meeting she asked for a third CSO so weekends could be covered. Malloy noted there were a lot of a working parts on how to make these positions work. This needed to be negotiated in a contract with the employee. Tokos noted that what he was hearing was there was general agreement that the Work Group wanted to address the items on Cheryl Connell's email so there was some closure on this, and to make sure the Council understood what they wanted to do and that it was something that was clearly responded to. Nebel noted that if there was any other items the Work Group felt like they wanted to look at that they should send their thoughts to Tokos to share.


5. **Public Comment.** None were heard.
6. **Adjournment.** The meeting adjourned at 1:44 p.m.

Respectfully submitted,

Sherri Marineau
Executive Assistant

Memorandum

To: Short-Term Rental Ordinance Implementation Work Group

From: Derrick I. Tokos, AICP, Community Development Director 

Date: July 11, 2022

Re: Update on Licensed Short-Term Rentals, Cap, and Waitlist

Enclosed is a list and summary table of licensed short-term rentals as of July 7, 2022. At this time, there are 193 licensed short-term rentals inside the city limits. Of that number, 149 are vacation rental dwellings inside the overlay, 36 are vacation rentals outside the overlay, and eight (8) are B&Bs or home shares. The City imposed a 176-license cap inside the overlay with Resolution No. 3850, when the current short-term rental regulation was put in place in May of 2019 with the passage of Ordinance No. 2144.

There is a group of formerly licensed vacation rental properties inside the overlay that count against the cap number. They include nine (9) properties that were non-conforming, having been established before Ordinance No. 2144 was adopted, and as non-conforming uses they must be discontinued for 12 consecutive months before the right to operate a vacation rental is extinguished. One additional unit is within or adjacent to commercial zoned property and the new owners have 12 months to obtain their license.

A total of 23 licenses were made available last fall to properties on the waiting list. Six (6) of those owners have completed the licensing process, seven (7) applied by the November 30, 2021 deadline and are working through the process of obtaining a license, and 10 did not apply by the November deadline. Those 10 license slots will be held over until the next renewal period closes, creating another licensing window (i.e. August 15, 2022). There are presently 78 properties on the waitlist, a few of which may not meet all of the City's standards (e.g. there might already be another vacation rental building on the street segment). We have also learned from experience that some on the waitlist may no longer be interested in a vacation rental license. That said, as things stand, it will likely take 3-4 years for a property owner on the waitlist to be in a position to obtain a license.

For property outside of the overlay, the number of units has dropped from 45 to 36 licenses since November of 2019. There are presently two (2) licensed B&Bs, and six (6) licensed homeshares in the city.

A searchable database of licensed short-term rentals is available on the City's website at: <https://www.newportoregon.gov/dept/cdd/str.asp>

- Attachments:
- List and summary table of short-term rentals
 - Status of licenses offered to properties on the waitlist

Short-Term Rental Counts as of 7/7/2022

Active Vacation Rentals INSIDE Overlay Zone	149
Inactive, Nonconforming Vacation Rentals INSIDE Overlay Zone Held Open 12 Months	9
Sold Transferable Vacation Rental Licenses INSIDE Overlay Zone Held Open 12 Months	1
Waitlist Applications In Process INSIDE Overlay Zone	7
Open Licenses Available to Waitlist Owners	10
Total STR Licenses INSIDE Overlay Zone	176

Active Vacation Rentals OUTSIDE Overlay Zone	36
Active B&B and Home Shares Licenses	8

2021-2022 Active Nonconforming Vacation Rentals INSIDE Overlay Zone

	Street Address	VRD, B&B, or Homeshare
1	1000 SE Bay Blvd #117 (D-4)	VRD
2	1000 SE Bay Blvd #146 (G-8)	VRD
3	1000 SE Bay Blvd #202 (C-16)	VRD
4	1000 SE Bay Blvd #208 (C-21)	VRD
5	1000 SE Bay Blvd #225 (E-10)	VRD
6	1000 SE Bay Blvd #301 (C-17)	VRD
7	1000 SE Bay Blvd #302 (C-17)	VRD
8	1000 SE Bay Blvd #308 (C-21)	VRD
9	1000 SE Bay Blvd #345 (G-19)	VRD
10	1000 SE Bay Blvd #405 (B-4)	VRD
11	1000 SE Bay Blvd #L446 (P-9)	VRD
12	1000 SE Bay Blvd Unit #140 (Bldg G)	VRD
13	1018 SW Elizabeth St	VRD
14	105 NW Coast St	VRD
15	107 SW Coast St	VRD
16	109 NW Cliff St, Unit 6	VRD
17	109 NW Cliff St, Unit 7	VRD
18	109 NW Cliff St, Unit 8	VRD
19	1125 NW Spring St #A-103	VRD
20	1125 NW Spring St #C201	VRD
21	1125 NW Spring St Unit A 203 (A-6)	VRD
22	1125 NW Spring St Unit A-201	VRD
23	1125 SW Spring St #C303 (C-9)	VRD
24	1126 SW 8th St	VRD
25	1130 NW Hurbert St	VRD
26	1130 SW Martin St	VRD
27	1140 NW Hurbert St	VRD
28	1140 SW Abbey St	VRD
29	1156 SW Mark St	VRD
30	129 SW Dolphin St Unit 129	VRD
31	129 SW Dolphin St Unit 133	VRD
32	129 SW Dolphin St Unit 137	VRD
33	129 SW Dolphin St Unit 139	VRD
34	134 SW Bay Blvd	VRD
35	134 SW Elizabeth St	VRD
36	135 SW Coast St	VRD
37	137 SW 12th St	VRD
38	144 SW 26th St #1	VRD
39	144 SW Elizabeth St	VRD
40	165 SW 26th St	VRD
41	232 SW 27th St	VRD
42	238 SW 27th St	VRD
43	242 SW 27th St	VRD
44	252 SW 27th St	VRD
45	255 NW Cliff St	VRD
46	257 NW Cliff St	VRD
47	258 NW Coast St, Unit C	VRD
48	258 NW Coast St, Unit D	VRD
49	2614 SW Brant St	VRD

50	2616 SW Brant St	VRD
51	2638 SW Brant St	VRD
52	28 SW Brook St #A	VRD
53	28 SW Brook St #B	VRD
54	28 SW Brook St #C	VRD
55	28 SW Brook St #D	VRD
56	28 SW Brook St #E	VRD
57	28 SW Brook St #F	VRD
58	28 SW Brook St #G	VRD
59	29 SW Coast St Unit A	VRD
60	29 SW Coast St Unit B	VRD
61	29 SW Coast St Unit C	VRD
62	311 NW 58th St	VRD
63	325 NW Coast St, Unit E	VRD
64	33 SW Elizabeth St	VRD
65	39 SW Elizabeth St	VRD
66	4 SW High St	VRD
67	406 NW High St	VRD
68	407 NW High St	VRD
69	413 NW Hurbert St	VRD
70	419 NW Hurbert St	VRD
71	420 NW High St	VRD
72	423 SW Elizabeth St	VRD
73	424 SE 4th St	VRD
74	507 NW Alpine St, Unit 103	VRD
75	507 NW Alpine St, Unit 107	VRD
76	507 NW Alpine St, Unit 108	VRD
77	507 NW Alpine St, Unit 203	VRD
78	507 NW Alpine St, Unit 205	VRD
79	507 NW Alpine St, Unit 207	VRD
80	507 NW Alpine St, Unit 208	VRD
81	507 NW Alpine St, Unit 302	VRD
82	507 NW Alpine St, Unit 303	VRD
83	507 NW Alpine St, Unit 308	VRD
84	510 SW Minnie St	VRD
85	511 SW 3rd St	VRD
86	514 NW 10th St, Apt B	VRD
87	526 NW Coast St, Unit D	VRD
88	526 NW Coast St, Unit E	VRD
89	526 NW Coast St, Unit G	VRD
90	532 SE 2nd St	VRD
91	537 NW Alpine St	VRD
92	539 SW Woods St	VRD
93	540 NW Alpine St	VRD
94	543 SW 5th St	VRD
95	545 SE 4th St	VRD
96	546 SW Smith Ct	VRD
97	553 SW 5th St	VRD
98	554 SE 2nd St	VRD
99	556 SW 5th St	VRD
100	580 NW 6th St	VRD
101	582 NW 3rd St	VRD

102	589 W Olive St	VRD
103	607 SW Woods St	VRD
104	610 NW 9th St	VRD
105	619 NW Alpine St	VRD
106	630 SW Fall St, Unit N	VRD
107	645 SE 4th St	VRD
108	700 W Olive St	VRD
109	701 NW Coast St #107	VRD
110	701 NW Coast St #108	VRD
111	701 NW Coast St #109	VRD
112	701 NW Coast St #201	VRD
113	701 NW Coast St #204	VRD
114	701 NW Coast St #205	VRD
115	701 NW Coast St #206	VRD
116	701 NW Coast St #207	VRD
117	701 NW Coast St #209	VRD
118	701 NW Coast St #210	VRD
119	701 NW Coast St #211	VRD
120	701 NW Coast St #301	VRD
121	701 NW Coast St #303	VRD
122	701 NW Coast St #305	VRD
123	701 NW Coast St #306	VRD
124	701 NW Coast St #310	VRD
125	707 NW High St	VRD
126	709 NW High St	VRD
127	715 NW 3rd St	VRD
128	723 NW 2nd Ct	VRD
129	731 NW 2nd Ct	VRD
130	736 NW 3rd St	VRD
131	745 NW Beach Dr	VRD
132	745 NW Lee St	VRD
133	748 NW Lee St	VRD
134	750 NW 2nd St	VRD
135	753 NW 2nd St	VRD
136	757 NW Coast St #5	VRD
137	757 NW Coast St #6	VRD
138	757 NW Coast St #7	VRD
139	757 SW 6th St	VRD
140	801 NW Coast St, #1	VRD
141	821 SW 12th St	VRD
142	890 SE Bay Blvd #205	VRD
143	890 SE Bay Blvd #318	VRD
144	902 SW Mark St	VRD
145	912 NW Coast St	VRD
146	914 SW 2nd St	VRD
147	927 SW 11th St	VRD
148	946 NW High St	VRD
149	955 NW Spring St	VRD

2021-2022 Active Vacation Rentals OUTSIDE Overlay Zone

	Street Address	VRD, B&B, or Homeshare
1	10 NW 42nd St	VRD
2	11 NW 42nd St (Unit A - upper)	VRD
3	11 NW 42nd St (Unit B - lower)	VRD
4	1235 NW Spring St	VRD
5	124 NW 54th St	VRD
6	1245 NW Spring St	VRD
7	125 NW 77th Ct, Unit A	VRD
8	128 NW 73rd Ct	VRD
9	1330 NW Spring St	VRD
10	1332 NW Thompson St	VRD
11	145 SW 27th St	VRD
12	1452 NW Spring St	VRD
13	1522 NW Spring St	VRD
14	1535 F NW Hurbert St	VRD
15	1610 NW Spring St	VRD
16	171 NW 73rd Ct	VRD
17	185 NW 70th St	VRD
18	2003 NW Oceanview Dr	VRD
19	224 NE 55th St	VRD
20	2725 NW Pacific Pl	VRD
21	2755 NW Pacific Pl	VRD
22	3380 NW Oceanview Dr Unit B	VRD
23	411 NW 60th St	VRD
24	424 NW 59th St	VRD
25	435 NW 58th St	VRD
26	449 SE Scenic Loop	VRD
27	457 NW 56th St	VRD
28	457 NW 57th St	VRD
29	4718 NW Cherokee Ln	VRD
30	5053 NW Agate Way	VRD
31	520 NW 23rd St	VRD
32	535 NW 16th St	VRD
33	555 NW 56th St	VRD
34	556 NW 56th St	VRD
35	5608 NW Meander St	VRD
36	626 NW 54th Ct	VRD

2021-2022 Inactive, Nonconforming Vacation Rentals **INSIDE Overlay Zone **Licenses Closed****

	Street Address	VRD, B&B, or Homeshare
1	2612 SW Brant St	VRD
2	732 NW 2nd Ct	VRD
3	748 SW Bay Blvd, Unit A	VRD
4	748 SW Bay Blvd, Unit B	VRD
5	748 SW Bay Blvd, Unit C	VRD
6	814 SW Bay St	VRD
7	832 SW 13th St	VRD
8	903 SW Coast Hwy	VRD
9	905 SW Coast Hwy	VRD

2021-2022 Sold **Transferable VRD Licenses Inside Overlay Zone Held Open 12 Months For New Owner**

	Street Address	Date New Owner Has to Get New License
1	1000 SE Bay Blvd #532/632 (K-9)	VRD

2021-2022 Active **Homeshares and B&B's**

	Street Address	VRD, B&B, or Homeshare
1	2126 SE Marine Science Dr	B&B
2	4920 NW Woody Way	B&B
3	1144 SW Mark St	Home share
4	1224 SW Abbey St	Home Share
5	758 NW Cottage St	Home Share
6	940 NW Coast St	Home Share
7	105 NW 77th Ct	Home Share
8	5518 N Coast Hwy	Home Share

Status of 2021-22 Open STR Waitlist Licenses Offered To Applicants

Address	Status
1 111 NW High St	Applied by deadline and working to get license issued.
2 113 NW High St	Applied by deadline and working to get license issued.
3 349 NW 10th St	Applied by deadline and working to get license issued.
4 407 NW 6th St	Applied by deadline and working to get license issued.
5 540 SW 4th St	Applied by deadline and working to get license issued.
6 616 NW Coast St	Applied by deadline and working to get license issued.
7 701 NW Coast St, Unit 208	Applied by deadline and working to get license issued.
8 526 NW Coast St, Unit D	License issued.
9 630 SW Fall St, Unit N	License issued.
10 701 NW Coast St, Unit 204	License issued.
11 701 NW Coast St, Unit 205	License issued.
12 701 NW Coast St, Unit 206	License issued.
13 890 SE Bay Blvd, Unit 318	License issued.
14 1000 SE Bay Blvd #136 (F-8)	Didn't Apply by 11/30/2021 Deadline
15 1000 SE Bay Blvd #L 447 (L-5)	Didn't Apply by 11/30/2021 Deadline
16 127 SE 11th St	Didn't Apply by 11/30/2021 Deadline
17 143 SW Brook St	Didn't Apply by 11/30/2021 Deadline
18 226 SW 29th St	Didn't Apply by 11/30/2021 Deadline
19 514 SW 7th St	Didn't Apply by 11/30/2021 Deadline
20 518 SW 7th St	Didn't Apply by 11/30/2021 Deadline
21 522 SW Hurbert St	Didn't Apply by 11/30/2021 Deadline
22 617 SW Neff Way	Didn't Apply by 11/30/2021 Deadline
23 630 SW Fall St, Unit M	Didn't Apply by 11/30/2021 Deadline

Memorandum

To: Short-Term Rental Ordinance Implementation Work Group

From: Derrick I. Tokos, AICP, Community Development Director

Date: July 11, 2022

Re: Short-Term Rental Enforcement Update

Enclosed is a memo from Community Service Officer (CSO) Jim Folmar, summarizing incidents reported, and enforcement actions taken, since the last Short-Term Rental Ordinance Implementation Work Group meeting in April. CSO Folmar and/or Chief Malloy will be in attendance to answer enforcement related questions from Work Group members.

Attachments:

Memo from CSO Folmar, dated July 8, 2022



Noble
Professional
Dedicated

Newport Police Department
Memorandum

One Team - One Future

Date: July 8, 2022

To: Chief Malloy

From: CSO Folmar

Subject: STR Enforcement Activity 04/27/2022 to Present

This is a summary of STR Enforcement activities 04/27/2022 to Present.

- 1.) Cease & Desist Letter: 1
- 2.) Complaints filed with LodgingRevs: 7

Illegal Rental Complaint. Date: 07/05/2022. Online. 23 NW High St. Regarding listed location was being advertised and operated as an STR without a valid endorsement. Cease & Desist Letter mailed out. Open

Other Complaint. Date: 06/30/2022. Hotline. 582 NW 3rd St. Regarding proper entry passcode not being provided. Emergency contact was advised and correct passcode was provided. Not a violation of STR ordinance. Closed.

Parking Complaint. Date: 05/07/2022. Online. 171 NW 73rd Ct. Regarding a large number of pickup trucks parked on the street. Complainant reports that not all off street parking is being utilized. Under Review.

Parking Complaint. Date: 05/08/2022. Online. 171 NW 73rd Ct. Same as previous parking complaint. Under review.

Trash Complaint. Date: 00/17/2022. Hotline. 946 NW High St. Regarding renters at the listed location procuring and using a trash can of the complainant. Contacted emergency contact and issue was resolved. Nature of the complaint is not a violation covered under the City's STR ordinance. No Violation.

Integrity – Excellence – Community – Employees – Teamwork – Commitment

Trash Complaint. Date: 05/30/2022. 171 NW 73rd Ct. Online. Regarding trash cans being left out for 3 days after pick up date. Open.


Trash Complaint. Date: 06/13/2022. Hotline. 2725 NW Pacific Pl. Regarding trash can being overfull and crows getting into it. Emergency contact was notified and maintenance personnel addressed the issue. Closed.

- 3.) **Status of Hines/Neff citation.** As of the present date, I have not been advised by Dawn Smalley, City of Newport Municipal Court Clerk, of any correspondences received from either Lauri Hines, Roy Neff III, or their attorney.

City of Newport

Community Development
Department

Memorandum

To: Short-Term Rental Ordinance Implementation Work Group
From: Derrick I. Tokos, AICP, Community Development Director 
Date: July 11, 2022
Re: Scope of STR Ordinance Implementation Work Group's Final Report

The Work Group, at its April 2022 meeting, discussed the need for refinements to the City's short-term rental codes. Concepts that the group supported have been worked into a package of amendments to Newport Municipal Code (NMC) Chapters 4.25 and 14.25 (attached). Please take a moment to review the draft changes to confirm whether or not they are in line with your expectations.

Resolution No. 3931 calls for the Work Group to issue a final report with its findings by the end of September. These code amendments would be part of that report. This meeting is an opportunity for the group to identify any other areas related to the City's short-term rental regulations that it would like to see addressed in the report, so that staff can pull together the necessary information. It might also be helpful for the group to discuss the format of its final report (i.e. motion and vote recommending the code changes, formal set of findings, etc.).

Attachments

Draft Amendments to NMC 4.25, dated 7.8.22
Draft Amendments to NMC 14.25, dated 7.8.22
Resolution No. 3931

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~strike through~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

CHAPTER 4.25 SHORT-TERM RENTAL BUSINESS LICENSE ENDORSEMENTS

4.25.005 Purpose

A short-term rental business license endorsement is a permission to operate a short-term rental on property within the City of Newport. This chapter provides an administrative framework for licensing the annual operation of a short-term rental, in order to ensure the safety and convenience of renters, owners, and neighboring property owners; protect the character of residential neighborhoods; protect the City’s supply of needed housing; and address potential negative effects such as excessive noise, overcrowding, illegal parking, and nuisances (e.g. accumulation of refuse, light pollution, etc.).

It is the intent of these regulations to strike a reasonable balance between the need to limit short-term rental options within neighborhoods to ensure compatibility, while also recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing for tourists, employees of businesses, and others who are in need of housing for a limited duration.

4.25.010 Definitions

The following definitions apply in this chapter.

- A. Authorized Agent. A property management company or other entity or person who has been designated by the owner to act on their behalf. An authorized agent may or may not be the designated point of contact for complaints.
- B. Bed and Breakfast Facility. A short-term rental where the operator resides on the premises and meals are provided for a fee.
- C. Bedroom. A habitable room that (a) is intended to be used primarily for sleeping purposes; (b) contains at least 70-square feet; and (c) is configured so as to take the need for a fire exit into account.

- D. Dwelling Unit. A single unit providing complete independent living facilities for one or more persons, including permanent provisions for living, sleeping, eating, cooking and sanitation.

- E. Home share. A short-term rental, other than a bed and breakfast facility, where a portion of a dwelling unit is rented while the homeowner is present. For the purposes of this definition, “present” means the homeowner is staying in the dwelling overnight for the duration of the rental.

- F. Owner. Means the natural person(s) or legal entity that owns and holds legal or equitable title to the property.

- G. Short-Term Rental. A dwelling unit, or portion thereof, that is rented to any person for a period of less than thirty (30) consecutive nights.

- H. Sale or Transfer. Means any change of ownership during the period of time that a license is valid, whether or not there is consideration, except:
 1. A change of ownership in real property where title is transferred pursuant to a declaration of right of survivorship as recognized in ORS 93.180.

 2. A transfer of ownership in real property to a trust, a limited liability company, a corporation, a partnership, a limited partnership, a limited liability partnership, or other similar entity so long as the conveyance does not result in any new individuals possessing titled or equitable interest in the property.

 3. A transfer of ownership between titled interest holders.

 4. A transfer of ownership between, or to include spouses, domestic partners, or children.

Examples: The following scenarios serve as examples of some, but not all, of the types of transactions that will or will not constitute a sale or transfer as defined in this chapter:

- Title is held by a married couple or domestic partnership at the time the license is obtained. Partner dies and survivor retains license? This would not constitute a sale or transfer (Exception H.1).
- An individual owns a parcel subject to a declaration of right-of-survivorship to their children at the time a license is obtained. The individual dies and title is transferred pursuant to that provision? This would not constitute a sale or transfer (Exception H.1).
- Married couple possesses title to property at time license is obtained. They later elect to convey property into an irrevocable trust and retain a life estate in the deed? This would not constitute a sale or transfer (Exception H.2).
- A corporation consisting of three shareholders owns a parcel at the time a license is obtained. They later convert the corporation to a limited liability company controlled by two of the original three shareholders? This would not constitute a sale or transfer (Exceptions H.2. and H.3).
- A limited liability company is formed with four individuals possessing ownership interest at the time a license is obtained. A fifth person later obtains an ownership interest in the company? This would constitute a sale or transfer.
- Four tenants in common own a parcel at time license is obtained. An owner sells their 1/4 interest to one of the other existing owners? This would not constitute a sale or transfer (Exception H.3.) Alternatively, what if they sell their 1/4 interest to a new person? That would constitute a sale or transfer.
- Title is held by a married couple at time license is obtained. They later acquire a home equity line of credit to repair the home, which lender secures with a deed of trust. Lender subsequently forecloses after a default under the term(s) of the security agreement? The instrument the lender uses to obtain possessory interest is a sale or transfer.
- Two married couples possess ownership interest in an LLC at the time a license is obtained. One of the

couple’s divorces and one of the partners drops off the title. Remaining partner remarries and the new spouse is added to the LLC? This is not a sale or transfer (Exception H.4).

- Property is held by an individual at time license is obtained. The individual dies and children inherit property (no right of survivorship)? This would not constitute a sale or transfer (Exception H.4).
- An individual possesses title to the property at the time a license is obtained. He/she later adds their domestic partner to the title to the property? This would not constitute a sale or transfer (Exception H.4).

I. Vacation Rental. A short-term rental where the entire dwelling unit is rented.

4.25.015 Annual Short-Term Rental Business License Endorsement Required

No owner of property within the Newport city limits may advertise, offer, operate, rent or otherwise make available for occupancy or use a short-term rental without a business license with a short-term rental endorsement. Advertise or offer includes through any media, whether written, electronic, web-based, digital, mobile or otherwise.

4.25.020 Application Information and Filing Fee

A. Applications for short-term rental business license endorsements are to be on forms provided by the City, and shall include the following:

1. Owner Information. Owner’s name, permanent residence address, telephone number, email address (if available) and short-term rental address and telephone number. In circumstances where the owner is a legal entity, a copy of the articles of organization or equivalent shall be provided identifying ownership interest holders in the short-term rental property.
2. Authorized Agent. The name, telephone number, mailing address and email of a property management company or other entity or person who has been designated by the owner to act on their behalf.

3. Representative Information. The name, telephone number, mailing address and email of a local representative who can be contacted concerning use of the property or complaints related to operation of the short-term rental. For the purposes of this requirement, local means the representative's address is within 30 minutes travel time of the subject property.
4. Liability Insurance. Letter of intent to insure (for new applications) or certificate of insurance (for renewals) establishing that the owner will have, or has, liability insurance which expressly covers the vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage. Where letters of intent to insure are provided, certificate of insurance shall be submitted to the city prior to use of the unit as a short-term rental.
5. Land Use Authorization. A land use compatibility statement, signed by the Community Development Director or designee and that is current within 90-days, indicating that the short-term rental satisfies the land use standards for short-term rentals listed in NMC Chapter 14.25.
6. Occupancy. Occupancy limits and number of bedrooms (as specified in the Land Use Authorization).
7. Parking. Statement that required off-street parking spaces are available, with a photo(s), dated within the last 90 days, of interior and exterior parking spaces. A site plan including a parking diagram of the parking spaces shall also be provided.
8. Proof of Residential Use (for Home shares and Bed and Breakfast Facilities). At least two of the following items shall be submitted as evidence that the dwelling is the primary residence of the owner.
 - a. A copy of the voter registration
 - b. A copy of an Oregon Driver's License or Oregon Identification Card
 - c. A copy of federal income tax return from last tax year (page one only and financial data should be redacted)

- 9. Good Neighbor Guidelines. Written acknowledgement that a copy of the good neighbor guidelines has been reviewed and relayed to short-term rental tenants, by incorporating it into the rental contract, including it in the rental booklet, posting it online, providing it in a conspicuous place in the dwelling unit, or a similar method.
- 10. Listing Number. For renewals, the listing numbers or website addresses of where the short-term rental advertises.
- 11. Fire Safety. Completed checklist identifying that the unit complies with the fire safety standards listed in NMC 4.25.030(C)(5).
- 12. Structural Safety. Completed checklist identifying that the unit complies with the Structural safety standards listed in NMC 4.25.030(C)(6).
- 13. Waste Management. Proof of garbage service as required in NMC 4.25.030(D)(10).
- 14. Other Requirements. Such other information as the City Manager or designee deems reasonably necessary to administer this chapter.

B. Incomplete Application. If a license application does not include all required materials, the application will be considered incomplete and the City will notify the applicant, in writing, explaining the information required. If the applicant provides the missing required information within 30 calendar days of the date of the notice, the application will be reviewed. If the applicant does not provide the required information, the application will be deemed withdrawn and the City will refund the application fee.

C. License Fee. The fee for the application of a short-term rental business license endorsement, and any of its components requiring city action, shall be established by resolution of the City Council.

4.25.025 Term of Annual Business License Endorsement and Transferability

A. Term. A short-term rental business license endorsement shall be issued for a period of 12-months, effective July 1st

of each year, and may be renewed annually by the owner provided all applicable standards of this chapter are met.

B. Transferability. The business license endorsement shall be issued in the name of the owner(s) and is not transferable.

4.25.030 Business License Endorsement and Endorsement Renewal

A. Endorsement Must Be Obtained. An endorsement to a business license for a short-term rental shall be obtained and renewed as required in this section. The ability to operate a short-term rental in the City of Newport shall be discontinued for failure to obtain or renew an endorsement to operate as provided in this chapter.

B. Application and Renewal Application Process. A person engaging in a short-term rental who has not yet obtained a business license endorsement, or who is required to renew an existing endorsement, shall do so as follows:

1. Time of Application.

a. Existing Non-Conforming Short-Term Rentals. A business license endorsement renewal application completed in accordance with the provisions of NMC 4.25.020, is due on July 1, 2019 and annually every year thereafter.

b. New Short-Term Rentals. A business license endorsement for a short-term rental shall be obtained before beginning operations. Endorsement applications, completed in accordance with the provisions of NMC 4.25.020, may be submitted and issued at any time. The endorsement may be renewed annually thereafter on July 1st of each year.

2. Notice. On or about July 1 of each year, the City shall send notice to owners of property with short-term rental endorsements informing them that the endorsement must be renewed no later than August 15 of each year and that failure to do so will result in expiration of the endorsement. Notice shall be sent by first-class mail to the address the owner provided with the endorsement on file with the City.

3. Expiration of Endorsement. Failure of an owner to renew an endorsement by August 15 shall result in expiration of the endorsement, and the ability of the owner to operate shall be conclusively presumed to be discontinued with no further action by the City.
4. Grace Period. In circumstances where a property is sold or transferred and is immediately eligible for vacation rental use pursuant to NMC 14.25.035(A)(1), the new owner shall be afforded a 30-day grace period to apply for a short-term rental business license endorsement. Vacation rental use of the dwelling unit may occur within those 30-days, and during the period of time that the short-term rental business license endorsement is under review.

Staff: Individuals or entities that purchase vacation rental properties within or adjacent to commercial or water related zones, inside the vacation rental overlay, can immediately begin to use their properties for vacation rental purposes provided they obtain a license. Wrapping up a real estate transaction and obtaining a license takes time, and the properties are often booked well in advance by prospective guests creating a situation where bookings can fall into a gap between the change in ownership. At its 4/27/22 meeting, the STR Implementation Work Group supported establishing a grace period that will allow new owners to continue renting properties while they work through the licensing process. The proposed code language addresses the issue.

C. Approval Standards.

The owner or authorized agent has the burden of proof to demonstrate compliance with standards for the approval or renewal of an endorsement. The approval standards also serve as continuing code compliance obligations of the owner. To receive approval, an owner or authorized agent must demonstrate that the approval standards listed below have been satisfied:

1. Zoning. The property is in compliance with requirements of NMC Chapter 14.25.
2. Contact Information. The owner or authorized agent has provided information sufficient to verify a qualified

person will be available to be contacted about use of the short-term rental during and after business hours. The qualified person shall be available to be contacted by telephone to ensure a response to the short-term rental address at all hours (24 hours a day, seven days a week) while the dwelling unit is occupied for rent. The qualified person must be able to reach the premises within 30 minutes. The individual identified as the “qualified person” may be changed from time to time throughout the term of a license. To do so, the license information shall be revised with the city at least 14-days prior to the date the change takes effect, except when the failure to do so is beyond the owner or authorized agent’s control. In an emergency or absence, contact forwarding information to a qualified person should be provided by the owner or authorized agent. In the case of home shares, the contact person shall be the permanent resident who will be hosting the transient accommodations.

3. Notice to Neighbors. The owner or authorized agent of a vacation rental shall post a non-illuminated sign on the premises, between 1 and 2 square feet in size, containing the owner and/or representatives contact information. Such sign shall be placed in a location clearly legible, from an adjacent street. In the event the City establishes a 24/7 hotline for dispatching calls to operators of short-term rentals, then the contact information contained on the placard or sign shall be that of the firm providing the dispatch service. For vacation rentals in condominiums, the number and placement of signs shall be as specified by the City.
4. Electronic Availability. The City will make a database electronically accessible within which any person can enter in an address of a short-term rental and obtain the owner, authorized agent, and/or representative’s name, telephone number, and email address.
5. Fire and Emergency Safety. A completed checklist for fire safety (fire extinguishers, smoke alarms, carbon monoxide detectors, unobstructed exits, etc.) shall be required with each new endorsement and renewal. The owner or authorized agent shall be responsible for completing the fire safety checklist and ensuring continued compliance. Verification by the City of Newport Fire Marshall shall be required prior to

issuance of a new endorsement and may be required for renewals at the City Manager's discretion.

6. Structural Safety. A completed checklist, signed by the City of Newport Building Official, indicating that the short-term rental has been inspected and complies with the building safety standards listed below. Such checklist shall be completed prior to issuance of a new endorsement and may be required for renewals at the City Manager's discretion.
 - a. Bedrooms shall have an operable emergency escape window or exterior door with a minimum opening size of 5.7 sq. ft. (5.0 sq. ft. at grade floor), with minimum net clear dimensions of 20-inches in width and 24-inches in height and having a sill height not more than 44-inches above the finished floor.
 - b. All stairs with 4 or more risers shall have a handrail on at least one side. Handrails shall be secure, continuous, and have returns at each end.
 - c. The open sides of stairs, decks, porches or other walking surfaces more than 30-inches above grade or the floor below shall have guardrails configured such that a 4-inch sphere cannot pass through.
 - d. Windows within a 24-inch arc of doors and glass within bathtub or shower enclosures shall be safety glazed, or have an equivalent means of protection.
 - e. Wood frame decks shall be structurally sound. In cases where a deck supports a hot tub or other features of a similar size and weight, engineering analysis of the supports may be required.
 - f. Electrical plug-ins and light switches shall have faceplates.
 - g. Electrical breaker boxes shall have all circuits labeled, and empty breakers spaces must be plugged.
 - h. GFCI (Ground Fault Circuit Interrupter) protection shall be provided for exterior outlets, kitchens, garages, laundry areas, and bathroom receptacles.

- i. Functioning smoke detectors shall be installed in all bedrooms and outside each bedroom in hallways or other rooms providing access to bedrooms, and on each story including basements. Such alarms shall be installed in compliance with State Fire Marshal Rules and any applicable requirements of the State Building Code, and there shall be available in the premises a written notice containing instructions for testing the alarms.
 - j. Functioning carbon monoxide alarms shall be installed if the unit (a) contains a heater, fireplace, appliance or cooking source that uses coal, kerosene, petroleum products, wood or other fuels that emit carbon monoxide as a by-product of combustion; or (b) includes an attached garage with an opening that communicates directly with a living space. Such alarms shall be installed in compliance with State Fire Marshal Rules and any applicable requirements of the State Building Code, and there shall be available in the premises a written notice containing instructions for testing the alarms.
 - k. Water heaters shall be strapped and secured in accordance with seismic protections standards, with a TEP (Temperature and Pressure Relief) line that is run to an approved location.
 - l. A 2A10BC fire extinguisher shall be provided on each floor.
 - m. Address numbers shall be posted and visible from the street.
 - n. Any violation of applicable codes that the Building Official determines to be hazardous shall be corrected prior to use of the dwelling as a vacation rental.
7. Proof of Use. For vacation rental renewals, room tax remittance records must show that the unit has been rented at least 30 days within the 12-month fiscal year. The City Manager may reduce the required number of rental days, or set aside this provision entirely, in circumstances where a vacation rental, or group of

rentals, cannot be rented for reasons beyond the control of the vacation rental owner.

8. Room Tax Compliance. The unit shall be in compliance with room tax requirements of Chapter 3.05 of the Newport Municipal Code.
9. Violations. A short-term rental business license endorsement that is revoked shall not be renewed. An owner whose endorsement has been revoked shall not be eligible to reapply for a new endorsement for a period of two years.

D. Ongoing Operational Requirements

1. Complaints. The owner or representative shall respond to neighborhood complaints within one hour and shall maintain a written record of complaints, the dates they were received, and efforts taken to resolve issues that have been raised. The written record shall be provided to the City upon request.
2. Guest Registry. Owner or designee shall maintain a guest and vehicle register for each tenancy. The register shall include the name, home address, and phone number of the primary tenant; the total number of occupants; vehicle license plate numbers of all vehicles used by the tenants, and the date of the rental period. This information shall be provided to emergency responders, and city finance and code compliance personnel when requested for enforcement or audit purposes. Guest registry information is to be treated as confidential to the extent allowed by law.
3. Mandatory Postings. The short-term rental business license endorsement issued by the City shall be displayed in a prominent location within the interior of the dwelling adjacent to the front door. The endorsement will contain the following information:
 - a. A number or other identifying mark unique to the short-term rental endorsement which indicates that it was issued by the City of Newport, with date of expiration.

- b. The name of the owner and authorized agent and a telephone number where the owner and authorized agent may be contacted.
 - c. The property address.
 - d. The number of approved parking spaces.
 - e. The maximum occupancy permitted for the short-term rental.
 - f. Any required information or conditions specific to the operating license.
 - g. The City of Newport official logo.
4. Emergency Information. Owner or designee shall provide information within the dwelling unit to inform and assist renters in the event of a natural disaster, power outage, or other emergency. Required information includes, but is not limited to:
- a. A tsunami evacuation map produced by Lincoln County Emergency Services, Oregon Department of Geology and Mineral Industries or other agency with similar authority.
 - b. Phone numbers and addresses for emergency responders and utility providers.
 - c. Other information as established by resolution of the City Council.
5. Noise. Noise levels shall conform to the requirements of Chapter 8.15 of the Newport Municipal Code.
6. Nuisance. The short-term rental shall not be used in a manner that creates a public nuisance as defined in Chapter 8.10 of the Newport Municipal Code.
7. Required Parking. Off-street parking spaces approved for short-term rental use shall be available and are to be used by tenants at all times that the unit is rented. A parking diagram illustrating the location of the approved parking spaces shall be provided to tenants and be available in a prominent location within the short-term rental dwelling.

- 8. Occupancy. Maximum occupancy shall be limited to that which is specified in the Land Use Authorization.

- 9. Landscaping. Where the Land Use Authorization indicates landscaping is such landscaping shall be maintained. Changes may be made to the type and location of required landscaping as long as 50% of the front yard, and 40% of the total lot area remains landscaped.

- 10. Solid Waste Management. Weekly solid waste disposal service shall be provided while the dwelling is occupied as a short-term rental. The owner or authorized agent shall provide for regular garbage removal from the premises, and trash receptacles shall be stored or screened out of plain view of the street. City may require that an owner or authorized agent utilize solid waste collection valet service in circumstances where there have been verified complaints that a short-term rental is not adhering to these requirements. For the purpose of this section, valet service means the collection driver retrieves the cart from where it is stored, rolls it out for service, and then places it back in its original location.

- 11. Liability Insurance. Liability insurance is required that expressly covers vacation rental operations on the subject property in the amount of \$1,000,000 combined single limit for bodily injury and property damage.

- 12. Group Events. Company retreats, weddings, rehearsal dinners, family reunions and similar gatherings are permitted on the premises of a short-term rental during periods of transient use provided the total number of individuals does not exceed occupancy limits at any time during the rental period.

4.25.035 Inspections

Dwelling units for which a short-term rental business license endorsement is being sought, or has been obtained, shall be subject to initial inspection, and periodic re-inspection, by the City to ensure compliance with the provisions of this chapter. The timeframe for such inspections is subject to the City’s discretion and available resources.

4.25.040 Appeals

A decision on a new short-term rental business license endorsement application, renewal of an endorsement, or the revocation of an endorsement may be appealed as provided in NMC 4.05.075.

4.25.045 Waiting List

The process for administering a waiting list for the issuance of short-term rental business license endorsements, pursuant to NMC 14.25.030(A)(2), shall include the following:

- A. Upon request, an owner of a dwelling unit will be placed upon the waiting list. The City will note the date and time of the request, owner(s) name, mailing address, phone number, email address and the physical address of the dwelling unit.
- B. At the close of the annual short-term rental business license endorsement renewal period, the City will determine the number of vacation rental endorsements available to persons on the waitlist. This will occur once per calendar year.
- C. Endorsements will be made available to properties in chronological order beginning with the owner on the waiting list for the longest period of time.
- D. For properties that cannot satisfy spacing, or other approval standards in section 14.25.030, the City will inform the owner(s) of their right to seek relief from the standard(s) through the conditional use permitting process as provided in NMC 14.25.010. Those that wish to seek conditional use permit approval will be provided at least 60-days to submit their application. Owner(s) may also choose to forgo the conditional use permit process and stay in their present position on the waitlist, where upon their circumstances will be reevaluated the following calendar year.
- E. Owners of property that can satisfy approval standards in section 14.25.030 will be notified, in writing, that a short-term rental business license endorsement is available and that they have 60-days to apply for the license and endorsement.

F. Those owners that advise the City of their intent to submit a conditional use permit application, or apply for a business license and short-term rental endorsement, by the application deadline and fail to do so will no longer be eligible for a short-term rental endorsement and their names will be removed from the waiting list. If they wish to be added back to the waiting list, then their names will be placed at the end of the list.

G. Owners that submit conditional use permit applications or business license and short-term rental endorsements by the filing deadline will have until August 15th of the following year to complete the permitting process and obtain a license and endorsement.

H. Short-term rental endorsements that are not acted upon will be carried forward and made available to persons on the waiting list following the close of the next annual short-term rental business license endorsement renewal period.

Staff: Ordinance No. 2144 calls for the establishment of a waiting list once the maximum number of vacation rental licenses is reached. That occurred shortly after the ordinance was adopted. The City established an administrative process for managing the waitlist. At its 4/27/22 meeting, the STR Implementation Work Group expressed interest in seeing the administrative process codified. This new subsection accomplishes that objective.

4.25.~~045050~~ 050055 Violations

Penalties, as specified in section 4.25.~~050055~~, shall be imposed for one or more of the following violations:

- A. Advertising; renting; using; or offering for use, occupancy or rent; a short-term rental where the owner does not hold a valid endorsement issued pursuant to this section.
- B. Advertising; renting; using; or offering for use, occupancy or rent; a short-term rental in a manner that does not comply with the endorsement requirements of NMC Chapter 4.25.
- C. Failure to comply with the endorsement standards and operational requirements of NMC Chapter 4.25.

- D. Failure by the owner to pay the transient room tax required by NMC Chapter 3.05.
- E. Failure of the owner or owner's representative to respond to tenant, citizen or City complaints or inquiries. "Failure to respond" occurs if City staff is unable to reach the owner or designated representative after three attempts within a 48-hour period, using the information that the owner or designee has on file with the City.
- F. Any act occurring on the real property upon which the short-term rental is situated where it is established that a civil infraction has taken place under the provisions listed in NMC Chapter 2.15.

Staff: There have been circumstances where non-license related code violations have occurred on properties with licensed short-term rentals. This change will result in such violations also being a "strike" against the short-term rental. The STR Implementation Work Group expressed a desire for the change at its 4/27/22 meeting. It is reasonable for the City to expect that persons operating licensed short-term rentals will manage their properties in line with all city ordinances, not just those directly related to the operation of the rental. This change reinforces that expectation.

4.25.~~050~~055 Penalties

Penalties for a violation of subsection 4.25.~~045~~050(A) shall be a civil infraction to be enforced pursuant to the provisions listed in NMC Chapter 2.15. Where the owner possesses a valid short-term rental endorsement, the penalties for violations of subsections 4.25.045(B-E) shall be as follows:

- A. For the first violation within a 12-month period, City shall issue a written warning to owner.
- B. For the second violation within a 12 month period, City shall suspend owner's short-term rental endorsement for 30 days.
- C. For the third violation within a 12-month period: 1) City shall revoke owner's short-term rental endorsement; and 2) where an endorsement includes a Conditional Use Permit, city shall also initiate the revocation procedure as outlined under section 14.52.150.

(Unless otherwise specified, new language is shown in double underline, and text to be removed is depicted with ~~strike through~~. Staff comments, in *italics*, are for context and are not a part of the revisions.)

CHAPTER 14.25 SHORT-TERM RENTAL LAND USE REGULATIONS

14.25.010 Purpose

This chapter establishes criteria by which short-term rental uses may be permitted in order to ensure the safety and convenience of renters, owners, and neighboring property owners; protect the character of residential neighborhoods; protect the City’s supply of needed housing; and address potential negative effects such as excessive noise, overcrowding, illegal parking, and nuisances (e.g. accumulation of refuse, light pollution, etc.).

It is the intent of these regulations to strike a reasonable balance between the need to limit short-term rental options within neighborhoods to ensure compatibility, while also recognizing the benefits of short-term rentals in providing recreation and employment opportunities, as well as transitional housing for tourists, employees of businesses, and others who are in need of housing for a limited duration.

14.25.010 Approval Authority

- A. Upon receipt of a request by an owner or authorized agent to complete a land use compatibility statement for a short-term rental the Community Development Director, or designee, shall determine if the request satisfies the standards of section 14.25.030. If the request satisfies the standards, then the Director shall sign the statement confirming that short-term rental is a permitted use. Such action is ministerial and, as a non-discretionary act, is not subject to appeal.
- B. In the event that the Community Development Director or designee, determines that an application does not meet one or more of the standards of section 14.25.030, then the land use compatibility statement shall not be signed.
- C. If one or more of the standards under section 14.25.030 cannot be met, an owner may seek relief from those standards through a conditional use permitting process, pursuant to section 14.34.010. Such an application is subject to review by the Planning Commission via a Type

III decision making process, consistent with section 14.52.010, and is to be limited in scope to those standards that cannot be satisfied.

- D. A Conditional Use Permit may authorize more than one vacation rental use on street segments in R-1 and R-2 zones where ten or more lots front the street. In such cases, no more than one vacation rental may be permitted for every five lots fronting the street.
- E. An approved Conditional Use Permit that grants relief from, or provides alternative requirements to, one or more of the standards of section 14.25.030 shall serve as evidence that standards have been satisfied so that the Director can sign the land use compatibility statement.

14.25.015 Submittal Requirements

Land use compatibility statements shall be submitted on a form provided by the Community Development Department, and shall include the following:

- A. Site plan, drawn to scale, showing the dimensions, property lines, existing buildings, landscaped area, and off-street parking locations.
- B. Floorplan of the dwelling unit that identifies the rooms dedicated to short-term rental use.
- C. If the dwelling unit is within a residential zone, a calculation of the percentage of front yard and total lot area maintained in landscaping.
- D. If the dwelling unit relies upon shared parking areas, a copy of a covenant or other binding legal instrument detailing unit owner rights and responsibilities related to the parking areas.

14.25.020 Establishment of a Vacation Rental Overlay Zone

A Vacation Rental Overlay Zone is hereby established to identify areas within the city limits where vacation rentals are compatible uses and, by exclusion from the overlay, areas where vacation rentals are prohibited in order to protect the City’s supply of needed housing and character of its residential neighborhoods. The sole purpose of the Vacation

Rental Overlay Zone is to identify where vacation rentals are permitted uses and does not alleviate a vacation rental from having to satisfy requirements that are otherwise applicable under the Newport Municipal Code.

The Vacation Rental Overlay Zone shall be indicated on the Zoning Map of the City of Newport with the letters VROZ and is the area described as follows:

Real property lying within the corporate limits of the City of Newport beginning at the southwest corner of the intersection of NW 12th Street and US 101; thence west along the south line of NW 12th Street to the statutory beach line of the Pacific Ocean; thence southerly along the statutory beach line of the Pacific Ocean to the north line of SW 95th Street; thence east along the north line of SW 95th Street to its intersection with US 101; thence south along the west line of US 101 to a point opposite the south line of SE 98th Street; thence east across US 101 to the southeast corner of the intersection of US 101 and SE 98th Street, such point being coterminous with the Wolf Tree Destination Resort Site incorporated into the Newport Urban Growth Boundary pursuant to City of Newport Ordinance No. 1520; thence southerly, easterly, northerly, and westerly around the perimeter of the Wolf Tree Destination Resort Site to a point at the northeast corner of the intersection of SE 98th Street and US 101; thence north along the east line of US 101 to its intersection with SW Naterlin Drive; thence north and east along the south line of SW Naterlin Drive to SW Bay Street; thence south and east along the south line of SW Bay Street to the Mean Higher High Water(MHHW) line of Yaquina Bay; thence easterly and northerly along the MHHW line to its intersection with the Newport Urban Growth Boundary; thence northerly along the Urban Growth Boundary line to the south line of the Yaquina Bay Road; thence west along the south line of the Yaquina Bay Road to the point where it transitions into SE Bay Boulevard; thence west along the south line of SE Bay Boulevard to SE Moore Drive; thence north and west along the east line of SE Moore Drive to US 20; thence west along the south line of US 20 to the west line of SE Grant Street; thence north across US 20 to the west line of NE Grant Street; thence north along the west line of NE Grant Street to NE 1st Street; thence west along the north line of NE 1st Street to US 101; thence north along the east line of US 101 to the north line of NE 12th Street; thence west across US 101 to the point of beginning.

14.25.025 Allowed Locations

- A. Home share and bed & breakfast facility use of a dwelling unit is permitted in all residential and commercial zone districts.
- B. Vacation rental use of a dwelling unit is permitted within the Vacation Rental Overlay Zone.

14.25.030 Approval Standards

- A. Density. The total number of vacation rentals within the Vacation Rental Overlay shall be ~~capped at~~limited to a level not to exceed 200-176 dwelling units. In the event that number is reached, the City shall establish a waiting list for the issuance of business license endorsements as they become available on a first come, first served basis.
 - ~~1. A specific cap number shall be established by City Council resolution and that number shall serve as the maximum number of business license endorsements the City will issue for vacation rentals.~~
 - ~~2. In the event the cap number established by City Council is reached, the City shall establish a waiting list for the issuance of business license endorsements as they become available on a first come, first served basis.~~

Staff: The STR Implementation Work Group, at its 4/27/22 meeting, expressed a desire to eliminate the option of adjusting the license limit by resolution (up to a maximum of 200). Instead, they elected to have a license limit of 176 fixed in the ordinance. This amendment achieves that objective.

- B. Spacing. Vacation rental use shall be limited to a single building on a lot, or group of lots, that abut a street segment. All dwelling units contained within the building are eligible for vacation rental use. For buildings on corner lots, this standard applies to both street segments.
- C. Occupancy. Maximum occupancy for a short-term rental shall be two (2) persons per bedroom, plus two additional persons per property.

- D. Guestroom Limitations. The following limitations apply to the number of bedrooms within a dwelling unit that may be occupied by guests staying at a short-term rental.
 - 1. Vacation Rentals and Bed and Breakfast Facilities. A maximum of five (5) bedrooms.
 - 2. Home shares. A maximum of two (2) bedrooms.

- E. Parking Standards. One (1) off-street parking space per bedroom that is dedicated to short-term rental use, unless the dwelling unit is within a parking district as defined in section 14.14.100, in which case on-street parking may be used to meet the one (1) space per bedroom requirement provided the parking is allocated in accordance with the requirements of the parking district. Parking spaces shall comply with the dimensional standards of subsection 14.14.090(A). Off-street parking on driveways that extend into underdeveloped rights-of-way may be used to satisfy this requirement provided a stipulation is placed on the endorsement that the authorization may be revoked if the street is improved and driveway shortened.

- F. Shared Access. Short-term rentals that rely upon use of shared access and parking areas may only be permitted if a covenant or other binding legal instrument establishes that the owner of the unit maintains exclusive use of the required parking space(s).

- G. Landscaping. For short-term rentals situated on individual lots or parcels in residential zones, at least 50% of the front yard and 40% of the total area shall be landscaped. No more than 50% of the front yard landscaping may be impervious surfaces, such as patios and decks. Driveway and parking areas shall not satisfy any portion of these landscaping requirements.

14.25.035 Non-Conforming Short-Term Rentals

- A. The non-conforming use provisions of NMC Chapter 14.32 shall apply to all short-term rentals licensed prior to the effective date of this ordinance, except:
 - 1. Vacation rentals located inside the Vacation Rental Overlay Zone within, or adjacent to, a commercial or water-related zone shall count towards the specific cap number established pursuant to NMC 14.25.030(A)(1), but are not subject to the density limitation of NMC

14.25.030(A), and may be sold or transferred notwithstanding the waiting list provisions of NMC 14.25.030(A)(2).

- 2. All other vacation rentals located inside the Vacation Rental Overlay Zone shall count towards the specific cap number established pursuant to NMC 14.25.030(A)(1) and, upon sale or transfer, shall be subject to the density limitation of NMC 14.25.030(A) and the spacing standards of NMC 14.25.030(B).
 - 3. Vacation rental use of dwelling units located outside of the Vacation Rental Overlay Zone shall cease upon sale or transfer of the units.
- B. In the event that a property owner believes they can establish that imposition of these regulations results in a demonstrable reduction in the property’s fair market value, such owner may apply to the City for compensation and/or relief from the regulation under ORS 195.310 to 195.314. If the property owner demonstrates with credible evidence a reduction in fair market value the City may provide compensation and/or regulatory relief in a form and amount of its choosing. The property owner may appeal any such final determination pursuant to ORS 195.318.

(Chapter 4.25 was repealed and replaced by Ordinance No. 2144, adopted on May 6, 2019, effective May 7, 2019.)

CITY OF NEWPORT

RESOLUTION NO. 3931

A RESOLUTION EXTENDING THE
TERM OF THE SHORT-TERM RENTAL WORK GROUP

WHEREAS, with Resolution No. 3857, the City Council established a Short-Term Rental Ordinance Implementation Work Group (hereafter "Work Group") to collect and evaluate information related to the implementation of new short-term rental regulations enacted with Ordinance No. 2144; and

WHEREAS, the Work Group was further tasked with summarizing its observations as to the effectiveness of Ordinance No. 2144 in achieving policy objectives, including whether or not the ordinance should be revised or its implementation improved, and to provide periodic status reports to the Planning Commission and City Council; and

WHEREAS, the Work Group was to serve until December 31, 2020; however, the City Council extended its term of service by 12-months with Resolution No. 3902, due to the COVID-19 pandemic and its impact on transient lodging; and

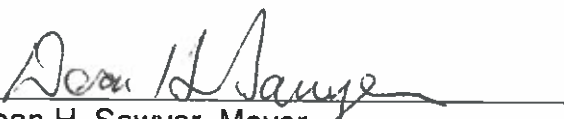
WHEREAS, as a result of the ongoing impact of the COVID-19 pandemic, it is appropriate to extend the Work Group's term of service an additional 12-months, with a final report of the Work Group's findings due by the end of September 2022, and the Work Group completing all of its activities by December 31, 2022; and

WHEREAS, with this extension the Work Group will have the opportunity to observe the effectiveness of Ordinance No. 2144 over multiple summer seasons, allowing it to more accurately assess the impact the pandemic has had on rental activity, identify trends, and account for new or adjusted implementation measures relevant to the success of the short-term rental licensing and enforcement program.

THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

1. The Work Group shall prepare a final report of its findings no later than September 30, 2022, and is to complete all of its work by December 31, 2022.
2. All other provisions of Resolution No. 3857 shall remain in effect as adopted.

Adopted by the City Council of the City of Newport this 4th day of October, 2021.


Dean H. Sawyer, Mayor

ATTEST:


Margaret M. Hawker, City Recorder

City of Newport

Community Development
Department

Memorandum

To: Short-Term Rental Ordinance Implementation Work Group

From: Derrick I. Tokos, AICP, Community Development Director

Date: July 11, 2022

Re: Renewal of GovOS, Inc. (Formerly MUNIRevs) Contract

After soliciting three (3) competitive quotes, the City of Newport selected MUNIRev's short-term rental compliance module (known as LODGINGRevs) to supplement its code enforcement capabilities. A three year contract was executed effective July 1, 2019.

Services the City acquired from LODGINGRevs include ongoing short-term rental monitoring and discovery across multiple online platforms linked to a compliance database, a 24/7 bilingual hotline and incident reporting form, and remittance monitoring tools. MUNIRevs was merged into GovOS, Inc. effective January 1, 2022. GovOS, Inc. offers the same suite of services.

At its July 18, 2022 meeting, the Newport City Council, acting as a Local Contract Review Board, will consider granting GovOS, Inc. a three year contract extension. Monthly rates will be the same as those listed in the previous contract. Please take a moment to review the draft contract, and any feedback you may have will be passed along to the Council members.

Attachments

Draft GovOS, Inc. personal services agreement 7.11.22

MUNIRevs, Inc. - GovOS, Inc. Certificate of Ownership and Merger Document

**CITY OF NEWPORT, OREGON
DRAFT PERSONAL SERVICES AGREEMENT**

THIS AGREEMENT is between the City of Newport, an Oregon municipal corporation (City), and GovOS, Inc. (Contractor). This Agreement shall be effective when signed and dated by an authorized representative of each party.

RECITALS

- A. Contractor has the training, ability, knowledge, and experience to provide services desired by the City.
- B. City has selected Contractor to provide services under its public contracting rules.

TERMS OF AGREEMENT

1. SERVICES TO BE PROVIDED

Contractor shall provide the services described in attached Exhibit A to this Agreement. To the extent there are any inconsistencies or conflicts between this Agreement and the attached Exhibit A, this Agreement shall control and prevail.

2. TERM

The term of this Agreement shall be 3-year(s) with an option to extend for up to 2 additional 3-year terms, at City's sole discretion. This Agreement shall expire, unless otherwise terminated or extended, on July 1, 2025.

3. COMPENSATION

Contractor shall be compensated as described in attached Exhibit A to this Agreement.

4. ASSIGNMENT / DELEGATION

Neither party shall assign or transfer any interest in or duty under this Agreement without the written consent of the other.

5. STATUS OF CONTRACTOR AS INDEPENDENT CONTRACTOR

Contractor certifies that:

- A. Contractor acknowledges that Contractor is an independent contractor as defined by ORS 670.600 and not an employee of City, shall not be entitled to benefits of any kind to which an employee of City is entitled and shall be solely responsible for all payments and taxes required by law. Furthermore, in the event that Contractor is found by a court of law or any administrative agency to be an employee of City for any purpose, City shall be entitled to offset compensation

due, or to demand repayment of any amounts paid to Contractor under the terms of this Agreement, to the full extent of any benefits or other remuneration Contractor receives (from City or third party) as a result of the finding and to the full extent of any payments that City is required to make (to Contractor or third party) as a result of the finding.

- B. Contractor represents that no employee of the City, or any partnership or corporation in which a City employee has an interest, has or will receive any remuneration of any description from Contractor, either directly or indirectly, in connection with this Agreement, except as specifically declared in writing.
- C. Contractor certifies that Contractor currently has a City business license or will obtain one prior to delivering services under this Agreement.
- D. Contractor is not an officer, employee, or agent of the City as those terms are used in ORS 30.265.

6. INDEMNIFICATION

City has relied upon the professional ability and training of Contractor as a material inducement to enter into this Agreement. Contractor warrants that all its work will be performed in accordance with generally accepted professional practices and standards as well as the requirements of applicable federal, state and local laws. Acceptance of contractor's work by City shall not operate as a waiver or release. Contractor agrees to indemnify and defend the City, its officers, agents, employees and volunteers and hold them harmless from any and all liability, causes of action, claims, losses, damages, judgments or other costs or expenses including attorney fees and witness costs (at both trial and appeal level, whether or not a trial or appeal ever takes place) that may be asserted by any person or entity which in any way arise from, during or in connection with the performance of the work described in this Agreement, except to the extent that the liability arises out of the negligence of the City and its employees. Contractor's indemnification shall also cover claims brought against the City under state or federal workers' compensation laws. If any aspect of this indemnity shall be found to be illegal or invalid for any reason whatsoever, the illegality or invalidity shall not affect the validity of the remainder of this indemnification.

7. INSURANCE

Contractor and its subcontractors shall maintain insurance acceptable to City in full force and effect throughout the term of this Agreement. The insurance shall cover all activities of the contractor arising directly or indirectly out of Contractor's work performed hereunder, including the operations of its subcontractors of any tier.

The policy or policies of insurance maintained by the Contractor and its subcontractor shall provide at least the following limits and coverages:

- A. Commercial General Liability Insurance

Contractor shall obtain, at contractor's expense, and keep in effect during the term of this Agreement, Comprehensive General Liability Insurance covering Bodily Injury and Property Damage on an "occurrence" form (1996 ISO or equivalent). This coverage shall include Contractual Liability insurance for the indemnity provided under this Agreement. The following insurance will be carried:

<u>Coverage</u>	<u>Limit</u>
General Aggregate	2,000,000
Products-Completed Operations Aggregate	1,000,000
Personal & Advertising Injury	1,000,000
Each Occurrence	1,000,000
Fire Damage (Any one fire)	50,000
Medical Expense (Any one person)	5,000

B. Commercial Automobile Insurance

Contractor shall also obtain, at contractor's expense, and keep in effect during the term of this Agreement, Commercial Automobile Liability coverage including coverage for all owned, hired, and non-owned vehicles. The Combined Single Limit per occurrence shall not be less than \$1,000,000.

C. Workers' Compensation Insurance

The Contractor, its subcontractors, if any, and all employers providing work, labor or materials under this Agreement that are either subject employers that will comply with ORS 656.017 or employers exempt under ORS 656.126. Out-of-state employers must provide Oregon workers' compensation coverage for their workers who work at a single location within Oregon for more than 30 days in a calendar year. Contractors who perform work without the assistance or labor of any employee need not obtain such coverage. This shall include Employer's Liability Insurance with coverage limits of not less than \$500,000 each accident.

D. Additional Insured Provision

The Commercial General Liability Insurance and Commercial Automobile Insurance policies and other policies the City deems necessary shall include the City as an additional insured with respect to this Agreement.

E. Notice of Cancellation

There shall be no cancellation, material change, exhaustion of aggregate limits or intent not to renew insurance coverage without 30 days written notice to the City. Any failure to comply with this provision will not affect the insurance coverage provided to the City. The certificates of insurance provided to the City shall state that the insurer shall endeavor to provide 30 days' notice of cancellation to City.

F. Certificates of Insurance

As evidence of the insurance coverage required by this Agreement, the Contractor shall furnish a Certificate of Insurance to the City. No contract shall be effective until the required certificates have been received and approved by the City. The certificate will specify and document all provisions within the Agreement. A renewal certificate will be sent to the City's address 10 days prior to coverage expiration.

G. Primary Coverage Clarification

The parties agree that Contractor's coverage shall be primary to the extent permitted by law. The parties further agree that other insurance maintained by the City is excess and not contributory insurance with the insurance required in this section.

H. Cross-Liability Clause

A cross-liability clause or separation of insureds clause will be included in all general liability, professional liability, pollution, and errors and omissions policies required by this Agreement.

The procuring of required insurance shall not be construed to limit contractor's liability under this Agreement. Notwithstanding said insurance, Contractor shall be obligated for the total amount of any damage, injury, or loss caused by negligence or neglect connected with this Agreement.

8. METHOD & PLACE OF SUBMITTING NOTICE, BILLS AND PAYMENTS

All notices, bills and payments shall be made in writing and may be given by personal delivery or mail. Payments may be made by personal delivery, mail, or electronic transfer. The following addresses shall be used to transmit notices and other information:

City: City Manager
City of Newport
169 SW Coast Hwy.
Newport, OR 97365

Contractor: President
GovOS, Inc.
8310 N Capital of Texas Hwy
Austin, TX 78731

Notices mailed to the address provided for notice in this section shall be deemed given upon deposit in United States mail, postage prepaid. In all other instances, notices, bills and payments shall be deemed given at the time of actual delivery.

9. MERGER

This writing is intended both as a final expression of the agreement between the parties with respect to the included terms and as a complete and exclusive statement of the terms of this Agreement. No modification of this Agreement shall be effective unless and until it is made in writing and signed by both parties.

10. TERMINATION WITHOUT CAUSE

At any time and without cause, City shall have the right in its sole discretion, to terminate this Agreement by giving notice to Contractor. If City terminates the Agreement pursuant to this paragraph, it shall pay Contractor for services rendered to the date of termination.

11. TERMINATION WITH CAUSE

A. City may terminate this Agreement effective upon delivery of written notice to Contractor, or at such later date as may be established by City, under any of the following conditions:

1. If City funding from federal, state, local, or other sources is not obtained and continued at levels sufficient to allow for the purchase of the indicated quantity of services. This Agreement may be modified, or terminated, to accommodate a reduction in funds.
2. If federal or state regulations or guidelines are modified, changed, or interpreted in such a way that the services are no longer allowable or appropriate for purchase under this Agreement.
3. If any license or certificate required by law or regulation to be held by Contractor, its subcontractors, agents, and employees to provide the services required by this Agreement is for any reason denied, revoked, or not renewed.
4. If Contractor becomes insolvent, if voluntary or involuntary petition in bankruptcy is filed by or against Contractor, if a receiver or trustee is appointed for Contractor, or if there is an assignment for the benefit of creditors of Contractor.
5. If City determines that termination of this Agreement is in the best interest of the City.

Any such termination of this Agreement under paragraph (A) shall be without prejudice to any obligations or liabilities of either party already accrued prior to such termination.

- B. City, by written notice of default (including breach of contract) to Contractor, may terminate the whole or any part of this Agreement:
1. If Contractor fails to provide services called for by this Agreement within the time specified herein or any extension thereof.
 2. If Contractor fails to perform any of the other provisions of this Agreement, or so fails to pursue the work as to endanger performance of this Agreement in accordance with its terms, and after receipt of written notice from City, fails to correct such failures within ten (10) days or such other period as City may authorize.
 3. If Contractor fails to eliminate a conflict as described in Section 11 of this Agreement.

The rights and remedies of City provided in the above clause related to defaults (including breach of contract) by Contractor shall not be exclusive and are in addition to any other rights and remedies provided by law or under this Agreement.

If City terminates this Agreement under paragraph (B), Contractor shall be entitled to receive payment for all services satisfactorily rendered and expenses incurred, an amount which bears the same ratio to the total fees specified in this Agreement as the services satisfactorily rendered by Contractor bear to the total services otherwise required to be performed; provided, that there shall be deducted from such amount the amount of damages, if any, sustained by City due to breach of contract by Contractor. Damages for breach of contract shall be those allowed by Oregon law, reasonable attorney fees, and other costs of litigation at trial and upon appeal.

12. ACCESS TO RECORDS

City shall have access to books, documents, papers and records of Contractor as are directly pertinent to this Agreement for the purpose of making audit, examination, excerpts and transcripts.

13. FORCE MAJEURE

Neither City nor Contractor shall be considered in default because of any delays in completion and responsibilities hereunder due to causes beyond the control and without fault or negligence on the part of the parties so disabled, including but not restricted to, an act of nature or of a public enemy, civil unrest, volcano, earthquake, fire, flood, epidemic, quarantine restriction, area-wide strike, freight

embargo, unusually severe weather or delay of subcontractor or supplies due to such cause; provided that the parties so disabled shall within 10 days from the beginning of the delay, notify the other party in writing of the cause of delay and its probable extent. The notification shall not be the basis for a claim for additional compensation. Each party shall, however, make all reasonable efforts to remove or eliminate the cause of delay or default and shall, upon cessation of the cause, diligently pursue performance of its obligation under this Agreement.

14. NON-WAIVER

The failure of City to insist upon or enforce strict performance by Contractor of any of the terms of this Agreement or to exercise any rights hereunder should not be construed as a waiver or relinquishment to any extent of its rights to assert or rely upon such terms or rights on any future occasion.

15. NON-DISCRIMINATION

Contractor agrees to comply with all applicable requirements of federal and state civil rights and rehabilitation statutes, rules, and regulations. Contractor also shall comply with the Americans with Disabilities Act of 1990, ORS 659A.142, and all regulations and administrative rules established pursuant to those laws.

16. ERRORS

Contractor shall perform such additional work as may be necessary to correct errors in the work required under this Agreement without undue delay and without additional cost.

17. EXTRA WORK

Only the City Manager may authorize additional work not described in Exhibit A. Failure of Contractor to secure written authorization for work not described in Exhibit A shall constitute a waiver of all right to adjustment in the contract price or contract time due to such unauthorized extra work and Contractor thereafter shall be entitled to no compensation whatsoever for the performance of such work.

18. ATTORNEY FEES

In any action arising under this Agreement, the prevailing party shall be entitled to such sum as the court may award as reasonable attorney fees and court costs, including attorney fees and court costs on appeal.

19. GOVERNING LAW

This Agreement shall be governed by and construed in accordance with the laws of the State of Oregon, without regard to conflict of law principles. Any action or suits involving any question arising under this Agreement must be brought in the

appropriate court of the State of Oregon, and the parties hereby consent to venue in Lincoln County Circuit Court, Oregon, unless exclusive jurisdiction is in federal court, in which case venue shall be in federal district court for the District of Oregon.

20. COMPLIANCE WITH STATE AND FEDERAL LAWS / RULES

Contractor shall comply with all applicable federal, state and local laws, rules and regulations, including, but not limited to, the requirements concerning working hours, overtime, medical care, workers' compensation insurance, health care payments, payments to employees and subcontractors and income tax withholding contained in ORS Chapter 279B, the provisions of which are hereby made a part of this Agreement. (See attached Exhibit B.)

21. SEVERABILITY / COUNTERPARTS

In the event any provision of this Agreement is unenforceable as a matter of law, the remaining provisions will stay in full force and effect. This Agreement may be executed in counterparts and a signed copy transmitted by facsimile or other electronic means, each of which will be deemed an original, but all of which taken together will constitute one and the same agreement.

CITY OF NEWPORT

Spencer Nebel, City Manager Date

CONTRACTOR

Kevin Lafeber, President, GovOS, Inc. Date

EXHIBIT A
TO PERSONAL SERVICES AGREEMENT

Item	Monthly Cost
Ongoing short-term rental census monitoring and discovery, with reconciliation and updates to compliance database.	\$650 / Month
Non-compliant evidence capture	Included
Listing tracker that captures evidence every five (5) minutes on non-compliant properties.	Included
Online bilingual complaint form and call center during business hours	Included
24/7 bilingual complaint hotline with dashboard integration	\$300 / Month
Remittance audit tool with audit workflow	\$450 / Month
Notification module, including unlimited notification templates, targeted and customized notices by compliance status	Included
Total	\$1,400 / Month

EXHIBIT B
TO PERSONAL SERVICES AGREEMENT

RELEVANT PROVISIONS OF ORS CHAPTER 279B

279B.220 Conditions concerning payment, contributions, liens, withholding. Every public contract shall contain a condition that the contractor shall:

1. Make payment promptly, as due, to all persons supplying to the contractor labor or material for the performance of the work provided for in the contract.
2. Pay all contributions or amounts due the Industrial Accident Fund from the contractor or subcontractor incurred in the performance of the contract.
3. Not permit any lien or claim to be filed or prosecuted against the state or a county, school district, municipality, municipal corporation or subdivision thereof, on account of any labor or material furnished.
4. Pay to the Department of Revenue all sums withheld from employees under ORS 316.167.

279B.230 Condition concerning payment for medical care and providing workers' compensation.

1. Every public contract shall contain a condition that the contractor shall promptly, as due, make payment to any person, co-partnership, association or corporation furnishing medical, surgical and hospital care services or other needed care and attention, incident to sickness or injury, to the employees of the contractor, of all sums that the contractor agrees to pay for the services and all moneys and sums that the contractor collected or deducted from the wages of employees under any law, contract or agreement for the purpose of providing or paying for the services.
2. Every public contract shall contain a clause or condition that all subject employers working under the contract are either employers that will comply with ORS 656.017 or employers that are exempt under ORS 656.126.

279B.235 Condition concerning hours of labor; compliance with pay equity provisions; employee discussions of rate of pay or benefits.

1. An employer must give notice in writing to employees who work on a public contract, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.
2. In the case of contracts for personal services as described in ORS 279A.055, the contract shall contain a provision that the employee shall be paid at least time

and a half for all overtime worked in excess of 40 hours in any one week, except for individuals under personal services contracts who are excluded under ORS 653.010 to 653.261 or under 29 U.S.C. 201 to 209 from receiving overtime.

3. (a) Except as provided in subsection (4) of this section, contracts for services must contain a provision that requires that persons employed under the contracts shall receive at least time and a half pay for work performed on the legal holidays specified in a collective bargaining agreement or in ORS 279B.020 (1)(b)(B) to (G) and for all time worked in excess of 10 hours in any one day or in excess of 40 hours in any one week, whichever is greater.

(b) An employer shall give notice in writing to employees who work on a contract for services, either at the time of hire or before commencement of work on the contract, or by posting a notice in a location frequented by employees, of the number of hours per day and days per week that the employees may be required to work.

DRAFT

Delaware

The First State

Page 1

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE CERTIFICATE OF OWNERSHIP, WHICH MERGES:

"BIZODO, INC.", A DELAWARE CORPORATION,

"MUNIREVS INC.", A CALIFORNIA CORPORATION,

WITH AND INTO "GOVOS, INC." UNDER THE NAME OF "GOVOS, INC.", A CORPORATION ORGANIZED AND EXISTING UNDER THE LAWS OF THE STATE OF DELAWARE, AS RECEIVED AND FILED IN THIS OFFICE ON THE TWENTY-SEVENTH DAY OF DECEMBER, A.D. 2021, AT 11:49 O`CLOCK A.M.




Jeffrey W. Bullock, Secretary of State

4706808 8100M
SR# 20214218454

You may verify this certificate online at corp.delaware.gov/authver.shtml

Authentication: 205086843
Date: 12-27-21

STATE OF DELAWARE
CERTIFICATE OF OWNERSHIP
AND MERGER

MERGING

MUNIREVS INC.
AND
BIZODO, INC.

INTO

GOVOS, INC.

Pursuant to Section 253 of the Delaware General Corporation Law, GovOS, Inc., a corporation organized and existing under the laws of the State of Delaware ("GovOS"), does hereby certify:

FIRST: That it was organized pursuant to the provisions of the General Corporation Law of Delaware on the 12th day of January 2021.

SECOND: That it owns 100% of the outstanding shares of the capital stock of Bizodo, Inc., a corporation organized pursuant to the provisions of the General Corporation Law of Delaware ("Bizodo") on the 21st day of November 2012.

THIRD: That it owns 100% of the outstanding shares of the capital stock of MUNIREvs Inc., a corporation organized pursuant to the provision of the Corporations and Associations Act of Colorado ("MUNIREvs" and together with Bizodo, the "Merging Companies") on the 19th day of December 2017.

FOURTH: That this Certificate of Merger, merging the Merging Companies into GovOS, is authorized in accordance with GovOS's governing documents and the laws of the State of Delaware and Colorado.

FIFTH: That this merger has been duly approved by the board of directors and holders of at least a majority of the outstanding ownership interests of each of the Merging Companies, pursuant to the following resolutions:

NOW, THEREFORE, BE IT RESOLVED, that the merger between the Merging Companies with and into GovOS (the "Merger") is authorized by GovOS's Bylaws.

BE IT FURTHER RESOLVED, that GovOS is hereby authorized to enter into the Merger.

BE IT FURTHER RESOLVED, that Michael K. Crosno, as President and CEO of GovOS, be, and hereby is, authorized and directed in the name and on behalf of GovOS to execute and deliver, the Certificate of Ownership and Merger and any other necessary certificates, consents, or any other documentation necessary to effectuate the Merger on behalf of GovOS.

SIXTH: That the merger shall become effective at 12:00 AM EST on January 1, 2022.

[Signature page follows.]

IN WITNESS WHEREOF, GovOS, as the parent entity, has caused this Certificate to be signed by an authorized officer as of the date first set forth above.

GOVOS, INC.

By: 
Name: Michael K. Crosno
Title: President and CEO

[Signature Page to Certificate of Ownership and Merger]