

CITY OF NEWPORT
RESOLUTION NO. 3585

RESOLUTION SETTING FEES FOR
VACATION RENTAL AND BED & BREAKFAST
ENDORSEMENTS

Findings:

1. The City of Newport Zoning Ordinance (NZO) Sections 2-1-1.101, 2-1-1, and 2-4-11 set criteria for authorizing vacation rental and bed and breakfast (VR/BB) facilities within the City's corporate limits. Applicants may request a business license endorsement (endorsement) for such facilities meeting this criteria, by filing an application with the City's Community Development Department.
2. As part of the endorsement process, an inspection must be performed by the City Building Official or designee to ensure that the VR/BB facility complies with the NZO criteria. The Building Official operates within a fee supported program, adopted in a manner consistent with state law.
3. Review of applications and authorizing endorsements will result in planning and building department costs to the city that should be offset as authorized by NZO 2-4-12.
4. The fee, at a minimum, must cover the full cost of the building inspections, estimated from \$40 - \$82 per hour, based upon city contracts for these services. An inspection is anticipated to take up to one hour per application. Applications for new VR/BB facilities may require a follow-up inspection. Basing a portion of the endorsement fee on these facts ensures that the city will not subsidize endorsement building inspections with city building program funds. To minimize the financial impact to existing, full time VR/BB operators, given the investments they have made in those facilities, it is appropriate that the city cover the expense of the inspections out of the General Fund.
5. Per Resolution No. 3486, the fee must also cover 50% of the city's internal planning review costs. Such internal review costs are anticipated to be lower for preexisting VR/BB facilities, given that such facilities should already conform to many of the new requirements. It is, therefore, appropriate for the city to set a reduced total fee for these units. For new facilities, the direct unit cost in terms of planning staff time is anticipated to be comparable to that of a Land Use Compatibility Statement (LUCS), which is also a ministerial action. A 2009 City of Newport User Fee Study authored by FCS Group documented the direct unit cost of a LUCS Review to be \$94. Fifty percent (50%) of these estimated city costs must be included within the endorsement application fee.
6. Costs incurred by the city in reviewing endorsement requests and conducting associated inspections are subject to inflation and should be adjusted annually using the Bureau of Labor Statistics Consumer Price Index for Urban Consumers (CPI-U).
7. This fee resolution is desired to go into effect on July 1, 2012, the effective date of Ordinance No. 2032, establishing the endorsement requirements.

Based on these findings,

NOW, THEREFORE, THE CITY OF NEWPORT RESOLVES AS FOLLOWS:

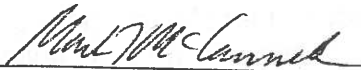
Section 1. Application Fee for Existing Vacation Rental and Bed and Breakfast Facilities. There shall be no application fee for a VR/BB facility endorsement for a facility established in accordance with applicable City of Newport Land Use Codes and operating under a valid business license as of July 1, 2012. This fee exemption shall not apply to vacation rentals operated not more than 10 times in a calendar year.

Section 2. Application Fee for new Vacation Rental and Bed and Breakfast Facilities. The application fee for a VR/BB facility endorsement for all facilities not covered by Section 1 of this Resolution is \$125 per dwelling unit. This fee includes an initial inspection by the Building Official. The fee for each subsequent Building Official inspection shall be \$75.

Section 3. Annual Fee Adjustments. Pursuant to NZO 2-6-12, the planning application fees established herein shall be reviewed annually and adjusted as needed on January 1st of each year to account for inflation using the Bureau of Labor Statistics Consumer Price Index for Urban Consumers (CPI-U).

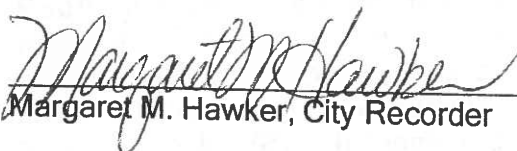
Section 4. General Fund Transfer. The amount of \$6,000 shall be transferred from the General Fund to the Building Inspection Fund to cover the inspection costs for VR/BB endorsements described under Section 1.

Section 5. Effective Date. The effective date of this resolution is July 1, 2012.



Mark McConnell, Mayor

ATTEST:



Margaret M. Hawker, City Recorder