

A regular meeting of the Astoria Common Council was held at the above place at the hour of 7:00 pm.

Councilors Present: Nemlowill (via telephone), Jones, Price, Brownson (via telephone), and Mayor LaMear.

Councilors Excused: None

Staff Present: City Manager Estes, Planner Ferber, Contract Planner Johnson, Interim Parks and Recreation Director Dart-McLean, Finance Director Brooks, Interim Fire Chief Curtis, Police Chief Spalding, Public Works Director Harrington, Library Director Pearson, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

## PRESENTATIONS

### **Item 3(a): Astoria Police Department – Swearing In of New Police Officer Sergio Carrera**

Chief Spalding introduced Sergio Carrera, noting his personal and professional backgrounds. He explained the process required to become a police officer, which takes about a year.

Mayor LaMear conducted the swearing in of Officer Carrera. Officer Carrera received his badge and greeted the Mayor, Councilors, and Staff. Chief Spalding announced a reception would follow in the next room.

## REPORTS OF COUNCILORS

**Item 4(a): Councilor Price** reported her last salonical would be on Monday, December 10, 2018 at Kala Gallery on 10<sup>th</sup> and Marine at 6:00 pm.

**Item 4(b): Councilor Jones** reported that he, Chief Curtis, City Manager Estes, and officials from several other jurisdictions, including the County, attended an all-hazards training and exercise hosted by Clatsop County last week under a FEMA program with FEMA grant money and professional instructors from Texas A&M. The program simulated an influenza breakout with some fatalities during a winter storm. Participants had the opportunity to think through various scenarios and received a refresher on disaster preparedness. It was good to get the various jurisdictions working together as a team.

**Item 4(c): Councilor Brownson** had no reports.

**Item 4(d): Councilor Nemlowill** had no reports.

**Item 4(e): Mayor LaMear** had no reports.

## CHANGES TO AGENDA

There were none.

## CONSENT CALENDAR

The following items were presented on the Consent Calendar:

- 6(a) City Council Minutes of 11/5/18
- 6(b) City Council Minutes of 11/8/18
- 6(c) Board and Commission Minutes
  - (1) Library Board Meeting of 10/23/18

**City Council Action:** Motion made by Councilor Jones, seconded by Councilor Price, to approve the Consent Calendar. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

## REGULAR AGENDA ITEMS

### **Item 7(a): Second Reading and Adoption: Homestay Lodging Code Ordinance, Transient Lodging Tax Ordinance, and Homestay Lodging Fee Resolution**

Over the last few years, the number of illegal transient lodging facilities in Astoria has increased substantially. Enforcement is difficult as the units are not identified by address or owner in the advertising platforms (such as Airbnb, VRBO, etc.) and it is time consuming and difficult for staff to research where the specific facilities are located in order to initiate code enforcement. At the December 13, 2017 work session, staff reviewed a list of facilities that were being advertised and noted the ones they could identify and of those, which ones had permits and were in compliance with the Codes. Staff also reviewed the current processes for obtaining permits and code enforcement. The City Council discussed the need for better codes, licenses, and enforcement and directed staff to research other cities' codes and draft an amendment to the City Code that would address this growing problem.

Staff researched transient lodging codes in multiple cities and counties and drafted a City Code amendment that clarifies terminology, establishes a license process, and addresses code enforcement. The Council held a work session on October 10, 2018 to review the draft codes.

The draft City Code Ordinance for Homestay Lodging Licenses, and a draft City Code Ordinance for the Transient Lodging Tax was presented at the November 19, 2018 City Council meeting. The Council conducted a public hearing and first reading of the two ordinances. A separate administrative "Procedural Process" is attached for Council to review. These will be informational for staff as guidance in processing the licenses.

A Fee Resolution is also attached for consideration. The fees are proposed similar to some of the land use permit fees such as conditional uses and appeals as the licenses will require staff time for review, public notices, and enforcement. Per the Council's direction, the fees reflect estimated actual costs to process the licenses.

An ordinance amending the City Code to add Homestay Lodging Licenses, an ordinance amending the Transient Room Tax, and a resolution to adopt fees associated with Homestay Lodging licenses are attached.

If the draft code meets Council's expectations, it would be in order for Council to hold a second reading and adopt the ordinance for the Homestay Lodging Licenses and the ordinance for the Transient Room Tax. Two separate motions / votes and two separate readings would be needed. If the draft fee resolution is acceptable to the Council, it would be in order for Council to adopt the resolution.

Mayor LaMear reopened the joint public hearing on the Homestay Lodging Ordinance, Transient Room Tax Ordinance, and Homestay Lodging Fee Resolution at 7:12 pm and called for public testimony.

Judith Nyland, no address stated, said she had been trying to follow these ordinances for two years because she owns an Airbnb. The process has been very hard to follow because the information did not always appear in the newspaper and she had to know where to hunt for the meeting minutes. Most of her friends who have Airbnbs did not know how far these ordinances had come. She believed the fees were extremely high. She did not need the City to explain why they made the fees so high but wanted the City to realize that she was not a hotel. She only rented one room. The room is her child's bedroom, so it is not rented all the time. Renting the room out occasionally allows her to make the experience very personal. Her guests call her house a home away from home and say they will always remember the personal experience she's been able to give them. If inspections and fees are required, she might not be able to rent the room because she does not have a savings. In previous work sessions, there were discussions about grandfather clauses for people like her who started this in good faith. When she signed up, there were no inspections or high fees. She has changed her life to make this work for her and has financially invested in renting her room. The new rules may not work for her. She asked Council to revisit the idea of grandfathering in people who have done this in good faith.

Kathy Pattenod, no address stated, said she had an Airbnb on Floral Street in Astoria. She's already paid for her license and is on the tax roll. People come to enjoy her place for their honeymoons, weddings, and anniversaries. She also has her Airbnb listed as a guest cottage, which she has owned for over 40 years now.



Her family and friends stay there, so it is not always Airbnb. She believed that \$500 for a license and a \$150 renewal fee was out of control. She shares a book with her Airbnb guests that features the restaurants, hiking areas, and festivals in Astoria. She is supporting Astoria. She is not a hotel. The hotels are owned by corporations, not by people who live here. She did not mind paying for the Fire Department to do an inspection because she has everything up to date, including three parking spaces. Her neighbors greet her guests and tell them how much they love meeting visitors. She did not understand why the City was getting so hard on the homestay owners. The regular Airbnbs pay as well, and homestay owners should be under the same umbrella. The ordinances are not community oriented.

John Ginder, 3679 Duane, Astoria, said the high fees would initially keep people from trying to offer short-term rentals. Nothing is reported to the Internal Revenue Service if rentals total 14 days or less. People could host for 14 days and make a little money to pay for the new jail and the school bond. This will affect homeowners, not out of towners doing an Airbnb industry. The homeowners pay property taxes and live in their homes. He could not imagine using this strategy to force a homeowner who might be less financially able. People can no longer rent short-term; they rent long-term or do nothing. The City is saying it knows what people should do with their extra room. He suggested the City bring somebody in, do an experiment, and find out who wants to have a stranger in their house for a whole year. With short-term rentals, even if guests stay for 14 days, they leave. Guests are not there 24/7, they do not bring friends over, and they will not get sick. Guests are here to have fun and see the sights so they do not linger. What if a long-term renter loses their job? Trying to evict someone from your home is different from evicting someone from an apartment. The eviction process is very difficult, so these ordinances do not do what the City wants them to do. A room in a house is not the solution. Housing needs to be built. The City cannot make a homeowner rent a room to someone who works in Astoria. The illegal operators will not buy a license or have an inspection. Astoria will be known for its illegal Airbnbs.

Richard Brackey, 112 Grand, Astoria, said he had one room with a private entrance and off street parking. Homestays and Airbnb have been around decades. Homestays provide a way to bring people in to the community rather than an impersonal stay at a hotel. He had many repeat guests who have anniversaries and birthdays. They like to come back for the personal experience and he brought a lot of money into the city. He had hundreds of reviews in his guest book, including one that stated, "We had a great time staying in your home on our first ever overnight visit to Astoria. Perfect walking distance to downtown, the Flavel House, the Column, etcetera, and because we stayed with you through Airbnb, we could afford to spend more money in the shops and breweries in town. We had so much fun trying all of the beers at Fort George Brewery and Astoria Brewing. The fish and chips at Buoy is not to be missed, according to my husband. I like the sea lions. It was so great to meet you." As a single person living in a house, if he has to pay more and more taxes and inspection fees, he would not make it. He had many questions, including why these ordinances were necessary. This felt like harassment and like he should not exist. People come to Airbnbs for a different experience and he wanted to continue for his survival and because he enjoyed pleasing people by giving them an alternative place to stay.

Diana Kirk, 281 W. Marine Drive, Astoria, said she owned Workers Tavern, affordable housing multiplexes, and two Airbnbs. When she worked at Osborne's grocery store in Cannon Beach during the summer of 1993, she lived in a Volkswagen van because she could not find housing. She believed the argument is that it is lovely for tourists to come and have a great time in Airbnbs, but as they spend money at local restaurants, those employees have no housing. The upstairs apartment in her property could still be Airbnbs. She was not sure though because she was still trying to figure that out. The property is in a commercial zone and she needed the apartments to be for month to month tenants. She has a nurse from the hospital, a barista, a biologist from the National Oceanic and Atmospheric Association (NOAA) who need a place to live. She appreciated that the City was trying to wrestle this problem into something tangible, but the fees are really high. Her liquor license for her bar is \$500. Her health license for her restaurant is \$400 and that comes with a twice a year inspection. The City has proposed \$500 for a license and then on top of that pay for an inspection by a third party. That is higher than both of her licenses combined. The price should be \$500 including the inspections. She wanted to keep housing for employees in town. She appreciated the City's efforts, but for some homeowners, the fees are two months of Airbnb rents during the middle of summer.

Kerri Hoagland, 3715 Irving Avenue, Astoria, said she sent an email to the Councilors late that afternoon. She started her Airbnb in May 2017. She came to the city to find out what she needed to do make it legal and was told she had to have off street parking, which she has. She has purchased a business license two years in a row and joined the Chamber of Commerce. She is an ambassador for the City of Astoria. She sends people to the restaurants and bars, tell them where the Column and Fort Clatsop is; she acts as a tour guide and promotes

tourism. She was offended because she has followed all of the rules, pays her transient lodging taxes on time every month, and has a business license, but no one notified her that these ordinances would be in front of City Council. She did not read the *Daily Astorian*, so she was not aware of this until someone handed her a newspaper with an article about the last City Council meeting. She understood people were renting Airbnbs illegally. Her rental is not intended for long-term rental and never will be. She can only take two people for short stays because the room is small. She has been doing this right and was not even notified. The fees are wrong and she believed the existing legal Airbnbs should be grandfathered in. She hoped City Council would take more time to think about this. She was not taking anything away from long-term housing because she would not do long-term housing. She was only renting a small portion of her house.

Luanne Farrar, 3520 Harrison, Astoria, said she had an Airbnb. She came to the City in June 2017 after her friends who visited asked why she did not advertise her room on Airbnb. She had her zoning and parking checked and everything passed, so she became licensed. However, when she looked online, there so many Airbnbs that she decided not to advertise online. She renewed her license in January and decided to advertise because it looked like things had cleaned up a little bit. She began advertising on January 14<sup>th</sup> and as of the end of November, she had 170 reservations in her home. She only rents her room to guests for one night in the summer when it is busy. Astoria is the place to stop for people traveling along the coast. She is present when people are in her home. She finds out what her guests want to do and helps them find places to go. The people who do Airbnb are exclusive to Airbnb because they like the comfort of a home and they are able to talk to people. She hosts a lot of women who will not stay in a hotel and only do Airbnb. She did not have a problem with 11 percent room tax because that is what she gives the City that gives her something to offer her guests. But, the costs are exorbitant and it feels like the City is chasing people out. Airbnb is a great company and they are easy to work with. Her site includes a picture of her license and states that her home is compliant with the City of Astoria for lodging and home stays. Guests who stay with her review her on several criteria including overall experience, accuracy, cleanliness, communication, the check-in process, location, and value. Hotels do not require their guest to submit those reviews.

Bob Muldine, 410 Lincoln, Astoria, said he was not opposed to Airbnb. When he purchased his house in an R-1 zone, he expected the zoning to remain R-1, not to have multiple people from different families living in the same home, people parking in the streets, and people who smoke on the front porches of rental units. The smoke ventures into his house area and there are no City, County, or State laws limiting second hand smoke. He urged City Council to consider R-1 zones. He did not want to prohibit Airbnbs or the City's fees, but he did want Council to consider those who live next to rentals, whether they are long-term or short-term.

Dwight Caswell, 457 Alameda, Astoria, said he was the pastor at Pioneer Presbyterian Church and he owned an Airbnb. He started the Airbnb several years ago when he was out of work and the Airbnb was a godsend. He believed most of the unlicensed Airbnb rentals did not meet the off street parking requirements. He did not understand why homestays were such a big problem. The City intends to get rid of Airbnbs, but without saying so. Two hours ago, there were only 16 properties in Astoria listed on Airbnb. Last summer, he heard the Council saying there were 70 to 100 properties on Airbnb. When you search for an Airbnb in Astoria over the summer you will get those numbers because the search will include Ocean Park, Cannon Beach, and other areas. The actual number in Astoria last summer was 44. He checked every one of those 44 properties and determined that only eight of them could be used for long-term housing. So, homestays are not a housing problem. There does not seem to be any problem with Airbnbs competing with hotels because developers are building more hotels. Bed and breakfasts and hotels do very well advertising on Airbnb. He did not understand who would benefit from the new laws, except for the corporations that own most of the lodging in Astoria who want to build more hotels and eliminate all of the competition. Airbnb harms no one and benefits many people who are without jobs and need to pay a mortgage. He asked City Council to reconsider the new laws and keep in mind that the City has not been able to enforce existing laws. The City has claimed it is financially impossible to enforce ordinances and has shown no interest in enforcement. So, the new regulations will only penalize the people who abide by the City's laws.

Kris Haefker, 687 12<sup>th</sup> Street, Astoria, thanked Planners Johnson and Ferber for their hard and sincere work. He believed everyone was trying to find a compromise and adequate housing. He did not have a problem with the licensing or paying lodging taxes. However, the lodging tax has increased about 30 percent in the past year between the County and the City. Some of that tax revenue could be used to find an actual compromise on the fees and pay for the inspections. He did not have a problem with enforcing the ordinances on houses and apartments because those are supposed to be for Astorians. He did not have a problem with third parties



collecting taxes because that would be more efficient for homestay lodging hosts. He did not have a problem with an identification number or with Astorians making money off of tourists. He believed home owners should have the choice to rent to whom they want and for as long as they want. He did have a problem with paying for inspections. A homestay lodging is only one or two rooms. This does not make a lot of money, just keeps homeowners in their homes. There are no parking requirements in historic areas when renting long-term or for large families. Imposing parking requirements on homestay lodging hosts is unfair. He did not have a problem with the owner occupancy or on-site manager requirement. The perception is that homestay lodgings take away from work force housing, but that is not realistic. Commercially zoned houses and apartments originally built for long-term housing cannot be used for short-term rentals. He did not believe houses and apartments in commercial zones lent themselves to good long-term housing. He would never want to sleep above a bar. He encouraged City Council to spend more time thinking through the ordinance and work towards a compromise.

LaRee Johnson, 1193 Harrison Avenue, Astoria, said she operated a traditional bed and breakfast in Seaside for five years and bought a four-plex when she moved to Astoria, which she has owned for 28 years now. She pays property taxes, votes, and is a good citizen. Her four-plex has small one bedroom units and no matter what she does to improve the apartments she can never ask for what she puts into them. The rent is limited by the small size of the apartments. She has had great tenants and does everything she can to meet their expectations. However, there have been half a dozen times when she was ready to sell the building. One tenant was a drug runner who would not allow access to the apartment. Two tenants were bi-polar men who scared her other tenants. The others paid rent late and always had an excuse. She and her husband visited friends in the United Kingdom and stayed in an Airbnb in London because the cost of a hotel was over \$250 in 2016. The Airbnb was three blocks from the tube and the host was gracious. The room was as pictured and as described. She stayed for two nights at \$85 per night. This is true all over the world. Astoria has specifically referred to Airbnb, but there are 10 to 12 online homestay platforms. Some homestays will fly under the radar because the City does not know about them. When she drove around the community, she could not determine who was a homestay and who was a resident because there is no signage. The opportunity to stay in a homestay is great for Astoria's guests. Property owners are giving their hospitality and are ambassadors to the businesses in Astoria. If homestays are taking so much business away from the corporate hotels, then more corporate hotels do not need to be built on the riverfront.

Unidentified Female Speaker said she has owned her home for 40 years and she pays very high property taxes plus a high transient tax. If she did not have Airbnb to supplement her retirement she would not be able to live in Astoria.

Unidentified Male Speaker said if the City inspects short-term rentals, the long-term-rentals should be inspected as well. Putting someone in a basement without an egress window is okay if they stay for a year, but not for two days?

Mayor LaMear closed the public hearing at 7:50 pm and asked Staff to respond to the public testimony.

City Manager Estes explained that most of the public testimony was opinion and the proposed ordinances were based on City Council's direction to Staff.

Contract Planner Johnson added that the proposed Codes would make enforcement easier on Staff. If parking is not available, applicants can apply for a variance to get an exception from the parking standards. The Code allows existing nonconforming uses that are permitted to remain as long as the homestay is owner occupied, provides parking or has a variance. The Code also includes some grandfathering provisions.

Mayor LaMear called for Council discussion and deliberation.

Councilor Nemlowill said she believed the people who spoke made some really good points. Her support of the ordinances was not meant to hurt Astorians. She was thinking about the long-term for Astoria and what can benefit the most people. The current process for homestay lodgings does not require any permitting and this makes it easy to disguise whole home, non-owner occupied, short-term rentals and other illegal short-term rentals as homestay lodgings. The ordinances are necessary and she fully supports them. She was not surprised that everyone who spoke had a financial interest in homestay lodgings. This happens any time a city tries to adapt new rules that restrict short-term rentals of any kind. The collection of good meaning hosts equates to a larger scale industry. The short-term rental industry hurts other industries that provide jobs for Astorians.

The lack of housing for workers inhibits economic development. Astoria's limited housing stock must be preserved for workers. Sometimes just a room or a portion of a home would do. A local should never have to compete with a tourist for a place to rent. She was in favor of the ordinances because they would limit illegal vacation rentals, allow the City to recoup the cost associated with licensing homestay lodgings, and help preserve housing for Astorians. She hoped Astoria could keep its character and that the neighborhoods remained residential with year-round residents. She wanted to stop the proliferation of short-term rentals and keep the market rates at what Astorians can afford. Home prices are driven up by people who purchase second homes in Astoria and rent them out to tourists when they are not in town. The City has spent two years working on these ordinances and she fully supported them.

Councilor Brownson said he had been thinking about the fees. He asked people to remember that the fees are for two years, not one year. The City is actually asking \$250 per year for the initial permit. He proposed that existing legal homestays be considered a renewal when these ordinances are implemented, which would cost \$150 for two years. He believed Mr. Haefeker's suggestion to use transient room taxes to pay for inspections was interesting, but he believed that would result in hotels wanting their transient room taxes to pay for their inspections as well.

Planner Johnson confirmed the permit fees were for a two-year permit, so the inspection would only need to be done every two years. She had estimated the average costs to the City. In some cases, the permitting process will be so simple that the costs will be less than average. However, other more complicated cases will take much more time and cost more. The City must have set fees or charge applicants by the hour, so Staff cannot charge sliding fees. Charging by the hour can be complicated and can result in higher fees.

Councilor Price stated she fully supported the ordinances and she agreed with Councilor Nemlowill. Astoria City Council is not the Congress in Washington D.C. This is a very complex and lengthy Code amendment that Staff has worked on for over three years. She quickly counted 12 reports in the newspaper since April 2016. The City has hosted several work sessions and she had written about this many times on her blog. Facebook posts have been made by a number of people, as well as radio news items, and long production pieces. There has been ample opportunity for businesses to stay in touch with changes that might be coming to their businesses. City Council enacts changes, fees, and rules that affect businesses in many ways and notices are not sent out to all of the businesses that might be affected. It is the businesses' obligation. The owners of homestays are great guests and she was sure Astoria was a great place to have an Airbnb. But that is why the City needs to limit them. Additionally, the bed and breakfasts are great hosts to Astoria, too, because they also send guests to Astoria's restaurants, bars, and galleries. Most of the hotels in town also have marvelous managers. No one has a lock on being a great guest or a great host. The fees are in line with other fees throughout Oregon and are probably a little bit less. Some fees may seem lower because they have not been raised in a number of years. She did not know the last time the liquor license was increased. Several times over the past few years, this Council has raised fees because they had not been raised since the 1980s. She wanted to keep Astoria a unique experience and it is empirically clear that limiting short-term rentals is a way to do that. She believed Mr. Haefeker raised a good point about parking. Parking on land and on the river is a problem in Astoria. However, the parking variance can be easy to get. Very few people have driveways and garages, so maybe a future Council could take another look at that. She hoped Council would pass this set of amendments.

Councilor Jones stated he respectfully disagreed with the premise that these short-term rentals take away from permanent housing in Astoria. He did not believe the City should pursue these ordinances for the purpose of increasing permanent housing because it will have a marginal effect on the housing market. Protecting hotels from competition never came up during City Council's discussions; the hotels can protect themselves from competition. He did agree that short-term rentals should be regulated and he appreciated that some of the nonconforming homestays that are legal would be grandfathered in. He asked why applications submitted mid-year would not have a full 24 months before the first renewal.

Planner Johnson explained that tracking each anniversary date would be very complicated for Staff. Most permits are billed once a year instead of once a month. However, City Council could direct Staff to charge prorated fees or require renewals upon a minimum of 24 months.

Councilor Jones confirmed the two-year reinspection would fall in line with the permit renewal, not because Staff had decided safety issues would begin occurring at two years. He believed it was an oversight that notices were not sent out. Considering the size of the fees being proposed, it would have been prudent to send out a written

notice to people who currently have a business license to operate a home stay. Although, this has been published publicly in many forms. One person said she rented out her room for 170 nights per year. At \$50 per night, that totals \$8,500 a year. So, he believed the fees were relative. He saw one room online that was being rented for \$120 a night, so the room would have to be rented for about 6.5 nights to make up for the \$800 in fees. He did not believe the fees were too onerous, but could be burdensome to someone who only rented a room for 30 nights per year. If there was Council support, he would suggest easing the burden somewhat by requiring the safety inspection every four years instead of every two years.

Councilor Brownson would agree to a four-year inspection, if the inspectors believed that was a reasonable timeframe. He asked Councilors to comment on his proposal to process existing homestays as renewals.

Mayor LaMear asked how much the homestay license was currently. Planner Johnson said the City does not currently have a license. Homestay owners must pay the occupational tax and get a business license, which is \$35 for one person, and they must collect and pay to the City the transient room taxes. If they do not have the required parking, they would have to apply for a parking variance. If they are located in an R-1 zone, they must go through the conditional use process, which is \$500.

Mayor LaMear understood that the renewal fee was \$150 per year. City Manager Estes clarified Councilor Jones has proposed that people who currently have a legal homestay and are fully compliant with transient room taxes and their business license should be treated like a renewal when the ordinances take effect. Those individuals would pay \$150 and the inspection fee.

Mayor LaMear said she agreed. She asked Fire Chief Curtis and Police Chief Spalding to comment on inspections every four years.

Chief Curtis said Airbnbs are not normally classified as businesses. Under the Oregon Fire Code, businesses are inspected annually. With more occupants in a structure, more changes can occur to that structure. The inspections are an opportunity to educate the public about what needs to be done. Most deaths in fires occur in homes, so his opinion is that four years seems a little long. An inspection every couple of years would be more reasonable.

Councilor Jones stated he would defer to Chief Curtis's judgement and withdrew his recommendation.

Mayor LaMear did not believe the homestays had that much of a relationship to the affordable housing problem. The City has a lot of other ways to solve the housing problem and she respectfully disagreed with Councilors Price and Nemlowill on that perspective. She believed the homestay lodging license fee seemed high and recommended an initial fee of \$400 and a \$200 inspection fee. However, the renewal fee of \$150 did seem reasonable. For someone who is just starting a business to have to pay \$500 plus all of the other fees involved is onerous. The City is trying to get people to be more compliant with the laws and that is what this is all about. Those who do not get a license will face some problems. The ordinances are necessary, but she wanted the fees to be reasonable. She empathized with people who were trying to make a living in Astoria, which is not easy.

Councilor Price clarified that she never stated short-term rentals detract from affordable housing, although maybe somewhat; they just take housing away. She agreed with Councilor Brownson's suggestion to allow the grandfathered in units to come in at the renewal rate of \$150 every two years. She believed \$500 was fine for new businesses.

Councilor Nemlowill believed Councilor Brownson's proposal made sense and she was okay with grandfathering in all of those who are currently complying with the homestay lodging rules.

Councilor Jones also agreed with Councilor Brownson's proposal.

Mayor LaMear confirmed there was no interest among the Council to lower the \$500 fee. She called for the second reading of the Homestay Lodging Ordinance.

Planner Ferber conducted the second reading of the ordinance.

**City Council Action:** Motion made by Councilor Price, seconded by Councilor Jones, to adopt the Homestay Lodging Code Ordinance. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Planner Ferber conducted the second reading of the Transient Room Tax Ordinance.

**City Council Action:** Motion made by Councilor Nemlowill, seconded by Councilor Price, to adopt the Transient Lodging Tax Ordinance. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**City Council Action:** Motion made by Councilor Brownson, seconded by Councilor Jones, to adopt the Homestay Lodging Fee Resolution with the follow change:

Existing homestay lodgings business that already have transient lodging and occupational taxes registered and all necessary zoning permits shall be processed as renewals.

Motion carried 4 to 1. Ayes: Councilors Price, Jones, Nemlowill, and Brownson; Nays: Mayor LaMear.

**Item 7(b): Public Hearing and First Reading: Ordinance Modifying Multiple City Codes to Correct State Legislative Changes**

A recent audit of Oregon Revised Statutes referenced in the Astoria City Code revealed discrepancies that necessitate corrections as a result of changes made by the State Legislature. Some sections have changed and some have been repealed. A copy of the City Code Sections to be updated is attached. It is recommended that Council hold a public hearing and consider holding a first reading of the ordinances amending the City Code sections included in the memo.

Mayor LaMear opened the public hearing at 8:23 pm and called for public testimony. Hearing none, she closed the public hearing at 8:24 pm.

**City Council Action:** Motion made by Councilor Brownson, seconded by Councilor Price, to conduct a first reading of the ordinance modifying multiple City Codes to correct State legislative changes. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Director Brooks conducted the first reading of the ordinance.

**Item 7(c): Recology: Modified Rate Request Effective January 1, 2019 for Solid Waste Collection and Transfer Station Activities**

The City's Franchise Agreement with Recology requires them to render financial statements and a rate review of the Solid Waste Collection Franchise and Clatsop Transfer & Disposal Station which was completed in May, 2018. A memo from Carl Peters, Recology General Manager outlines challenges experienced during the current year which are contributing to higher expenses than originally anticipated which would be outside the Operating Ration Range and would allow for rate adjustments.

Carl Peters, General Manager will present information associated with the modified rate request and is available for questions and comments.

It is recommended that Council consider the attached resolution which includes the 5.85 percent increase as proposed, to be effective January 1, 2019.

Carl Peters, General Manager, Recology, gave a presentation on Recology's community outreach, the market collapse for recycling, and policy options for the proposed rate increase. He provided background information about the company and employees, partnership programs with the City and organizations in Astoria and Clatsop County, and improvements to Recology's services and programs. He shared details about recent changes in recycling exports and the recycling market, explaining how those changes have increased expenses and decreased revenues for the entire industry. He described steps that Recology has taken to minimize the impacts of these market changes and reviewed options for moving forward in the new market conditions. He provided



details on Recology's proposed rate increase and noted that if approved, no further rate adjustments would be requested before 2020.

Councilor Price asked how anything was being recycled with China only accepting a market rate of 0.5 percent of the total recycling that is sent to them.

Mr. Peters said recycling is sent to Malaysia, Indonesia, and Thailand. He noted that three to five percent contamination was reasonable, so half a percent in one bale would be just one item.

Councilor Price believed other countries would follow China's lead soon to provide a better environment for their citizens. She asked if Recology had started advising customers on how to stop using so much plastic. She also wanted to know if Recology was encouraging grocery stores and other businesses to change their packaging.

Mr. Peters confirmed that Recology had a role in educating customers and encouraging best practices. Their bag ban is a great place to start. Recology recently hosted a zero-waste event for its employees so that the company could become better practitioners. They are partnering with businesses that are already sustainably minded, but things like bag bans and encouraging bulk buying will be difficult to implement. Recology takes their responsibility seriously and wants to help people use less instead of helping people figure out where the recycling goes.

Councilor Nemlowill said it was great to hear that Recology was employee-owned. She was glad the City was working with Recology. The City just provided Recology with a lot of additional business picking up garbage for the Parks Department. Additionally, the City purchased some pilot recycling receptacles which were placed in parks. However, the bins do not look like recycling vessels. The bins do not have any pictures on them letting people know what they can put in the containers, so she did not believe the pilot program to encourage recycling in parks would be very successful. She asked if Recology could help educate park users about the recycling bins.

Mr. Peters stated Recology would work with Parks Staff to figure out how to get some educational materials on the bins. The design of the bins is great because they prevent people from reaching in and pulling stuff out. The bins make it easy for people to recycle and he wanted other cities to use them.

Councilor Nemlowill believed composting was great because it could be done locally; it reduces waste at the landfill, and provides good soil. Throwing food and other organics in the trash creates methane gas in the atmosphere, which is a known contributor to global warming. However, putting food and organics in the yard debris container prevents the methane gas. She like the idea of Recology getting into the schools to educate people about what should go in the trash, but she was concerned about the effectiveness of promoting ideas through billings, mailings, and on a website. She understood there were only so many communication tools available, but preferred something more tangible like a countertop composting container. She was glad Recology was offering more sizes for containers. She asked if Recology could offer a more regular pickup schedule for compostables.

Mr. Peters explained that a schedule has not been completely mapped out yet, but the schedule would be very simple and clear, so that people can get into a rhythm.

Councilor Nemlowill was glad that Recology promoted the plastic bag ban. It seemed like City Council supported the ban as well, but there was a concern about the Staff time necessary to draft an ordinance. She did not believe drafting an ordinance would be too complicated, but Staff just had a lot going on with limited resources. She asked if Recology would consider drafting an ordinance for Astoria.

Mr. Peters did not believe he was the best person to draft laws for a city, but he could send something to Staff to review.

City Manager Estes suggested City Council discuss a plastic bag ban ordinance in the coming months.

Councilor Brownson understood the need to keep up with costs. However, this rate increase would be tough on the citizens. There have been a number of fee increases over the last year, but this is necessary. The rate increases will also be an incentive to create less garbage. Paying for solid waste collection is the tax we pay for

the packaging that we use. He supported the rate increase and was glad that smaller containers would be offered.

Mayor LaMear stated she was in support of the cost adjustment after seeing what a huge hit Recology has taken from the new market conditions.

**City Council Action:** Motion made by Councilor Jones, seconded by Councilor Price to approve the resolution to increase Recology's rates for solid waste collection and transfer station activities by 5.85 percent, effective January 1, 2019. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 7(d): Discussion Regarding Replacement of a Vacant Ward 4 City Council Seat in 2019**

Mayor Arline LaMear has requested that Council discuss announcing the upcoming vacant Ward 4 City Council Seat and the potential replacement process.

The City anticipates a vacancy on the City Council after Mayor-Elect Jones, current Ward 4 Councilor, is sworn in as Mayor on January 1, 2019. The City Council will need to determine how to fill the vacancy either through appointment or through setting an election.

The new City Council, which takes office in January, would make the decision how to proceed with appointment or election. However, it has been suggested that the current Council initiate the process to secure names of Ward 4 residents who would be interested in filling the remainder of the Ward 4 Council term from January 2019 through December 31, 2020.

It is recommended that City Council determine whether to initiate the process of accepting applications from those interested in filling the remainder of a vacant Ward 4 Councilor term beginning in January 2019.

Councilor Jones stated he contacted Councilors Elect Herman and Rocka, and Councilor Brownson. All four of them agreed that a special election would be very time consuming and that the application process should be started now. He supported the application process and timeline recommended by Staff.

**City Council Action:** Motion made by Councilor Jones, seconded by Councilor Nemlowill to initiate the process of accepting applications from those interested in filling the remainder of a vacant Ward 4 Councilor term beginning in January 2019. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)**

There was none.

**ADJOURNMENT**

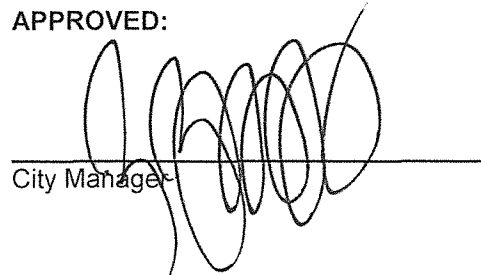
There being no further business, the meeting was adjourned at 8:11 pm.

**ATTEST:**



\_\_\_\_\_  
Finance Director

**APPROVED:**

  
\_\_\_\_\_  
City Manager