

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

Councilors Present: Nemlowill, Jones, Price, Brownson, and Mayor LaMear.

Councilors Excused: None

Staff Present: City Manager Estes, Community Development Director Cronin, Parks and Recreation Director Cosby, Finance Director Brooks, Fire Chief Ames, Deputy Police Chief Halverson, Deputy Police Chief Halverson, Public Works Director Cook, Library Director Pearson, and City Attorney Henningsgaard. The meeting is recorded and will be transcribed by ABC Transcription Services, Inc.

### REPORTS OF COUNCILORS

**Item 3(a):** Councilor Nemlowill reported all three of the schools experienced threats that resulted in lock downs. She has three children in school and found the situation difficult. The Police Department used to have a school resource officer and she believed the position should be filled again. She recommended revenue from the local marijuana tax be used to fund the position. There are people who believe the money should be used to fund the Parks Department, but she believed the money should go towards a school resource officer at least part time. She wanted someone focused on school safety, preparation for threats, and disaster preparedness. Additionally, she did not believe the schools were completely prepared for a natural disaster.

**Item 3(b):** Councilor Brownson reported that City Council participated in a leadership class at the high school and it was a great opportunity to engage with the youth.

**Item 3(c):** Councilor Price said she hoped the marijuana tax provided enough revenue to provide at least one more officer for the Police Department. She reported that almost daily over the last month, she had received information from people being harassed by transients on the Riverwalk and downtown. This is a difficult problem and it is being discussed at the Astoria Downtown Historic District Association (ADHDA) meetings every month. She knew that the Police Department was doing everything it could and asked the community to do the same. She suggested people report anything that happens to the Police by calling their non-emergency number. She frequently volunteered at the Warming Center during its first year and got to know the local homeless population. The people causing problems are travelers and transients who are not treating residents and visitors with respect. She also recommended that businesses join the property watch program that the Police Department recently started. Everyone has to be part of this effort because the Police Department has a lot of work to do.

**Item 3(d):** Councilor Jones thanked the Police Department and school administrators for their excellent responses to the incidents that occurred.

**Item 3(e):** Mayor LaMear reported that she attended the Ships up the River event held when Naval ships head up the river for Fleet Week. Sailors from the USS Bunker Hill attended the Elks Lodge, where the Maddox dancers and the princesses performed. City Council attended the high school's panel discussion in a leadership class. It was fun to hear what questions the students had. She also attended the Astoria Music Festival and the Scandinavian Festival.

### CHANGES TO AGENDA

There were none.

### CONSENT CALENDAR

The following items were presented on the Consent Calendar:

- 5(a) City Council Minutes May 30, 2017
- 5(b) Arts and Cultural Program Grant Approval – Promote Astoria (Finance)

- 5(c) Community Organization Grants Approvals for Distribution (Finance)
- 5(d) Promote Astoria Funds Agreement for Professional Services with Astoria-Warrenton Chamber
- 5(e) Promote Astoria Funds Agreement for Professional Services with Astoria Downtown Historic District Association (ADHDA) (Finance)
- 5(f) **Agreement for Professional Services with Clatsop Economic Development Resources (CEDR)**
- 5(g) ABC Transcription Services, Inc., Contract Renewal (Finance)
- 5(h) CSO Program Modeling Support Contract for Professional Services Renewal (Public Works)
- 5(i) Fuel System Replacement Project Final Pay Adjustment (Public Works)

City Manager Estes stated that Pamela Mattson-MacDonald had requested Item 5(f) to be removed for further discussion.

**City Council Action:** Motion made by Councilor Price, seconded by Councilor Brownson, to approve Items 5(a), (b), (c), (d), (e), (g), (h), and (i) of the Consent Calendar. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 5(f): Agreement for Professional Services with Clatsop Economic Development Resources (CEDR)**

Pamela Mattson-MacDonald, 1561 Exchange, Astoria, stated that a building at the corner of 16<sup>th</sup> and Marine Drive had been abandoned for more than a year and young adults now hang out there. She has called 911 a couple of times. She said Donna and Tracy Black had been advised by CEDR to invest their life savings in the building, but they walked away when their project failed. This does not reflect well on CEDR as a reliable advisor. She did not believe CEDR knew very much about the restaurant business. Citizens and CEDR say Astoria needs more breweries and distilleries, but she believed there were enough considering the size of the city. Tesla is looking for parts manufacturers in areas outside of California. The solar industry is booming everywhere because roof systems do not require land space. Companies are expanding to export worldwide from Astoria's port. She asked that Council creatively problem solve the City's economic sustainability and consider CEDR's mistakes carefully.

Kevin Leahy, 3560 Irving Avenue, Astoria, Executive Director of CEDR and Clatsop Community College Small Business Development Center (SBDC), stated the Black's were clients of the SBDC. It is up to each business owner to make decisions about how to run their businesses. CEDR and SBDC provide confidential and no-cost advice, but they do not tell a business what to do. SBDC served 145 clients over the last year that were in various stages of business development, from pre-venture to closing. It is unfortunate that the Black's closed their business, but the decision was theirs.

**City Council Action:** Motion made by Councilor Price, seconded by Councilor Jones, to approve Item 5(f) of the Consent Calendar. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**REGULAR AGENDA ITEMS**

**Item 6(a): Public Hearing (A17-01) and First Reading – Advance Astoria (Community Development)**

The Comprehensive Plan is a land-use planning document that describes how the city will grow and develop over a twenty-year horizon and addresses twenty statewide land-use planning goals, including Goal 9 – Economic Development. The City Council adopted a FY 15-16 goal to "promote positive economic development through strengthening partnerships." The "Advance Astoria" initiative is in direct response to this goal that also provides an opportunity to update the Comprehensive Plan. In October 2016, Advance Astoria was launched with a public event at Fort George Brewery Lovell Showroom. A public hearing was held on May 23, 2017 with the Planning Commission to consider amendments to the Comprehensive Plan Chapter 190-210 and a "Future Industrial Sites" map. After considering the findings of fact, and public testimony, the Planning Commission recommended approval to the City Council on May 23. A public hearing before the City Council has been noticed for June 19. It is recommended that the Council open the hearing and take public testimony. If Council is in agreement, the Council can hold a 1st reading of the Ordinance.

Director Cronin and Elliot Weiss of Community Attributes gave a Power Point presentation on Advance Astoria, the City's five-year economic development strategy. The presentation included a review of the funding sources, research and public involvement processes, and changes to the Comprehensive Plan and maps that would implement the strategy.

Mayor LaMear thanked the citizens' advisory committee that worked on the Advance Astoria project. The strategy is comprehensive and clear.

Mayor LaMear asked if anyone objected to the jurisdiction of the City Council to hear this matter at this time. There were no objections. She asked if any Councilor had a conflict of interest or ex parte contact to declare. There were none. She explained the procedures governing the conduct of public hearings to the audience and advised that handouts of the substantive review criteria were available from Staff. She opened the public hearing at 7:28 pm and called for testimony in favor of the application.

Patrick Wingard, 4301 3<sup>rd</sup> Street, Tillamook, Department of Land Conservation and Development (DLCD), said the Advance Astoria strategy had been very well crafted. An economic development specialist in Salem commented that it was the best plan he had seen. The significant public involvement was second to none, as it resulted in meaningful dialogue with citizens and stakeholders. All of the State's requirements for an economic opportunities analysis were met. He was excited about the recommended amendments to Comprehensive Plan Section 2.03 (Page 96 of the Agenda Packet) to reconsider any over supply of water dependent land for alternative uses that are consistent with target industries. This will provide the foundation for the City to move forward with a targeted industry strategy.

Jim Knight, No. 10, Pier 1, Astoria, Executive Director of the Port of Astoria, congratulated Director Cronin and his team for putting the strategy together. At times, the process was like herding cats in a Scotch tape factory. The Port and many new stakeholders had the opportunity to participate in planning the future of the community and create a new vision for Astoria's economic development. It was beneficial to have a new set of ideas from people who were not encumbered by the history of Astoria giving input. It was also beneficial to have participants who were blessed by knowledge of Astoria's history. This strategy impacts several properties that the Port is involved with. Marine and seafood processing industries are primary components of the Port's work with the community. It is wonderful to see the positive change in the relationship between the Port and the City. He appreciated the opportunity to be involved and speak his mind about how to accomplish the betterment of the community. The implementation process will be remarkable and he was proud of the strategy.

Kevin Leahy, 3560 Irving Avenue, Astoria, said CEDR has always worked closely with the City of Astoria and other cities in Clatsop County. The Advance Astoria initiative is unique because it considers important clusters of business opportunities in the City. The craft brewing and fermentation business is growing fast. Training for high wage jobs is important and the maritime industry has huge opportunities for growth. Microenterprises attract younger people to Astoria and high-speed internet allows people to work from anywhere. Seafood processing is unique to the community and is Astoria's foundation. CEDR has always taken an active position. He commended Staff and the citizens' advisory committee for working so hard on the strategy and he looked forward to working with the City on implementation.

Mayor LaMear called for testimony opposed to the application.

Fred Bone, 824 35<sup>th</sup> Street, Astoria, said that Lois Island, just off of Tongue Point, was not singled out for any use. The county has the opportunity to build a deep water port for containers. No more containers are coming in to the ports anymore because of a dispute with the unions. However, if City Council, Clatsop County, and the Port of Astoria began working on resolutions to put in a deep water port, Lois Island could be dedicated as a container port. The State could approve legislation requiring all dredge spoils be dumped on Lois Island for a future container port. Fifteen years ago, Los Angeles was sending 20 trains a day, each with 100 cars, to the interland. Each car held two boxes and Los Angeles charged \$200 per box, totaling \$800,000 a day to take boxes off the boats and put them on trains. That amount of money would solve a lot of Astoria's financial problems and the City should start working on this right now.

Director Cronin believed Lois Island was outside of the city limits and the urban growth boundaries. He recommended Mr. Bone speak to Mr. Knight about the deep water port.

Mayor LaMear closed the public hearing a 7:42 pm and called for Council discussion and deliberation.

Councilor Jones thanked the team that worked on the strategy. He also thanked Mr. Knight for representing the Port as a partner in the community. This strategy will be an ongoing process and Advance Astoria will be responsive to emerging opportunities. He hoped the partnerships developed during this process would continue into the future because those partners will be implementing most of the strategies with the City's help.

Councilor Price asked how oil production in offshore Alaska and California could significantly affect Astoria's economy. She also wanted Staff to respond to language in the ordinance referring to Astoria's highly seasonal workforce.

Director Cronin explained that language referring to oil production was added to the Comprehensive Plan about 20 years ago and he was unsure of its intent. City Manager Estes added that the seafood industry has always been seasonal.

**City Council Action:** Motion made by Councilor Brownson, seconded by Councilor Nemlowill, to conduct the first reading of the ordinance adopting Comprehensive Plan Amendment A17-01, the Advance Astoria Economic Development Strategy. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

Director Brooks conducted the first reading of the ordinance.

**Item 6(b): Second Reading and Adoption of Vacation of a Portion of the Alley Abutting 3115 Harrison and Adjacent Lot (Public Works)**

The City has received a request from Larry Haskell, for the vacation of a 20 X 100 foot portion of the alley that abuts his property at 3115 Harrison (Tax Lot 8099CA10000) and also his undeveloped lot (Tax Lot 8099CA10100) on the south side of the alley, Lots 6 & 7, Block 63, Port of Upper Astoria. Mr. Haskell would like to obtain the square footage necessary to potentially construct a duplex on the property.

Per City Code 2.290 Authority to Make an Assessment, staff calculated the real land value using the County Assessor's land value for properties surrounding the portion of alleyway and calculating an average per square foot value of properties as \$6.87. As has been the past practice of the City, staff is proposing that an assessment of \$1,374.90 (10 percent) of the real land value (\$13,748.99) be considered for the vacation of 2000 square feet of the alleyway.

At their meeting of June 5, 2017, the City Council conducted a public hearing and first reading of the ordinance. At their meeting of June 5, 2017, the City Council conducted a public hearing and first reading of the ordinance of vacation. It is recommended that the Astoria City Council conduct the second reading, and consider adoption the ordinance to vacate of a portion of the alley that abuts 3115 Harrison.

Mayor LaMear stated she voted in favor of this request at the public hearing, but after visiting the property, she planned to vote against it. The property is in a landslide area and although it is platted as an alley by the City, it is definitely someone's driveway.

Councilor Price agreed and said she voted against the request at the public hearing for the same reasons.

City Manager Estes confirmed the area to be vacated is not a driveway. He displayed a map and explained the area to be vacated was located to the south of an existing house. The driveway lead out to the street. The City's historical landslide map shows that the area to be vacated is not within 100 feet of a known slide.

Councilor Brownson supported the request because he had faith that Staff was capable of ascertaining whether the property is safe to build on. The review process is very thorough and the City has very good information about landforms. Mitigation will be required if there is any doubt about development.

Councilor Jones stated that since Staff has expressed no interest in future utility of the land, he believed it was appropriate to vacate the property. If the owner wants to do anything with the land, he will have to go through the permitting process.

Councilor Nemlowill said she agreed with the concerns of the neighbors and did not support the request.

Director Pearson conducted the second reading of the ordinance.

**City Council Action:** Motion made by Councilor Brownson, seconded by Councilor Jones, to approve the ordinance granting the vacation a portion of the alley abutting 3115 Harrison and an adjacent lot. Motion failed 2 to 3. Ayes: Councilors Jones and Brownson; Nays: Councilors Nemlowill, Price, and Mayor LaMear.

**Item 6(c): Liquor License Application by Bumble Art Studio LLC, doing business as Bumble Art Studio, located at 230 10<sup>th</sup> Street, for a New Outlet for a Limited On-Premises Sales License (Finance)**

A liquor license application has been filed by Chelsea Mattingly for Bumble Art Studio LLC doing business as Bumble Art Studio. This application is a New Outlet for a Limited On-Premises Sales License. The appropriate departments have reviewed the application and it is recommended that Council consider approval of the application.

Councilor Nemlowill declared a potential conflict of interest because her husband owns Fort George. Bumble Art Studio is not a client, so she believed she could vote.

**City Council Action:** Motion made by Councilor Price, seconded by Councilor Brownson to approve the liquor license application by Bumble Art Studio LLC. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 6(d): Liquor License Application by Astoria Hospitality Venture LLC, doing business as Astoria Riverwalk Inn, Located at 400 Industry, for a New Outlet for a Limited On-Premises Sales License and an Off-Premises Sales License (Finance)**

A liquor license application has been filed by William Orr and Chester Trabucco for Astoria Hospitality Venture LLC doing business as Astoria Riverwalk Inn. This application is a New Outlet for a Limited On-Premises Sales License and an Off-Premises Sales License. The appropriate departments have reviewed the application and it is recommended that Council consider approval of the application.

Councilor Nemlowill declared a potential conflict of interest because her husband owns Fort George. Astoria Riverwalk Inn is not a client, so she planned to vote.

**City Council Action:** Motion made by Councilor Jones, seconded by Councilor Price to approve the liquor license application by Astoria Hospitality Venture LLC. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 6(e): Lien Foreclosure Approval Resolution Request (City Attorney and Community Development)**

Long-term code enforcement efforts have failed to yield an appropriate and acceptable response from the owner of 4867 Birch (Leroy Olvey) in the Alderbrook neighborhood. Through repeated written notices, warnings, citations, collections attempts, declarations as a nuisance property, and assigned liens, the City has taken all available steps to have the property owner abate the nuisance violations. The owner has failed in each case to correct the violations or respond to the written notices sent both certified and regular US mail. Staff has tried repeatedly to visit the owner at his known residence over the last two years. Beginning in 2014, the Municipal Court has levied fines totaling \$58,500.00. The City Attorney filed a lien on real property and requested payment in February 2016 that has not resulted in any action. The first action requires City Council approval, be made by resolution, and be entered in the electronic lien docket of the City. This approval is required by City Code section 5.726 (A). It is recommended that the Council consider adoption of the resolution to resolve a longstanding code enforcement issue.

Councilor Price confirmed that Staff's efforts to speak with the property owner were unsuccessful. Director Cronin added that the owner's only response was threatening letters to the City.

City Manager Estes verified that 4867 Birch was the correct address because the recommendation portion of the Staff report misstated the street address.

Mayor LaMear confirmed there were no public comments.

**City Council Action:** Motion made by Councilor Jones, seconded by Councilor Price, to adopt the resolution approving a lien foreclosure on 4867 Birch. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 6(f): End of Fiscal Year Budget Adjustment Resolution (Finance)**

ORS 294.463 provides guidance for the transfer of appropriations within a fund, when authorized by resolution of the governing body.

At the time the budget was originally appropriated, the Personal Services included appropriations for an Aquatic Center Coordinator but it was later approved to hire an Aquatic Center Supervisor. This amount along with required hours to operate the pool requires additional appropriations for the Aquatic Center in the amount of \$ 100,000. Appropriations are available in Parks Operations - Maintenance due to anticipated expenditures, which have not been incurred.

Based on analysis it is estimated the budgeted transfer from the General Fund to Parks Operation Fund is sufficient for the current fiscal year operations.

Additionally, a transfer within the General Fund is required for \$ 7,000 to the City Manager Department in order to cover costs associated with retirement of the Executive Assistant. At the time the budget was originally prepared and then adopted the additional expenditures associated with retirement of a long-term employee were not anticipated. Funds are available within the Municipal Court budget for this transfer.

It is recommended that Council approve a resolution transferring appropriation of \$100,000 from Parks Operations - Maintenance to Parks Operations - Aquatics within the Parks Operation Fund # 158 and transferring appropriation of \$ 7,000 from Municipal Court to City Manager within the General Fund # 001.

**City Council Action:** Motion made by Councilor Nemlowill, seconded by Councilor Brownson, to approve the year end transfer for Fiscal Year Ending June 30, 2017. Motion carried unanimously. Ayes: Councilors Price, Jones, Nemlowill, Brownson, and Mayor LaMear; Nays: None.

**Item 6(g): Discussion to Implement Parks and Recreation Fee (Parks)**

During the June 5th City Council meeting, City Council directed staff to prepare an ordinance and resolution to implement a \$3 per water meter Parks and Recreation Fee for residential customers. This item is on the agenda to allow citizens to provide comment on this matter and also allow Councilors to dialogue about implementation of a Parks and Recreation Fee. Staff will be prepared to discuss this issue and answer questions from City Council.

City Manager Estes gave an overview of the current budget constraints and financial issues in the Parks Departments, noted Staff's efforts to mitigate against the effects of the budget issues, and reviewed past discussions about Staff's recommendations for making the Parks Department more sustainable, which led to City Council's consideration of a water meter fee. He gave a detailed description of how the water meter fee could be implemented and enforced and said Council would need to decide on a methodology. The fee could be charged per meter or per unit. Council was also considering an increase to the Transient Lodging Tax and he explained that State laws dictated how that revenue could be spent. Staff was in the process of developing a list of items that might be funded by the Promote Astoria Fund with the goal of presenting both the water meter fee and lodging tax increase to City Council simultaneously in July. This would allow for a full review of the total amount of revenue that could be generated by both fees, while considering what percentage of an increase in the lodging taxes would allow the City to achieve its funding goal.

Mayor LaMear called for public comments.

Roger Lindsey, 631 33<sup>rd</sup> Street, Astoria, confirmed that Parks part-time mowing staff were started at minimum wage with an increase to \$9.75 per hour after 30 or 60 days. He objected to the arbitrary increase on the bill of an essential City service based on the following:

- Imposition of a fee that is precedent over the underlying cost billing for an essential service without the consent of the customer base is undemocratic and arbitrary.
- The budget shortfalls of an unrelated department outside of Public Works and the essential services that Public Works provides should not be attached to the Public Works billing. The current billing structure of the Public Works Department reflects the actual cost of essential services that are provided by the Public Works Department.
- The proposed precedent of arbitrarily attaching unrelated fees to an essential service billing incurs the introduction of many financial risks for present and future homeowners and business owners. If this action is undertaken, a future City Council could impose much more extreme and arbitrary fees on essential services without the consent of citizens.

An alternative strategy would be to balance the budget of the Parks Department within the Parks Department. Divide the services of the Parks Department into the following categories: grounds maintenance that uses trustee crews from Clatsop County Sherriff's Office and divests of any properties of no productive value; essential local services like the Aquatic Center, community gardens, and child care; revenue-enhancing events based on tourism. Put out a request for proposals for organizations to create events, activities, and attractions in a revenue sharing agreement to access and manage City of Astoria resources to generate income that will support essential local resources. Revenue enhancement by outside providers is recommended based on the theory that the City of Astoria is a destination attraction and should be managed from this perspective.

Chuck Meyer, 555 Irvington, Astoria, said he has run swimming pools in Ohio, New Jersey, Wisconsin, and Tapiola. Parks and recreation is a core value that makes Astoria a nicer city than most of the other places he has lived. Short shifting the department of services and employees is a bad decision for any city. He was in favor of the water meter fees, even though he was on Social Security. He understood where police, fire, roads, and other city services came from. The proposed fee is only \$3 per month and most people spend more than that on coffee every morning. Forty years ago, he and his wife took CEDR's first small business class and his business lasted 31 years. Much of his business's success was based on the class. Their children took swimming classes and earned their lifeguard card, they played sports, and have used almost every park in the city. He fully supported the fee and hoped Council approved it. The Parks Department is one of the most positive departments the City has.

Skip Hauke, 92732 Deer Valley Road, Astoria, believed City Manager Estes' idea to package the fee with the tax was a great idea. However, he would like City Council to consider a tax increase of less than three percent because a three percent increase would make Astoria's tax the highest on the coast. Warrenton's tax is 12 percent, but that includes tent camping and trailer spaces. Visitors might not ask what the tax rate is when checking in to a hotel, but they ask what the total cost would be. Tour groups will judge the city on room tax rates. He believed an increase of 1.5 percent would raise about \$300,000 per year. Astoria's room tax revenue is increasing by about \$200,000 a year and the money will build in the fund. Seventy percent of new room tax revenue is supposed to be spent on tourism and 30 percent is supposed to go into the General Fund. However, since 1988, the exact language used states "no less than 70 percent." The City can put the entire increased amount into the Promote Astoria Fund. He believed the City had been too conservative. He did a lot of research on how other cities are spending their room tax revenue on tourism. Swimming pools, parks, athletic fields, and sewer systems are being funded. Astoria's Riverwalk could be funded. The original document gives the city a lot of leeway.

Judy Woodward, 562 Kensington, Astoria, said she believed the parks and recreation facilities in Astoria were very important, but she objected to unfair fees and taxes. An additional \$3 per month charged to a single person household is not fair when a multiperson household is also being charged \$3 a month. Council did not want to double bill business owners, so businesses are out of the picture. However, Council did not seem concerned about double, triple, or quadruple billing single person households compared to multiperson households. The \$3 Parks and Recreation tax will be twice as much as the six percent CSO surcharge on her water bill. If the City must add a tax to the water bill to fund parks that do not have a connection to Public Works or her water bill,

make it fair by basing the tax on water usage. Do not expect a single person household to subsidize the operations and maintenance of the Parks Department for multiperson households.

Loretta Maxwell, Grandview Bed and Breakfast, 1574 Grand Avenue, Astoria, said she preferred the \$3 monthly fee over an increase in room taxes, which would make the total taxes charged to a room almost 14 percent. Los Angeles charges a 14 percent room tax, but Astoria is not Los Angeles. When making reservations, she is often asked if she charges room taxes. People are surprised when she says yes because Oregon does not charge sales tax. She must explain that room tax is different from sales tax. Occasionally, people will choose not to make a reservation. She believed 14 percent in taxes was quite a jump for people traveling on a limited budget. When the room tax rate was changed to two percent several years ago, hoteliers and bed and breakfast owners were told the tax would fund a convention center at the Red Lion. That never happened and several people in the hotel industry felt they were cheated.

Chester Tribuco, 19823 83<sup>rd</sup> Place W, Edmonds, WA, said for the last two years, he has spent 95 percent of his time in Room 145 at the Red Lion. He applauded Staff for reaching out to the hoteliers by private interview to gain their perspective on what an increase in room taxes would mean. He spoke with Councilors Brownson and Price about the proposed tax increase. He explained that he opened a hotel in 2003, when the average daily rate for a hotel room was \$49 in Astoria. It was very difficult to get an appraisal that would lead to funding for the Hotel Elliot at that time because there was not enough infrastructure to support tourism. Last week, the honeymoon suite at the Red Lion was rented for six nights at \$399. His guests visit the Garden of Surging Waves, the Riverwalk, and the Trolley, so he supported a room tax increase. However, he believed hotels would suffer from a three percent increase. He suggested City Council consider previous programs and try to figure out what happened with those dollars. Running a hotel is less difficult now that it used to be thanks to support from the Chamber of Commerce and the City. It is a great time to be a hotelier in Astoria and he would not have any problems participating in a positive discussion about how to make sure room tax dollars are spent appropriately.

Fred Bohne, 824 35<sup>th</sup> Street, Astoria, said he believed the greatest obstacle to economic development in Astoria was the high taxes, fees, and regulations. He did not believe the City should consider Staff's proposed life raft funding scenario.

Daryl Moore, 3377 Grand Avenue, Astoria, said he had been a vocal opponent of the fee on Facebook and he appreciated the Councilors who responded to his posts. He would be happy to pay additional taxes to keep parks going. However, he did not support a regressive tax masquerading as a fee on the utility bill. He understood the City could not raise taxes. The State would not allow a tax on the utility bill and the City already charged the maximum amount of property taxes, which restricts the City's taxing authority. Three dollars means more to some people than others and he believed there were other significant problems with the fee, which he outlined in a five-page letter he sent to Councilors via e-mail. Some of the points in his letter had already been addressed by City Manager Estes, but he hoped Council could find a permanent solution without continuing the short-term stopgap measures that just postpone the problems.

Norma Hernandez, 92335 Youngs River Road, Astoria, said she believed some people did not understand the connection between a water fee and the Parks Department. However, the entire community is connected. It would not make sense for only sick people to fund raise for hospitals or for only artist to raise funds for the arts. The Parks Advisory Board has requested this fee with a sunset so that it would not last forever. This will be a temporary community fee. We all have to help each other and if the Public Works Department can help the Parks Department now, there will be a time when the Parks Department can help another department. The fee is not capricious; it will keep the community healthy with exercise, swimming, and other activities. The Parks Department is for everyone.

Mayor LaMear reminded that the City has a utility assistance fund that provides relief for people who have difficulty paying their utility bills. She believed the fund had money left over last year and encouraged people to apply. Director Brooks added that the assistance is in the form of a credit that is applied twice a year. Applicants must provide documentation to show their income is under the program's limit. The credit is based on the number of people in the household and any late or shut-off fees are waived. Mayor LaMear believed many citizens were not aware of the program and recommended the *Daily Astorian* do a story about it.

Councilor Jones thanked City Manager Estes for summarizing over 12 hours of conversation. All of the Councilors have received a lot of communication from residents and he has been inspired by the passionate



conversations that people have had on both sides of the issue. He believed parks and recreations facilities and programs were a key part of what makes Astoria so attractive. All members of the community benefit from parks and recreation, even if they never step foot inside a facility or participate in a program. He explained how he met a couple of visitors on Cathedral Tree Trail and invited them to stay in Astoria for lunch. The server benefited from the tip that couple left. So, everyone in Astoria benefits, even those who do not directly use the facilities. Based on the history of budget changes and changes to park programs over the years, he believed it was reasonable to impose a \$3 per month fee on Astoria households. As stewards of the taxpayer's resources, Council wants to collect that fee in the most efficient way possible. Creating a new billing system for the parks system would cost a lot of money. Collecting the fee through the Finance Department's existing billing processes for sewer and water is the most efficient and most cost effective. Unfortunately, adding the proposed fee to the utility bill has emotional and political implications because they question the connection between Parks and water. The opinion that people who use less water should pay a lower fee is based on the misinterpretation that there is a connection between the fee and water usage. He understood putting the fee on the water bill created false perceptions, but reminded that the fee would be added to the water bill because the water billing system is already in place. A senior citizen in the community brought to his attention that condominiums and large apartment buildings have only one shared water meter. He was unaware of this when he voted in favor of the fee at the last meeting and thought each household would be charged the fee. He believed this was a problem and preferred that Staff figure out how to impose the fee on all households instead of water meters. However, he was concerned that collecting that data could take six months and cost \$50,000 or more. He asked Staff to let Council know if charging the fee to each household was feasible. He no longer supported the business exemption because many business owners do not live within the city's limits.

Councilor Nemlowill said she did not support the fee. The only increase that should appear on a water bill is for cost increases to providing water to the citizens of Astoria. She and her family use parks and recreation almost every day. As a member of the Parks Master Plan Advisory Committee, she believed she was very educated on Parks and Recreation issues, which are very complicated. She had some ideas, but did not know what the answer was right now. The transient lodging tax increase is a good route because it is justifiable to invest in the infrastructure that benefits the tourism economy. Visitors and residents use parks and recreation. Residents already pay for parks and recreation through high property taxes, passes to the Aquatic Center, and fees for fitness classes. After paying all those fees, she would still be willing and able to pay another \$3 on her water bill, but she believed the fee should be voluntary instead of imposed on residents. She believed people would pay more than \$3 if given the option. She also agreed that both residents and businesses should pay the fee if it is approved.

Councilor Price thanked City Manager Estes for being so clear about the necessity of the life raft scenario and why Staff supported it. She preferred the fee be charged per meter because the process would be simpler than charging each household. It would be easy for the Finance Department to add a line item to every meter, but an audit would be necessary to determine individual units. However, charging each unit would bring in more revenue. Implementing the Parks Master Plan will require several fees, transient room taxes, and other funding mechanisms. She believed Staff should present a package to Council in July so that an appropriate percentage could be determined for the transient room taxes.

Councilor Brownson said this situation is very difficult. He respected the citizens' opinions, but noted the negative rhetoric was unnecessary because there was no malfeasance going on in the City. He supported Councilor Price's idea to charge the \$3 fee as long as it was temporary. A temporary fee would give Council time to figure out how to make the Parks Department sustainable for the long term. The goal of the life raft scenario is to fund a \$425,000 deficit. He did some calculations that included cutting Port of Play, drop-in childcare, adult sports, the wellness campaign and other programs, which only added up to \$120,000. The fee would bring in another \$115,000 and a 1.5 percent increase to the room taxes would total \$200,000 at the most. He believed the life raft scenario was the most equitable and sustainable way to make up the deficit. City Council will have to think about what the Parks Department should look like because the City has limited ways to raise funds. He did not believe a bond measure would pass and the City cannot raise taxes. He believed Council should determine which programs were assets, consider consolidation of programs and properties, and consider selling properties. While selling some of the properties would not save much on annual maintenance, it would put properties on the tax rolls that helps fund parks. Temporary deficit spending is an option as well. People are not making enough money, so they are working too many hours. The City needs to fix this. He supported the \$3 fee and believed it should be charged to all residential units and businesses. He has heard a lot of support for the fee and hoped

Staff could come up with a good package. As a Councilor, he was committed to working hard with the City to make a sustainable city.

Mayor LaMear asked who paid the water bills charged to shared meters. City Manager Estes said in the case of condominiums, a condominium association might pay one water bill for the entire building. He did not know if the association sub metered to individual units or divide up the bill in some other way. It is possible that a landlord could just add \$3 per month to the rent. Some condominiums in Astoria have one meter per building while some have one meter per unit.

**City Council Action:** Motion made by Councilor Price seconded by Councilor Jones, to direct Staff to present a package on an increase to transient room taxes and a \$3 per unit parks fee charged to residential and commercial units on July 17, 2017. Motion carried 4 to 1. Ayes: Councilors Price, Jones, Brownson, and Mayor LaMear; Nays: Councilor Nemlowill.

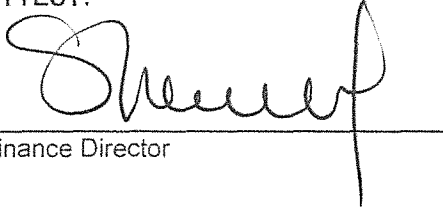
**NEW BUSINESS & MISCELLANEOUS, PUBLIC COMMENTS (NON-AGENDA)**

There was none.

**ADJOURNMENT**

There being no further business, the meeting was adjourned at 9:04 pm to convene the Astoria Development Commission meeting.

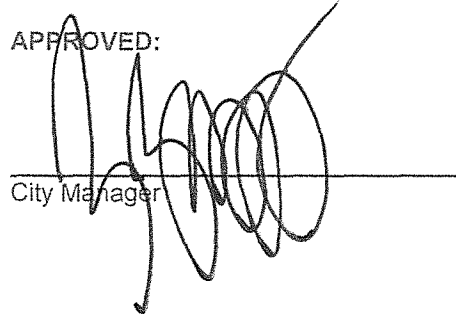
**ATTEST:**



\_\_\_\_\_

Finance Director

**APPROVED:**



\_\_\_\_\_

City Manager